



## **STEPS DISABILITY QLD INC**

**Submission to the Minister for Workforce  
Participation on “Future Directions for  
Employment Services” in particular the  
DISABILITY EMPLOYMENT NETWORK**

## Executive Summary

The following recommendations outline STEPS views in improving the program for the benefit of participants' to obtain long term sustainable outcomes

1. **That the barriers be removed so that DEN's, Job Network and VRS providers can refer between programs without referring back to the JCA.**
2. **That all DSP participants have an automatic entry into the capped program if places are available without a requirement to be assessed by a JCA.**
3. **That the Job Capacity assessment process be removed and replaced by a system that provides for quality assessment over an extended period of time.**
4. **That star ratings be replaced with a performance management system that is transparent in its requirements, provides for recognition of the business cycle within organisations and has a long term (at least 3 years) strategic focus.**
5. **That the business reallocation process be transparent and based not only on performance but also compliance and quality of service on more equal terms. Recognition of the highs and lows of the business cycle should also be considered otherwise high performing organisation could be disadvantaged unintentionally.**
6. **That recognition in the program's processes be given to more than 4, 13, and 26 week outcomes so that time is allowed for the development of long term relationships with employers and participants.**
7. **That accredited training is accepted as an outcome for DEN's.**
8. **That the capped program be uncapped.**
9. **That the barriers to voluntary work for DSP participants be removed, in particular the requirement to place their pension at risk to volunteer for work.**
10. **That when computer systems are developed for programs, that as part of the brief, the impact on productivity for NGO's be considered.**
11. **That administration requirements be reviewed to minimize the impact on service providers.**

### Job Capacity Assessors

The introduction of the Job Capacity Assessor has introduced unintended consequences for the government.

High level disabled participants who are assessed at being able to work 30 hours or more are being directed to the job network when there are no places available on the capped program. Less disabled clients are being directed to the uncapped program. STEPS is often receiving anecdotal evidence that Job Network providers are trying to return clients' to DENS' but after an assessment get them back again.

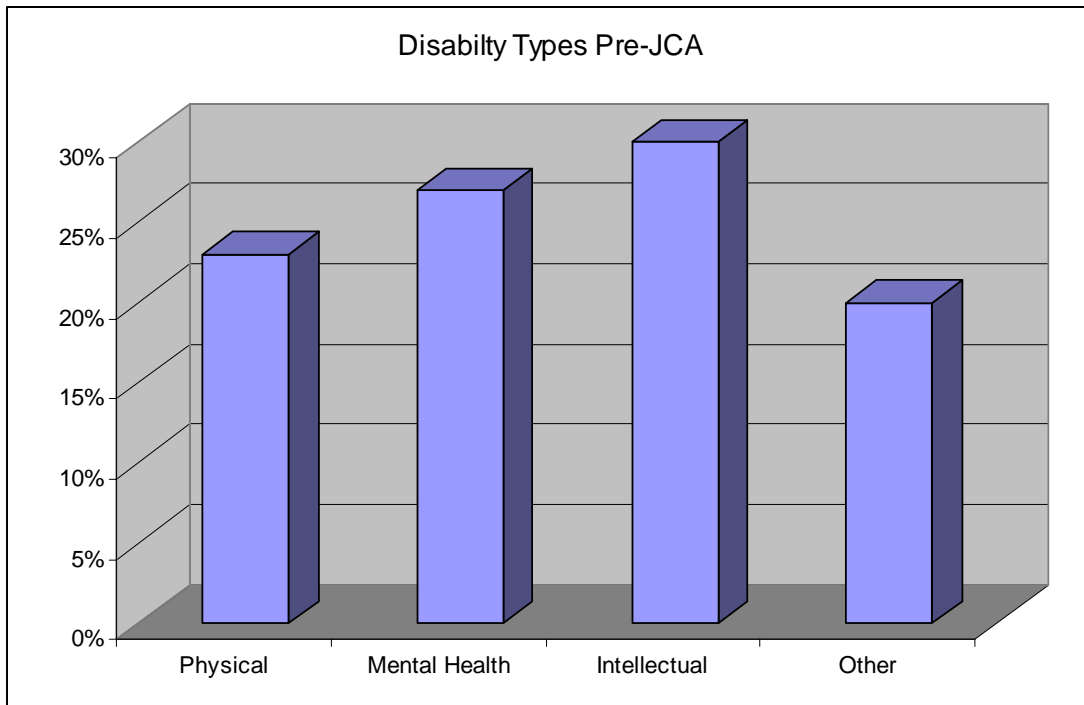
The whole referral process requires review to ensure the participant receives the correct service. The assessment takes about an hour and it is unreasonable to assess work capacity in this period. DEN's on average spend a minimum of 4 hours in assessment time in addition to the JCA assessment and often find hidden disabilities or unrecognized issues that have a significant effect on work capacity. This implies that many Participants are being referred to the wrong service.

