



GROUP
AUSTRALIA

Senate Education, Employment and Workplace Relations Committee
PO Box 6100
Parliament House
Canberra ACT 2600

26 September 2011

SUBMISSION TO THE SENATE EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS COMMITTEE ON THE INQUIRY INTO THE ADMINISTRATION AND PURCHASING OF DISABILITY SERVICES AUSTRALIA

This submission is made on behalf of STEPS Group Australia Ltd (STEPS) (formerly STEPS Disability Qld Inc). STEPS has been a provider of employment services to people with a disability since 1989 and has since then grown into a vibrant community organisation delivering employment, training and community services to people with a disability and from disadvantaged backgrounds nationally.

Currently, under the Disability Employment Services (DES) contract, STEPS provides Employment Support Services (ESS) to approximately 1710 DES Participants, from 15 Sites in 7 Employment Service Area's (ESA) throughout regional and remote locations across Queensland and the Northern Territory.

This submission is provided from a service provider's perspective and is based on information and evidence collected from consultation with STEPS operational staff, feedback from DES Participants; Employers; and from community organisations we work with in our Employment Service Areas.

It is our hope in writing this submission that by outlining the importance of existing DES Participant and Employer relationships we can show the current Star Rating system is not a holistic enough measure to justify sending more than 80% of the current DES contracts to tender. We believe that there is an immense risk that unnecessary disruption to the sector will create instability for both existing DES Participants and already engaged Employers. 20% of Australians are affected by a disability in some way, either physical or mental. Established on-job support and trust-relationships are crucial factors to the success of the DES Sector. It takes a long time to build trust and relationships with Participants, their carers and communities, and the Employers in the labour market regions we work in.

 STEPS TOGETHER

 STEPS AHEAD

 STEPS CHARITY

The following is STEPS response to the Terms of Reference of this inquiry:

A) The impact of tendering more than 80 percent of the current DES on the clients with disability and employers they support under the current contracts

Impact on DES Participants

First and foremost in this process we want to ensure the best outcome for the DES Participants whether they are seeking a job or already placed in open employment. DES Participants have significant barriers to employment; from severe physical and sensory setbacks to mental health issues, drug and alcohol addiction, acquired brain injury and learning disabilities. Some have already had experience in open employment, others have never worked before. Our Employment Pathway Mentors at STEPS work hard to meet each of the Participant's individual needs, equip them with skills, training and on-going support to enable them to participate in the community.

A lack of employment skills proves to be a significant barrier for many DES Participants. To address these needs, DES Providers such as STEPS, have formed educational, training and industry linkages with Local and State Government, Employers, Training Providers and by way of the various other training and community funding contracts. For example, many of our current DES Participants are referred on to vocational education and assessment providers, we then support our Participants through Literacy and Numeracy programs as well as Certificate II and III's in areas such as Horticulture, Retail, Aged Care, Business Administration and Hospitality, either before or during their job placement.

Putting new DES Provider's into areas where trust relationships have been built with communities and Employers would mean that the barriers and outcomes would take longer to be reached and, most importantly, be detrimental to the Participants and other potential Participants in those areas. Building these relationships take care and time. Various Providers and their staff have established themselves in local communities and have developed trust relationships that are not taken into account under the current Star Rating System which is purely numbers and outcomes based. For example, 50% of our STEPS DES Participants in Alice Springs are Indigenous. To build rapport and trust with these Participants and their communities takes time and cultural awareness. The Participants and their communities become comfortable with our service and, whilst in many cases outcomes according to DEEWR are not met, the relationship with the communities and drawing in new Participants is developed and ongoing and will bear fruit over time.

One of our Participants has been with STEPS for 3 years, has an intellectual disability and Williams Syndrome. We have placed him into employment at Target and currently provide high ongoing support in the Workplace for 6 hours per week by working alongside him and the Employer. Any disruption to this routine causes the Participant great anxiety and panic. For this person to be placed with another DES Provider would mean a job loss as his limited social cues makes it hard for him to relate to new people. To get the Participant to this stage has taken over a full year of addressing barriers and working on linkages with and educating the Employer. Due to our ongoing support with this Participant in the community we have also been fortunate enough in that the Student Access Department approached us and offered him a traineeship in Administration as they had seen the support we offered and wanted to take advantage of this. This will commence in October and would not be available to this Participant without our ongoing support.

In many of STEP's current 3 Star Rated areas we have numerous participants who have had their lives changed by either participating in employment for the first time or after a long period of time (often 10 years or more). We have put together **Attachment 1** as a selection of our current DES Participant's stories in order to give the Committee an example of the range of people we work with.

