



Mr Brendan O'Connor  
Minister for Employment Participation  
Parliament House  
CANBERRA ACT 2600

Dear Minister O'Connor

On behalf of Choice Solutions Inc please accept our congratulations on your appointment as Minister for Employment Participation.

Sir I am replying to your recent letter in which you sought suggestions and ideas from providers of Australian Government Employment Services and other interested stakeholders about the effectiveness of the current employment services. In framing our response to issues raised in your letter we assume the dialogue you have encouraged between the relevant parties is so you can respond to our concerns in a constructive manner to bring about substantial change that will underpin the development of future directions for Disability Employment Services.

Choice Solutions Inc has for the past twelve years provided employment programmes for people with disabilities and has established a very successful network of employers and established strong relationships with most state and federal government departments across the local government areas.

Our submission is therefore to share our views as a member of The Disability Employment Network (DEN) when possible amendments and improvements can be made. It is in that spirit we write to you, to inform you that our view of the current DEN programs as it stands has a number of deficiencies that we hope you can remedy in the lead up to 1<sup>st</sup> July 2009.

#### **The current suite of programmes under a LICENSING AGREEMENT**

All programmes currently operating under DEEWR were tendered for successfully including compulsory Quality Assurance certification with registration for ISO by most agencies and regular monitoring visits by DEEWR. Perhaps the significant benefit to be achieved here would be to establish pre requisites for "preferred providers" who will be issued with licences to operate these services. This approach would save agencies and the Department enormous amounts of time and resources spent in planning in the tendering process. It is critical that the agency performance history be strongly featured when establishing the pre requisites in the licensing agreement. It then should be up to the agency to meet the demands of the licence agreement. The agency would soon establish whether it was a viable proposition for both the agency and client. If the agency is not able meet the demands of the licence agreement follow up technical assistance can be sought. Business re-allocation would occur naturally through clients and referral agencies "voting with their feet". Licence withdrawal would then occur where there was a breach of agreement. The licence approach is already in operation in state funded programmes in South Australia.

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### **Job Capacity Assessment needs review/change**

We agree that many people with a disability have the capacity to work and should share in the financial, social and personal benefits that employment offers and that any change made to contractual arrangements for DEN providers should align arrangements to increase flexibility for jobseekers and administrative ease for providers. Therefore, jobseeker streaming should not be rigid in its direction of job seeker to service streams according to an assessment, especially when the current assessment tool, the Job Capacity Assessment has significant limitation that tend to impact on job seekers .

The primary issue here is that the job capacity assessment system has proven unequal to the task of accurately and sensitively assessing the work capacity of many people with disability. People with low incidence conditions, and people whose impairments are not visible have been inappropriately assessed by people with poor knowledge or appreciation of the impact of their condition on their capacity to work, the supports they need to work and the range of work that they can realistically undertake. Furthermore some people with disability are very concerned about giving personal information and will not disclose their disability giving the impression they are able to do more than they are really able to. This would be picked up quite easily by an experienced disability worker. Choice Solutions has on a number of occasions had to appeal decisions made by the JCA's. Job seekers have been removed from Choice due to poor assessment reviews and transferred to other providers leaving clients and their families quite distraught even though Choice has been working with those clients for a number of months previously.

#### **Action needed**

The red tape, bureaucracy and time spent in addressing issues such as these are astronomical and time wasting to say the least. The JCA is inadequate to establish the real issues of a person and should be reviewed.

### **Remove the cap on Disability Employment Network members**

The demand for disability employment assistance has not been addressed sufficiently enough despite the extra funding allocated in the 2007/08 Budget. More than 700,000 Australians receive the Disability Support Pension and out of that number only one in 10 has any income from paid employment. It is somewhat incongruous then that Choice has had to on several occasions deter clients (voluntary jobseekers) until a place became available for a DEN program with Choice.

#### **Action needed**

It would therefore be advantageous if the uncapping of all disability employment programs was lifted to avoid the "parking" of jobseekers on waiting lists.