I have personally sat through a JCA for my own son for a DSP review and I was shocked that the first question he was asked was how many hours was he working. This then translated into he would no longer be entitled to his DSP. When I raised an issue that he was on supported wage at 50% productivity, the JCA said that she had never had one like this and would have to investigate further. The guidelines do allow him to be classified as 0-7 hours because of the supported wage, so was entitled to retain his benefit. My concerns relate to the fact that the question was never asked by the JCA so a wrong determination could be made and if this determination had not being challenged he would have been referred to the wrong service.

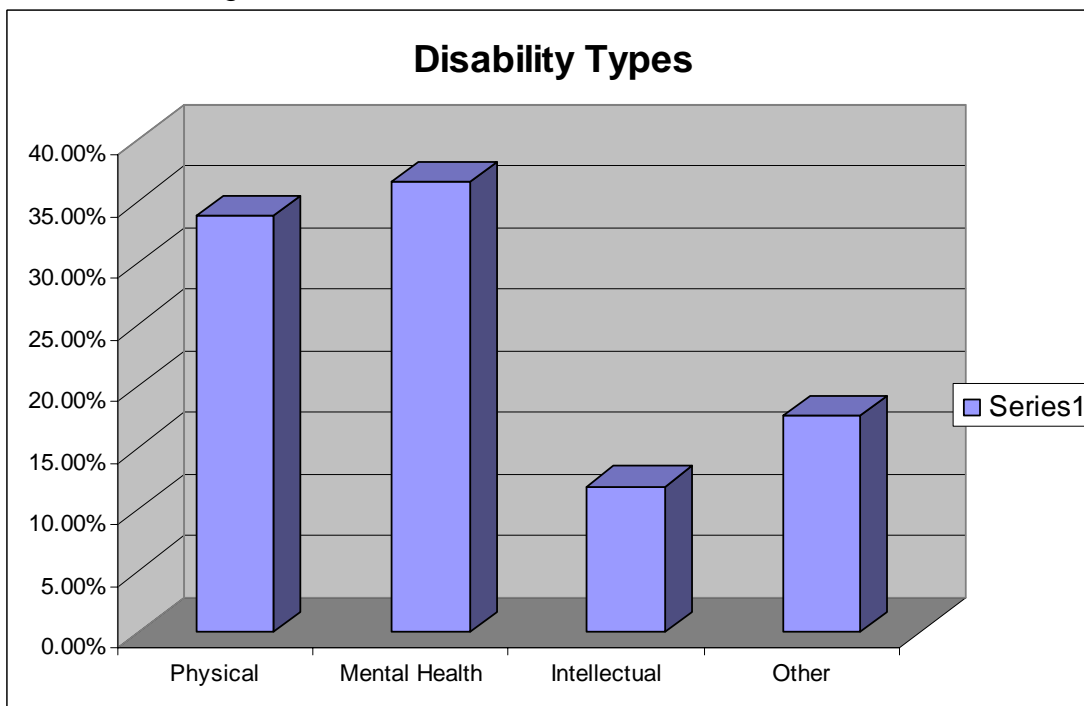
I am aware of at least one other case where the participant did have his DSP removed who was in exactly the same position as my son, This occurred because they were not aware that supported wage reduces the impact of working hours on a DSP determination.

JCA's often say to us that a particular participant should be on the uncapped program but the system will not allow it.