Impact on Employers

Strategic Employer engagement has come to the forefront in delivering effective Disability Employment Services. Many DES Providers devote a large amount of time and resources into building long-term relationships in their market areas. The impact of tendering more than 80% of current DES Contracts is that we risk jeopardising established Employer relationships that are crucial to the desired outcomes for all involved.

As an example, in many of our areas STEPS has established employment service relationships with large Employers (such as Target and Coles). Our Employer Consultant's work hard to build these relationships (in some cases over many years) to understand the Employer's business needs, educate Employers on the benefits of having DES Participants in their workplace and, most importantly, match the right person with the right job. The result of these long-held relationships is that we are now seeing a change to the way of Employer thinking. Many companies are now proud to be "Disability Confident Companies", that is, Employers who see and have experienced the benefits of employing a person with a disability - loyalty, higher productivity, better work culture, and returning customers. STEPS has many Employer's who come to us to fill a vacant position before going to the general labour market. STEPS also has arrangements with many local Employers who provide our DES Job Seekers with work experience to assist them to acquire skills, confidence and work ethic.

In all of our established market areas, STEPS actively participates in local Chamber's of Commerce, Regional Employment, Training and Industry Reference Group's and other peak bodies that may have influence on the development of employment, as well as taking part in career expo's and Job Mart activities. We actively engage with other community groups to build strong partnerships and increase the knowledge and capacity of each other to perform. Staff members have access to upskilling and also attend Interagency meetings, mental health and other support groups and perform community mentoring and disability awareness activities.

The support service we provide as DES Providers is a developed relationship both to the DES Participants and Employer's over periods longer than 3 years.

The risk of tendering more than 80% of the current DES Contracts is that each individual DES Participant affected will be assigned a new Employment Consultant from a new DES Provider who will need to start from scratch to develop the trust relationships with the Participant, their carers and the community. Changes to these types of relationships can be extremely traumatic for the Participant and will result in many Participants either exiting the system or, in some cases, suffering years of having to get back to the same point they are currently at.

There is a risk that creating instability for already engaged Employers will decrease the "disability confidence" that many Employers have adapted and that new DES Providers, especially in smaller regional centres, will need to work hard to re-develop Employer relationships.

- C) Whether competitive tendering of more than 80 percent of the market delivers the best value for money and is the most effective way in which to meet the stated objectives of:**
- i. Testing the market**
 - ii. Allowing new ‘players’ into the market, and**
 - iii. Removing poor performance from the market**

STEPS is not against allowing new quality Providers in to areas of demand, however, making overall performance decisions based on the current Star Rating system is not sufficient. Demands for more DES Providers or better quality services could be met in such areas by expression of interest or to using the existing Performance Management Framework in the existing contract. Better processes and measures need to be included in the contract management process for on-going management and evaluation of performance before the DES Sector is open to 80% tender.

- D) Whether the DES Performance Framework provides the best means of assessing a provider’s ability to deliver services which meet the stated objectives of the Disability Services Act 1986 such as enabling services that are flexible and responsive to the needs and aspirations of people with disabilities, and encourage innovation in the provision of such services**

There is a question of whether the answer at this point in time is to take more than 80% of DES Contracts to tender before looking at DEEWR’s contract management process to address whether “poor performance” of a Provider can really be measured by just numbers/job outcomes. STEPS proposes that a review of the DES Performance Framework is undertaken before 80% of the Sector is disrupted.

Whilst it is generally agreed that the numbers based Star Ratings model does work for the DES Sector it lacks being able to take in to account the holistic approach required by Providers for each Participant. Building rapport and trust foster security and familiarity which is the support that addresses the barriers that lead to successful outcomes. Whether or not each of our Participants meet DEEWR’s contract outcomes, and thus effect our Star Ratings, each Participant with STEPS is on a pathway to better social inclusion and a better quality of life.

30% of our DES Participants are Direct Registration meaning that there are currently 510 Participants with us that chose to come direct to STEPS for the service we provide. This is usually due to word of mouth recommendations and our standing in the community as a quality service Provider’s rather than the data on how many participants have remained in 26 weeks of employment.

In many cases, the focus of DES Providers to achieving quantity outcomes means that quality of service is jeopardised and on-going support to DES Participants is reduced.

