



## Improving employment services in 2009

February 2008

### Key Messages:

- ACE welcomes the opportunity to commence dialogue with the Rudd Government on ways forward for employment services broadly and the Disability Employment Network more specifically
- ACE welcomes the government's social inclusion policy and its recognition of the highly valuable contribution made by the Disability Employment Network – considered world's 'best practice' by many, particularly through its work with people who have moderate to severe disability
- DEN providers have achieved much over time and more could be done to equip people with disability to compete in today and tomorrow's labour market through careful consideration of existing barriers to participation
- Employment and related programs should be supported by an assessment and referral system which supports partnerships across providers and co-ordinated service responses which respond to jobseeker needs
- Voluntary participation is considered a key success factor in placing people with disability in sustained employment
- Government must carefully consider the impact of any proposed change to its 'service mix' on employers' future willingness to employ people with disability
- Broader and more comprehensive consultation should be undertaken by Government to determine ways forward for 2009
- ACE supports the maintenance of the specialist role of the Disability Employment Network (including specialist DEN providers) to ensure that jobseekers with disability continue to access the high quality support they require to secure and maintain work in the longer term.
  
- **Existing employment and related contracts should be extended by a minimum of 12 months in order to better plan future service models and purchasing arrangements in partnership with industry, drawing on an evidence base for change and piloting alternative approaches as appropriate. To this end, ACE recommends that an independent inquiry into disability employment services be conducted by the Productivity Commission.**
  
- **As a matter of priority, the sector should be advised as soon as possible as to whether the tender process and associated timeframes (as proposed by the previous government) will proceed,**

## About ACE

ACE National Network Inc (formerly the Association of Competitive Employment and known as ACE) is the peak body for Australia's Disability Employment Network (DEN).

The aims of ACE are to:

- represent the interests of members at a national level;
- identify opportunities to get a better deal for people with disabilities participating in the workforce; *and*
- educate employers and the public about issues of disability employment.<sup>1</sup>

In furthering its aims, ACE represents the interests of service providers to government and other stakeholders. It is particularly focused on:

- government policy in relation to disability employment;
- funding issues relating to the sector;
- barriers to workforce participation; *and*
- better ways to get people with disabilities real jobs.

ACE has an ongoing commitment to promoting the work done by the Disability Employment Network and enhancing the quality of industry practice. ACE is routinely consulted on issues affecting service provision and invited to sit on a range of government reference and working groups.

## About this paper:

The comments provided in this paper come in response to Minister O'Connor's recent request for feedback on how the employment services system could be improved in the lead up to and beyond 2009. This paper builds on work done by ACE during 2007, most notably our 'Disability Employment Blueprint Project: Principles and Practices' paper and should therefore be read in conjunction with that document.

ACE consulted widely with members and other stakeholders in preparing this response;

- *ACE National Board*
- *Member submissions*
- *Face to face meetings with members in Qld, NSW, Victoria and South Australia late January / early February 2008*

ACE considers that this paper provides a platform for ongoing dialogue with Minister O'Connor and DEEWR in the coming months.

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<sup>1</sup>

[www.acenational.org.au](http://www.acenational.org.au)

## **Introduction:**

The Disability Employment Network is deeply involved in trying to create experiences and opportunities for jobseekers with disability that other Australians take for granted. It is also committed to increasing the workforce participation rates of people with disability nationally and has seized the opportunities for growth arising from the former government's 'Welfare to Work' initiatives in recent years.

Many concerns have been identified however in relation to the current model of employment support for people with disability.<sup>2</sup> Policy changes made under the former government (for example, capped / uncapped DEN, employer demand strategies, Job Access, the Work Experience Program and increased resources for the Wage Subsidy Scheme and Supported Wage System) predominantly attempted to address single specific barriers rather than generate broad systemic change.

This paper will firstly provide some background to the Disability Employment Network. An overview of current industry issues will then be outlined, followed by an overview of some of the key barriers to increasing workforce participation for people with disability as expressed by ACE members over time. The paper will then seek to respond to the questions posed by Minister O'Connor in his recent correspondence to industry.