Our organization has received a marked change in type of disability being referred to it. Pre JCA, the client disability breakup was approximately 30% Intellectual, 27% mental health and 23% physical.



Post JCA the organization has



While these figures can be altered based on the disability classification and lack of accurate information pre DEWR it is evident that over the past few years the disabilities being picked up by the JCA process are being weighted toward physical and mental health clients. It also indicates that long term disabled clients (intellectual in particular) are reluctant to join the program, because of the risk of losing the disability pension.

**Recommendation: That the barriers be removed so that DEN's, Job Network and VRS providers can refer between programs without referring back to the JCA.**

**Recommendation: That all DSP participants have an automatic entry into the capped program if places are available without a requirement to be assessed by a JCA.**

**Recommendation: That the Job Capacity assessment process be removed and replaced by a system that provides for quality assessment over an extended period of time.**

### **Disincentive and Star Ratings**

The present system produces inadvertent disincentive for a service provider.

As an example a participant who is currently working on a supported wage of 50% and 15 hours per week as a tradesman assistant was offered the opportunity to do a prevocational Motor mechanic's TAFE course with the hope of his job becoming an apprenticeship if he could succeed. This would require 3 full days at TAFE and his employer allows him to work 8 hours on the Monday or Friday remaining.

Clearly this is a good outcome for the participant and assists in filling skill shortage areas. The disincentive to STEPS is that the organization is penalised firstly because as his income reduces, the star ratings are reduced for STEPS by 5% for this client.

Secondly, support in training is not considered Job Support even though it is directly related to his work so STEPS cannot provide the necessary support for the length of the course (19 weeks)

Other behaviours this organization has commenced is paying participants to bring in their proof of employment. This takes the form of \$100 fuel cards or other incentives. This would not be necessary if the evidence requirements were not so onerous. Participants are happy to tell us their hours verbally but find it difficult to approach employers for proof or at times even understand what they are asking for. Some Mental health participants view it as an invasion of their privacy and resist providing the information. Some request that we place the information in sealed envelopes and seal it in front of them and then they sign it to prove we do not pass on the information to any further parties.

DEEWR audits also request we supply a "variety" of evidence so while not requested in program guidelines STEPS often is required to supply a letter from an employer as proof on one occasion and then require payslips on another occasion. Other acceptable evidence may be a written file note after a phone call to an employer. This is confusing particularly for people with a disability who prefer routine.

**Recommendation: That star ratings be replaced with a performance management system that is transparent in its requirements, provides for recognition of the business cycle within organisations and has a long term (at least 3 years) strategic focus.**

### **Star ratings and business reallocation**

While STEPS fully supports performance management it believes that the system used should meet 5 criteria.

1. The performance management system should recognize that working with people with disabilities is a long term undertaking and can never be measured in 6 monthly snapshots without taking this into account. Star ratings, drive short term performance and not long term quality outcomes.
2. The performance management system should be transparent i.e. All providers should be aware of their performance targets and how they are being measured. Organisations have no way of checking the accuracy of the information that is being used to reallocate business or in some cases shut them down.
3. Measurements that are being used must be within the control of the organisation being measured. Wage data is being used from EA3000 or Centrelink at the discretion of DEEWR and yet in borderline cases this may mean the difference between 3 stars or 2.5 stars. Taken to the extreme this may mean the difference between closing down and staying open.
4. Business reallocation must recognize that disability employment is about building relationships and reallocation of clients in some cases would cause trauma to an individual. Trust and disability understanding takes time to develop and while there needs to be limits there also has to be recognition of the necessity of this in the measurement system.
5. Measures should be statistically sufficient to be a meaningful measurement. The maintenance measure being currently used sits at around 90% - if a service is sitting at 70% it is extremely difficult to ever improve over time even if holding clients at 100%. Then the issue becomes what is wrong with 70%?

A further issue with the current ratings is that Compliance is measured by DEWR audit, Quality is measured by the QA standards but **performance** appears to be the main criteria for business reallocation. Taken to its logical conclusion this means that organisations will take a short term strategic outlook and focus only on performance which will lead to either high turnover of organisations or very large national organisations as these will have the economy of scale to provide performance as well as compliance and quality.