### **Reduction in administrative requirements**

Unnecessarily burdensome and prescriptive administrative requirements required by DEEWR have increased the cost of doing our business. We have to undertake complex assessments of jobseekers support needs including the providing of copious amount of documentation needed for evidence and the frequency of reporting resulting in duplication of effort to determine the funding level for each client. This we find cumbersome and somewhat of little functional purpose if the same exercise is repeated again for the DMI.

The latter could be dispensed with and maintenance funding set at a % of the already determined DPI level. The bureaucracy of processes has diverted resources away from the delivery of direct services to our clients, lowered client related activities resulting in a poor cost effective exercise in terms of client employment outcomes. But what I will point out is that it has made us more proficient with the administrative responsibilities required by DEEWR. It must be noted however, we do not intend to dismiss the importance of doing things properly, and we agree it is essential to have a system that demonstrates accountability to public administration. However, we also have a duty to be efficient and effective in the way we manage and do business.

**Action Needed**

It is therefore essential that the Department takes further steps to remove or adjust administrative functions and requirements which are no longer necessary or which can be streamlined to offset the requirements that we have to meet. This is necessary to contain costs and to remove complexity which militates against the most effective and efficient delivery of the Programme.

**Provide dual funding to assist employees in Business Services wishing to seek employment in the open labour market.**

Historically people with a disability from supported employment were able to access programs to assist them into open employment without first resigning from their job in the supported environment through a dual funding process. However, current arrangements discourage the transition of people with disability from supported employment to open employment. Now workers seeking open employment must first resign from their job before being eligible for support through a DEN provider. Also there is no guarantee that they will be able to return to the Business Service if the open employment option was not successful.

**Action needed**

The job seeker should be able to retain their place with the Business Service until a new job in open employment is secured and dual funding should be provided through the transitional process.

**DEN providers should be rewarded for accredited training for jobseekers**

Currently Government payments to DEN providers are for job placement and retention but not for career development and employment preparation. Education and training linked to employment is very important and should be rewarded as such. The current system however penalizes the DEN services if a job seeker takes time out to upgrade or improve their qualifications and careers. A learning account of funds allocated for specific training needs of the job seeker should be set up, but on no account should it be siphoned from the existing fee structure it should be "as well as".

**Action Needed**

Den providers should be rewarded as an outcome payment for the career development of their jobseekers.

### **Star rating system**

We support the development of a performance measurement system which allows comparison of providers' performance, so long as this system is sensitive to the needs of people with disabilities however, a new rating system will be necessary. To use the same system as the Job Network may not be a good measure of outcomes as:

- the time period to obtain employment for DEN job seekers can take longer
- it does not reflect the level of disadvantage or barriers to employment faced by DEN jobseekers.
- some DEN job seekers employment may be quite a distance away and may need a greater investment of resources i.e. skill development, work trials etc and for that reason some DEN providers may hesitate to invest if success is a long way off, as it would be reflected in their star rating resulting in under-investment – 12 months funding for an 18 months program.

### **Action Needed**

A fairer system would be to benchmark, providers could secure 5 stars provided they met the required benchmark.

### **Touch Screens**

All Den providers should be provided with touch screens for job placement purposes. We service many clients with full participation requirements and find we are severely disadvantaged by the lack of touch screens. We have attempted to duplicate touch screens by providing computers for our job seekers at great expense to the Agency.

### **Action Needed**

Provide touch screen for all DEN provides for job seeking purposes in line with Job Network services.

### **Voluntary job seekers**

DSP recipients who are voluntary clients but would like to be employed are very hesitant to look for work. The problem being that those who seek work will automatically trigger a review of their DSP entitlement and are afraid that by gaining a job will entail risking their income support. So those potential job seekers avoid looking for work. Figures from February 2007 point to a decline in the referrals of DSP recipients to employment programs over the previous 6 months – the period in which the policy requiring automatic review of DSP entitlement was introduced. (NDS)

### **Action Needed**

Postpone the review of voluntary job seekers' Disability Support Pension (DSP) entitlement until they secure employment.

Yours sincerely

Marina Parsons  
Chief Executive Officer  
12/02/08