## **A brief history: the Disability Services Act 1986 and DEN**

In 1985, the report of the Handicapped Programs Review, *New Directions*, outlined a range of proposals for the improvement of services for people with disability. This review led to the enactment of the Disability Services Act of 1986 which included a set of guiding principles and objectives for service provision which are underpinned by social justice principles and remain in place today.

The Disability Services Act provides a legislative and funding framework for a range of disability services, most significantly employment assistance. Vocational Rehabilitation Services including CRS Australia, Business Services and the Disability Employment Network are all funded under the DSA to support jobseekers with disability. The associated 12 Disability Service Standards define the Government's requirements for service quality and are designed to directly link to each service's core processes and outcomes.

The first 'open' employment services for people with disability opened in the mid 1980s following the establishment of 21 'demonstration projects' around the

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<sup>2</sup> See for example, *Workability I: Barriers* and *Workability II: Solutions*, the interim and final reports of the Human Rights and Equal Opportunity Commission's National Inquiry into Employment and Disability. Both reports are available at [http://www.humanrights.gov.au/disability\\_rights/employment\\_inquiry/index.htm](http://www.humanrights.gov.au/disability_rights/employment_inquiry/index.htm)

country. These were initially established in response to 'mainstream' employment services not being equipped to assist jobseekers with moderate to severe disability into sustainable employment. There has been steady industry growth in subsequent years, with the client population increasing tenfold and job placement results being much stronger. Almost all of the original demonstration project sites are still in operation today and many have become some of our nation's most successful DEN providers.

Today the Federal Government supports a national network of approximately 240 specialist services that supports well over 60,000 people with disability make a very real contribution to the economic and social life of our community each year.

### **2009 and beyond – a lot done, more to do:**

The Disability Employment Network, with its long history, good practice and strong performance, is incredibly well placed to make a major contribution to increasing employment rates of people with disability. The sector has learnt many valuable lessons from its twenty plus years of experience. Highly specialised services today provide high quality assistance to jobseekers and workers with disabilities, helping them prepare for, find and keep jobs, whilst also establishing strong, often unique relationships with referring bodies and employers.

### **Strengths of the current employment services system:**

From a DEN perspective the following are considered important strengths and features;

- The Disability Employment Network has a 'clarity of purpose' that is founded on and supported by the intent, guiding principles and Standards outlined in the Disability Services Act
- The Disability Employment Network delivers to government a high performing network of dedicated and experienced professionals who 'love what they do' – enhancing the lives of people with disability everyday through inclusion in the open labour market
- DEN staff have high levels of qualifications, expertise and knowledge, often having invested in long periods of study to enhance their outcomes and practice with jobseekers, workers and employers. As a result of this, they know 'what works in work' for people with disability
- DEN providers have developed a range of strategic relationships over time with employers, schools, business services, mental health services, the VET sector, Centrelink, JCAs and others that act to strengthen pathways to work for people with disability
- Knowing what's being measured – ACE supported the increased attention on data collection in relation to DEN performance (including Health Check reports) and a stronger IT platform for the industry
- Case Based Funding (CBF) – generally considered an appropriate funding model for disability employment assistance. It was developed in partnership with industry over many years and generally complements the DEN service model. CBF was evaluated by DEEWR in 2007, with ACE contributing to

that review in the form of a submission outlining key opportunities for improvement. We look forward to receiving advice from DEEWR about the outcomes of the CBF evaluation in due course.