**Recommendation: That the business reallocation process be transparent and based not only on performance but also compliance and quality of service on more equal terms. Recognition of the highs and lows of the business cycle should also be considered otherwise high performing organisation could be disadvantaged unintentionally.**

## **Disability is about long term relationships**

DEN's have been looking after people for over 20 years and the actual program or service model has not changed. The 4 stages are assessment, pre-employment, job search and job support in addition to intake and exits which are administrative in any case.

What has changed in the past 2 years is the focus being on performance rather than people. While it is agreed that this was necessary and desirable in some respects, STEPS believes that the performance focus has overridden the disability standards and also concern for the individual. Disability employment is about forming LONG TERM relationships not only with the employer but with the participant.

What is required is recognition that there are 3 levels of participant with a disability.

1. Those that will never work
2. Those with a lower level of disability that once placed in work will be able to be part of the workforce with support.
3. Those that require full time support to retain work but can still be productive members of society.

**Recommendation: That recognition in the program's processes be given to more than 4, 13, and 26 week outcomes so that time is allowed for the development of long term relationships with employers and participants.**

## **Training**

Training as a component of employment is specifically excluded from the DEN program. It is vital that recognition be given to training as an outcome. I repeat the example above as to the reasons why this is necessary.

"A participant who is currently working on a supported wage of 50% and 15 hours per week as a tradesman assistant was offered the opportunity to do a prevocational Motor mechanic's TAFE course with the hope of his job becoming an apprenticeship if he could succeed. This would require 3 full days at TAFE and his employer allows him to work 8 hours on the Monday or Friday remaining. Clearly this is a good outcome for the participant and assists in filling skill shortage areas. The disincentive to STEPS is that the organization is penalised firstly because as his income reduces, the star ratings are reduced for STEPS by 5% for this client."

We are also unable to provide support under the existing guidelines.

**Recommendation: That accredited training is accepted as an outcome for DEN's.**

### **Capped Program**

One of the greatest challenges faced as a service provider was the previous government's decision to force DSP recipients' to have a pension review when they volunteer for work. Even though participants were quite employable, if they happened to lose their jobs in maintenance phase over the 6 month period where they were required to re-enter the program, they were assessed by a JCA. This entailed participants signing documents that their pension was at risk. Long standing clients refused to do this and have withdrawn from the labour market.

The new challenge is the limit on the capped program and many participants are not getting the specialist support they require. Removal of the cap would minimise this risk.

**Recommendation: That the capped program be uncapped. The 18 month life of the program has shown that numbers have not exploded exponentially and should be well within the governments expenditure limits.**

**Recommendation: That the barriers to voluntary work for DSP participants be removed, in particular the requirement to place their pension at risk to volunteer for work.**

### **Administration**

One final point is that the creation of the DEN's contract has increased the requirement for administration dramatically. The change to caseload based funding and the necessity of obtaining proof of hours has caused an increase in administration of 10 mins per participant per month. For STEPS, this has increased administration for claiming alone by 164 hours per month. In other words one full time position was created just for claiming of payments.

Under the old block grant we have gone from 12 transactions per year for income to the new CBF where we have close to 12,000 transactions per year. The increased evidentiary requirements have spread administration burden across the organisation and STEPS measured administration has gone from 30% to 50% under DEWR. Partly this has been caused by EA3000 which is designed as a payment system rather than a management system so that it meets DEWR requirements rather than the organisations. Reporting from EA3000 for DEN's is minimal and is delayed by some months making information received out of date. This is clearly not acceptable under a performance based environment.

**Recommendation: That when computer systems are developed for programs, that as part of the brief, the impact on productivity for NGO's be considered.**

**Recommendation: That administration requirements are reviewed to minimize the impact on service providers.**

Thank you for the opportunity to be part of the consultation and please accept this submission with the goodwill that is intended.

If you require any further information, please feel free to contact me by email at [garryh@stepsemployment.com.au](mailto:garryh@stepsemployment.com.au) or phone on 07 5458 3000.

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Garry Hooper  
CEO  
STEPS Disability Qld Inc