- The Disability Services Act 1986, quality assurance and the independent external audit process, each of which have supported DEN to continuously improve the quality of assistance provided to jobseekers, workers and employers over time

### **Current barriers:**

Again, from a DEN perspective, the following are considered barriers to increased participation for people with disability:

- High system complexity
  - *for Job Capacity Assessors*
  - *for jobseekers*
  - *for employers*
  - *for employment service providers*
- The high administration and compliance burden across both DEN streams – impacting on services' capacity to maintain a flexible 'person-centered' approach and develop innovative practice
- Inconsistent 'micro-management' of providers by government contract managers
- Inadequate service responses in rural, remote and regional areas. Current policy and funding models do not necessarily recognise the unique resourcing issues and service delivery challenges faced by service providers in these areas
- The treatment of voluntary and/or 'low work capacity' jobseekers and those 'at risk' of not securing employment under current servicing arrangements. Primary groups here are people with intellectual disability and psychiatric disability but also included is people with other episodic illnesses and conditions, in addition to people with other cognitive deficits including acquired brain injury
- The current performance monitoring model for DEN: the 'shifting goal post' approach inherent in the Star Rating System is seen as having negative impacts on the continuity of service provision to jobseekers and employers in the longer term -altering the focus of services from 'kicking goals' to 'watching the scoreboard'
- The compromising of 'natural pathways' to DEN assistance following the introduction of the Job Capacity Assessment process

### **What needs to change?**

The future provision of effective, sustainable and meaningful disability employment support is dependant on addressing a number of critical issues. The 'ACE Disability Employment Blueprint: Principles and Practices' document details a series of

recommendations for change which are consistent with its stated strategic and program principles (also outlined in the Blueprint). Addressing these issues will deliver greater value and outcomes, building on the strengths of current programme arrangements. In summary the issues are:

**1. Improve access: Remove the cap on the Disability Employment Network**

*“Available evidence suggests that less restrictive access to employment services might help to raise employment participation of people with disability currently outside the labour force<sup>3</sup>”*

**2. Measure demand: Establish a centralised waiting list for the Disability Employment Network (if the cap is not removed)**

**3. Remove the disincentives to participation**

**4. Retain specialist skills and knowledge**

**5. Ensure security of ongoing support**

**6. Reward sustainable jobs and career progression**

**7. Acknowledge that ‘one size does not fit all’**

**8. Acknowledge diversity of practice within DEN**

**9. Engage in constructive performance management**

**10. Acknowledge and maintain strategic relationships with referrers and natural pathways**

**11. Enhance partnerships with employers**

**12. Improve access: Getting the assessment process right**

**13. Improve access: Getting the eligibility process right**

**14. Reduce red tape**

**15. Facilitate access to other labour market programmes**

**16. A National Disability Employment Strategy**

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<sup>3</sup> OECD, *Sickness, disability and work: Breaking the barriers* volume 2.

## **Views on the effectiveness of employment programmes & services:**

ACE is unable to comment on the overall effectiveness of all employment and related programmes however **in addition to DEN** we recognise the need to have:

- *A mainstream labour market programme*
- *Assistance for people with complex needs that may not be disability related who are **not** ready to engage with the labour market*
- *Support for people who have disability or temporary illnesses / conditions that would respond to intervention*

ACE recognises the need for 'feeder' / 'enabling' programmes that do not necessarily have employment as their goal. Support programmes and rehabilitation programmes should not necessarily be employment focussed, but rather be dedicated to preparing jobseekers for mainstream employment services or the Disability Employment Network.

The role of DEN in this context is to provide eligible people with disability;

- Significant initial support to gain a job  
*and/or*
- Significant initial post placement support to become established in and retain a job  
*and/or*
- Significant indefinite or 'lifetime' support to perform to the level required to retain the job and / or to pursue career development opportunities

### ***Towards a model:***

ACE has developed a draft model of employment assistance for government consideration. It is underpinned by a series of principles we believe should guide the development of any proposed model for the future:

- *People with disabilities who want to work should have ready access to services appropriate to their needs, irrespective of perceived work capacity or incapacity<sup>4</sup>*
- *Services need resources to ensure the delivery of programs to meet the needs of their clients*
- *The number of people in receipt of the Disability Support Pension in long term sustainable employment can and should increase*
- *Government is responsible for delivery of the policy to make this happen*
- *Government should be held accountable for its achievements with DSP recipients*
- *The process of eligibility for service should be separated from income support assessment*

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<sup>4</sup> This principle is consistent with recommendations made by the OECD in 'Sickness, Disability and Work: Breaking the Barriers Vol 2', 2007, namely: "Employment services and support should be equally accessible for all persons assessed with reasonable employment chances." (p.167) and "More generally, therefore, employment assistance should be open to all groups of jobseekers, including those who do not qualify for benefits and who are not subject to any participation requirements (p. 153).

- *Caps should be removed so that everyone who is eligible is able to access an appropriate service<sup>5</sup>*
- *Dual pathways must be retained and direct registration strengthened*
- *In the context of lower unemployment and 'welfare to work' initiatives targeting more complex and multiple barriers to employment, more investment is required in 'enabling' programs which support people in becoming 'job ready'*

***About the draft model:***

The model proposed by ACE specifically seeks to ensure that voluntary jobseekers with disability gain access to the level of support required to seek and maintain work in the longer term. It also seeks to clearly define the roles and eligibility criteria for each type of employment and related programme, with the objective being to minimise service duplication and inaccurate referral patterns. Other strong features of the model include; providers having the capacity to cross-refer in the event that jobseeker needs evolve or change and jobseekers / workers being able to re-enter the system as their needs dictate (for example, career development / 'laddering').

In an effort to recognise the two primary groups of clients currently assisted by DEN (volunteers and those with mutual obligation requirements), two pathways within DEN are featured. A discrete pathway is established for voluntary participants in an effort to ensure they gain ready access to assistance. In order to further ensure the focus remains on delivering appropriate support to this group, the establishment of disability specialist departmental contract managers is recommended.

ACE acknowledges that not all voluntary clients would require long-term ongoing support, so an additional feature of the model would be to provide for workers to become independent and withdraw from program, again as individual needs dictate.

***About VRS and DEN:***

ACE acknowledges that presently there is confusion between VRS and DEN Uncapped, with the long term outcome potentially being a reduction in the effectiveness of both programmes.

The former government expressed strong interest in 'merging' the DEN and VRS programmes in order to establish a single disability employment assistance programme.

ACE considers that the merging of any type of employment programme signals significant change which must form the basis of much broader consultation with industry, as;

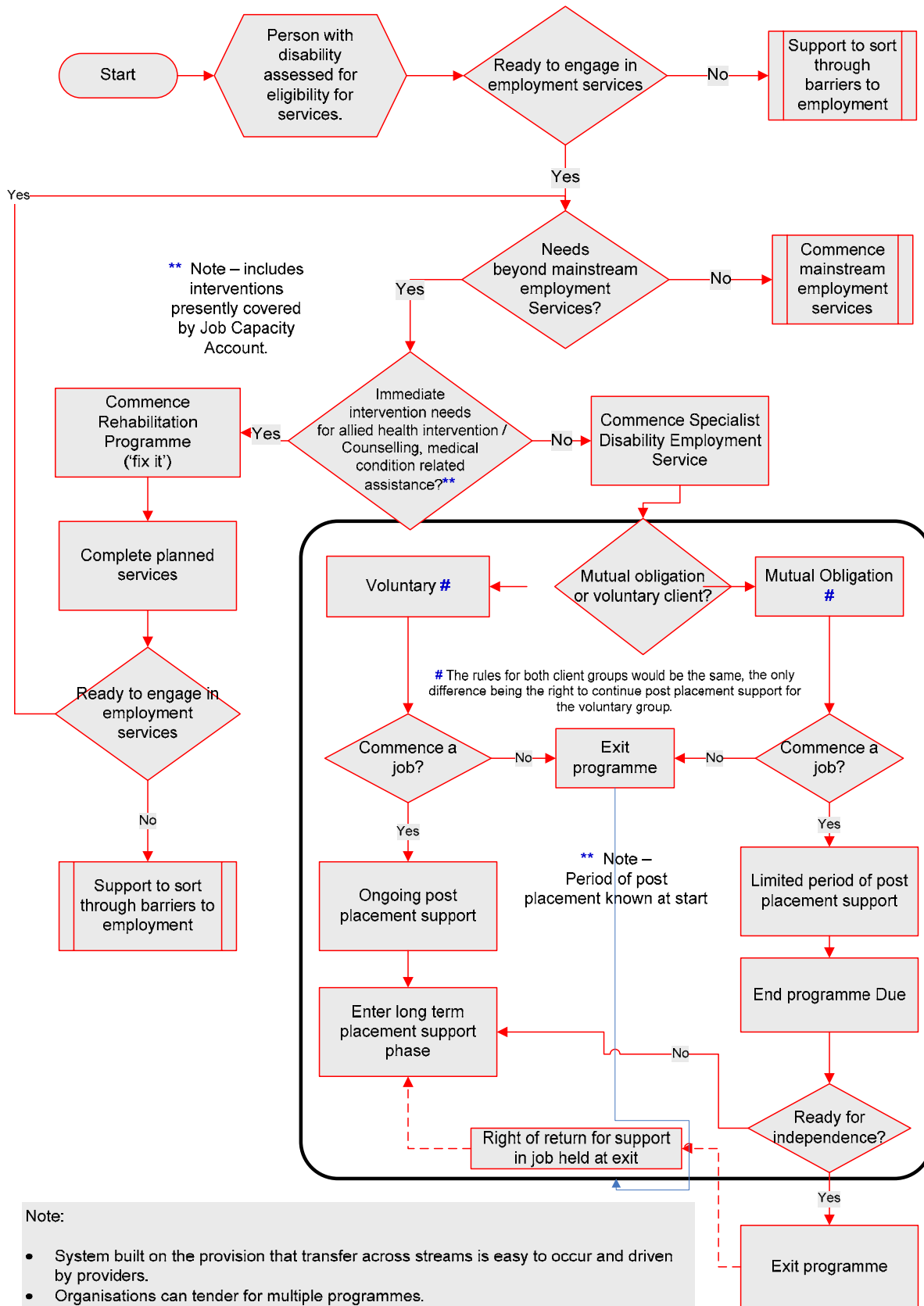
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<sup>5</sup> This principle is also consistent with recommendations made in the OECD report, *Sickness, disability and work: Breaking the barriers*, Vol 2, 2007.p. 153

- ACE considers DEN and VRS very different programmes in terms of their models, with a significantly different mix of staff skills sets and philosophies required in either program
- Improved and more streamlined assessment, referral and administration processes would achieve efficiencies more so than a rationalisation of programme types
- Consideration must be given to establishing policies which encourage providers to work with each other in complementary ways, recognising the specific function of and skill sets required to deliver each type of employment-related programme. Examples here include transition from business services, PSP, Job Network and VRS to DEN (and vice versa as individual needs dictate)

In the absence of any supporting information, ACE supports the maintenance of the specialist role of the Disability Employment Network (including specialist DEN providers). This will ensure that jobseekers with disability continue to access the high quality support they require to secure and maintain work in the longer term, whilst VRS continues to address barriers to work that are receptive to intervention.

***P.T.O for draft ACE model  
(it may take a few moments to load)***



### ***Future purchasing arrangements / tenders:***

In the context of the current tendering framework for DEN, ACE is of the view that it is not appropriate in a small market where successful placements are based on the development of often long-term relationships with clients, employers and referral networks and maintaining skilled and dedicated staff. ACE considers that;

- *Three-yearly tender cycles for employment services are considered disruptive, expensive and an inefficient use of limited resources*
- *Well-written tenders are not necessarily indicators of quality service provision*
- *Purchasing arrangements should provide for continuity and stability of support for jobseekers, employers and providers alike*
- *Purchasing arrangements should reward good providers that meet pre-determined performance benchmarks*

ACE has commenced work on developing alternatives to current purchasing arrangements, with one possible way forward being to establish panels of 'preferred providers' that are issued a 'licence' to operate as DENs. Successful licence holders would be required to meet strict selection criteria, including ongoing compliance with Disability Service Standards.

A 'preferred provider' approach would seem to mirror existing arrangements under DEST, where organisations tender to be 'preferred training providers'. Similar arrangements are in place for Job Placement Organisations under DEEWR, workers compensation providers and transition to work programmes in some states. This arrangement would be *in lieu of* the current tender & contract process.

This approach would require careful consideration and further discussion prior to adoption.

### **Recommendations:**

- Existing employment and related contracts should be extended by a minimum of 12 months in order to better plan future service models and purchasing arrangements in partnership with industry, drawing on an evidence base for change and piloting alternative approaches as appropriate. To this end, ACE recommends that an independent inquiry into disability employment services be conducted by the Productivity Commission.
- As a matter of priority, the sector should be advised as soon as possible as to whether the tender process and associated timeframes (as proposed by the previous government) will proceed

## **Achieving government's social inclusion objectives**

Achieving social inclusion for people with disability is the Disability Employment Network's 'reason for being', as outlined in key objectives of the Disability Services Act 1986, which aims amongst other things to;

- *assist people with disability to receive services necessary to enable them to work towards full participation as members of the community;*
- *assist people with disability to achieve positive outcomes, such as increased independence, employment opportunities and integration in the community*
- *promote in the community a positive image of persons with disabilities and enhance their self-esteem*

### **Early intervention:**

ACE supports the goal of addressing social exclusion through early intervention. The draft model for employment services outlined earlier in this paper provides for such support through the provision of individualised service provision and easy points of entry to the system as jobseeker / employer needs dictate.

Positioning VRS as the primary provider of allied health interventions may also provide increased opportunities to engage with jobseekers early on in their unemployment. Such an approach is also advocated by the OECD in its recent report; 'Sickness, Disability and Work: Breaking the Barriers Vol 2', 2007. Here the OECD suggests that more work could be done to prevent existing workers at risk of losing employment from entering the income support system;

*"In Australia and the United Kingdom, employment services are often not available before a person claims or receives income support...little is offered during the employer-paid sickness period...Early identification and support to both the employee and the employer are necessary to preserve labour market attachment." (Sickness, Disability and Work: Breaking the Barriers Vol 2', OECD, 2007, p.152)*

### **Engaging with jobseekers:**

With regards to engaging with jobseekers, one of the most significant factors contributing to employment success is working with motivated jobseekers. This factor was also identified as a 'key learning' in DEWR's own report into the outcomes of the 2004 / 05 Job Network DSP Pilot. As noted in the OECD report, "interventions which encourage and support beneficiaries to come off benefits and successfully assist them back into work are likely to improve health and well-being<sup>6</sup>". ACE strongly believes that removing the present disincentives will allow the DEN sector to assist many of the people presently outside of the employment market, including some of the 700,000 'grandfathered' DSP recipients.

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<sup>6</sup> OECD, Sickness, disability and work: Breaking the barriers, vol 2, 2007, pp. 160-161

There is strong reason to believe that if more people with disability simply knew what assistance was available to them they would voluntarily look for work, for as ACOSS indicated in a 2005 publication outlining myths associated with the DSP, employment programs were not comprehensively promoted amongst DSP recipients until relatively recently (ACOSS 2005).

### **Commonwealth / State Policy Issues and Barriers:**

The various State and Territory jurisdictions all have differing approaches to the delivery of disability services for people of post-school age. For many people with a disability, particularly those wishing to gain employment, the interface between various government funded disability programs and services is critical.

The hallmark of the relationship between the previous Commonwealth government and the States was typically one of little cooperation, rendering the CSTDA ineffective and without real meaning. There has also been a consequent increase in disincentives for a person to relinquish or 'leave' State funded support services (e.g. Day Programs), or transition from school to employment. State Disability Programs (e.g. Victoria's) have experienced an ongoing demand for non-employment related disability supports by people, who arguably could and should have the opportunity to be engaged in employment. Whereas in some other States, (e.g. NSW), the State funds specific 'Transition To Work' programs with appropriate measures that encourage and help young people to achieve an employment outcome.

Differing and inconsistent approaches with widely varying success rates is wasteful. With practical collaboration between the Commonwealth and States much better outcomes are possible, through simple, tried and proven, well-supported pathways to employment, even within the existing level resource allocations.

For people with disability who are able to work yet remain outside of the employment arena, they and their families/carers are 'fearful' of losing continuity of support (i.e. lack of 'safety net'). Combine this with the associated policy measures relating to income support and the perceived lack of certainty that employment in the open labour market presents and it is understandable as to why people are deterred from taking up employment. If we want more people to take the step into employment, people need to have the right to return to required alternative supports, in terms of direct services as well as income support, should employment not be successful.

Furthermore, in terms of best use of public monies, the chronic discrepancies between jurisdictions has no doubt caused an unwanted cost impact on governments and created undesirable pressure on limited resources. This is both uneconomical and a counter productive situation for all governments and people with disability.

A national Technical Assistance unit, as proposed elsewhere in this document, could play a valuable role in aiding governments, as well as relevant community based service providers, in the development of improved service systems and appropriate supported pathways for people with disability to gain employment.

For many people with a disability, particularly young adults, all these factors have caused serious disruption to the development of natural, rational pathways to employment. The current environment with a common type of government across Australia presents a unique opportunity to improve this situation.

***Individualised employment assistance:***

The Disability Employment Network is committed to individualised service delivery, a key underpinning principle of the Disability Services Act 1986 and the Disability Employment Blueprint Project.

ACE members consider that current employment program design and contract management policies advocate a 'one size fits all' approach to providing employment assistance. They are of the view that such an approach overlooks the distinct features of DEN and that this will not increase workforce participation for people with disability in the long term. They have called for a return to flexibility in service approaches and a far less prescriptive contract management approach from government, supported by a robust assessment and referral processes.

***Intensive assistance for higher levels of disadvantage:***

Whilst ACE acknowledges past government investment in the Disability Employment Network, we are concerned that DEN clients still do not have access to the full range of tools and resources that other disadvantaged jobseekers do, with the reality being that people with disability can actually gain access to more resources through less suitable programme options – for example higher wage subsidy amounts available through the Job Network (which provides a lower level of support than DEN). ACE suggests that these past imbalances are addressed in planning for the future.

ACE is also concerned that current drivers of disability employment policy are overly focused on working quickly to place people in 'any job'. ACE members are concerned that a 'quick' outcome is not necessarily a good or sustainable outcome and that there remains an ongoing need to 'invest' in jobseekers if we want to continue to see participation increase further over time. An increasing focus on quick placement alone is unlikely to be as effective as a dual focus on the adequate preparation of jobseekers<sup>7</sup>, responding to their barriers and the provision of appropriate levels of support pre and post-placement.

ACE members are also concerned that the current drivers of disability employment policy are overly focused on withdrawing post-placement support at the earliest opportunity. This is described by some as the 'get better' model – where there is an underpinning assumption in program design that the person's barriers to employment are addressed simply by securing work. This model does not necessarily reflect issues that emerge from life-long disability or disability acquired

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<sup>7</sup> Thomas, M. A review of developments in the Job Network, Australian Parliamentary Library, page 32

once in work. It also does not readily support career development opportunities for workers with disability as their skills, confidence and aspirations increase over time.

*“A person is not truly independent off the benefits system until they are in a job that meets all their personal needs. Job seeking support stops once a person is in secure employment and all efforts are directed at maintaining that employment whether it is the ideal job or not. It often takes 3-4 positions to find a career position that is suitable and which makes the jobseeker truly independent. People with disability especially need additional assistance with career ladder as they often face challenges and discrimination while positioned in the workforce”.*

*ACE member feedback*

### ***Increasing access to training opportunities for people with disability<sup>8</sup>:***

Education is considered a very important tool for capacity building and developing vocational options for jobseekers with disability, particularly as the links between disability and socio-economic disadvantage remain strong.

#### **Recommendations:**

1. Introduce an ‘Individual Learning Account’ for all jobseekers accessing government employment programs and ensure that its implementation is monitored and impact evaluated
2. Remove existing barriers to enter Disabled Australian Apprentice Wage Support (DAAWS) (for example, all people in receipt of / or who have passed the DSP impairment test or are DEN job seekers are automatically eligible)
3. Allow DENs to provide support to jobseekers whilst undertaking training without fear of the impact on their stars due to slowed outcome timeframes

An Individual Learning Account could be attached to the job seeker but administered by the employment service provider. Stringent guidelines would be established in order to ensure that training is strongly linked to employment-focused goals. The Individual Learning Account could also be used to assist with career progression once within a job.

Funding for an Individual Learning Account would need to be provided in addition to existing DEN service fees and support a range of training options; covering basic accredited courses such as licences through to certificate courses and tertiary study.

ACE would also like to see more recognition of the work done by DEN in the area of supporting apprentices with disability. Strategies are required which provide DEN with the flexibility to maintain limited contact with apprentices whilst undertaking

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<sup>8</sup> **Note:** ‘Training’ in this context is considered accredited / commercially available training (or equivalent). It is not on-the-job training generally provided by DEN.

study and provide support as required. Programmes such as the Australian Apprentice Access Programme (AAP) should be complementary activity and have guaranteed automatic return to a DEN programme once training is complete.

### ***A fair system of contract management and performance monitoring:***

ACE members believe many aspects of the current employment services contracts and performance management framework work against the successful placement of jobseekers with disability, particularly those most in need of support and assistance. Work completed by Professor Ian Marsh from the Graduate School of Government, University of Sydney in 2006 confirmed the very real nature of our concerns in this area, with a key finding being that providers believe their long standing commitment to good practice, collaboration and innovation have been compromised within the current performance management framework.<sup>9</sup>

Professor Marsh recommended that any performance management framework for the disability employment sector should be coupled with a program of 'technical assistance' to identify and develop best practice approaches in relation both to the needs of particular client groups and to the management of particular activities within provider organisations. This follows United States practice and is also wholly consistent with literature in innovation and continuous improvement.

### **Recommendations:**

- That government replace the 'relative ratings' approach in the DEN Star Rating System with an 'absolute benchmark' approach coupled with 'technical assistance' to enhance quality service provision and performance
- That data about access to the DEN program (and employment services more broadly) and its performance is made publicly available to support continuous improvement strategies
- That the department work in partnership with industry to ensure that the right mix of performance variables are being measured in order to support appropriate practice

### ***Assistance before red tape:***

ACE members have reported high levels of administration associated with DEEWR's approach to contract management, with some indicating it has increased three fold since the transfer of DEN to DEWR<sup>10</sup>. They also advise that staff morale is on the wane as more and more time is being diverted from assisting jobseekers to completing departmental 'paperwork'. ACE has also noticed a marked increase in the levels of staff turnover in the industry in recent times. ACE presently has a previously unheard of 20 job vacancies for Employment Consultants listed on our website. In the lead up to 2009 it is critical that government work in partnership with

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<sup>9</sup> Ian Marsh and Ben Spies-Butcher (2007) "Purchaser-provider relations and disability employment: Will the DEWR program framework undercut continuous performance improvement?" – in publication

<sup>10</sup> Additional member feedback on the cost of administration is available upon request

industry to achieve a better balance between managing risk, achieving outcomes and fostering innovation.

ACE is currently undertaking a comprehensive review with members of over-prescriptive departmental programme guidelines and excessive administration demands on providers. The outcomes of this review (including opportunities for improvement) will be presented to Minister O'Connor shortly.

Whilst this paper is primarily focused on what the employment services system should look like in 2009, there are numerous opportunities for improvement and issues that require more immediate and urgent attention. ACE will also present Minister O'Connor with our recommendations in this area shortly.

### **For further information:**

Please contact Lucy Macali, Chief Executive Officer