The Star Rating mechanism through the Department of Education, Employment and Workplace Relations (DEEWR) is calculated purely on whether a job seeker is successful in maintaining employment for a 26 weeks outcome. To be rated 3 Stars or higher means you receive a score above -20 with 0 being the average. STEPS believes that a provider who is continually performing below 0 (-20 to -1) in the 3 Star bracket may be under performing compared to a 3 Star Provider who rates in the +1 to +20 bracket, however, all are rated under the 3 Star “umbrella”.

E) The congruency of three year contracting periods with long-term relationships based nature of Disability Employment Services – Employment Support Services program, and the impact of moving to five year contract periods as recommended in the 2009 Education, Employment and Workplace Relations Reference Committee report, DEEWR tender process to award employment services contract.

STEPS believes that three year contract cycles are not conducive to performance or to stability for providers, staff, Participants or Employers. Even with high performing providers the purchasing process takes resources away from delivery of the program and the achievement of outcomes to focus on tendering and growing the business.

Recommendations

Recommendation 1

STEPS proposes that a review of the DES Performance Framework is undertaken, before 80% of the Sector is disrupted, with an emphasis on the quality of the service being provided to both Employers and Participants.

Recommendation 2

While we believe that *all* contracts should not go to tender (for reasons stated above), STEPS less preferred option is that all Providers who rate 0 and above have their contracts rolled over. This would enable the Government to continue the goal of working to improve quality of service, testing the market and allowing new players in, however, would mean that only 50% of current DES contracts would be affected rather than 80%.

Recommendation 3

STEPS recommends using the Performance Management Framework within the existing contract and calling for expression's of interest to replace poor performing Providers.

Recommendation 4

STEPS agrees that 5 years as recommended in the 2009 DEEWR Reference Committee Report is more appropriate than the current 3 years.

Recommendation 5

STEPS recommends that a comprehensive transition process be put in place for new Providers to work with existing providers in sharing information and the on-going support needs for existing DES Participants and engaged Employers in the result that Provider's are changed over.

Thank you very much to the Committee for the opportunity to express our views. STEPS is available to provide more information during this Committee process as required.

Garry Hooper
Chief Executive Officer
STEPS GROUP AUSTRALIA

Attachment 1 – Participant stories (please note names have been removed to protect privacy)

Participant 1 is an Indigenous man that has been with our service for 4 years on and off. Due to the time we have spent we have been able to place *Participant 1* into employment but *Participant 1* requires high-level Ongoing Support and needs constant directives at work which we provide three times a week. Due to the language barrier faced by this Participant due to English being his third language and also a hearing loss it has been a long process but we are now able to communicate with *Participant 1* effectively. We are also very fortunate that due to the long standing relationship with this Participant, we have been able to build the rapport where *Participant 1* now feels comfortable in teaching us his language. *Participant 1* is in his early 40's and had never worked before coming to our service. By continuing this long standing relationship we have also been fortunate enough to be trusted enough by *Participant 1* to assist with referrals to assist with managing his finances as a major issue here in Alice Springs for the Indigenous is "humbugging" from others where they take his money. *Participant 1* has now been able to set up a savings account and save for long term goals with our assistance.

Participant 2 has been with our service for 5 years and suffers from Schizophrenia and Alcohol addiction. Throughout our time with *Participant 2* we have been able to successfully place *Participant 2* in to employment and offer *Participant 2* Moderate Ongoing Support. Due to *Participant 2's* Mental Health she constantly suffers periods of relapse due to medication. Due to the long standing relationship with *Participant 2* we have now been able to identify periods of relapse and have built up a relationship with the Employer where our support and guidance throughout these periods ensure that her employment is secure. Without this *Participant 2* would not be able to sustain long term employment. We have also been able to network closely with the Mental Health Services in the community and are able to work closely with them in regards to *Participant 2's* needs and ensure *Participant 2's* Mental and General Health is safe. This is only successful due to continual partnership and networking with this service.

Participant 3 has an intellectual disability and as a result very poor literacy who has commenced her first paid employment ever with one of our "Transitional Employers" who will assist us to carefully guide *Participant 3* through her first months of work in a low stress environment, this is enabled by the use of a Supported wage. Due to her intellectual disability we drive *Participant 3* to and from work on her shifts.

Participant 4 has spent most of her life since she was 17 as a heroine addict and has commenced employment after 18 years of not working- it was almost a year before Susan would reliably attend her appointments- now she is working she is always on time for both work and her appointment.. She tells us for the first time in all those years people treat her like a human being again. Susan initially presented as a very aggressive woman who was tired of telling "her story" time and time again.

Participant 5 was a tradesman who has an Acquired Brain Injury and could not keep a job for more than a few days due to poor impulse control and alcohol abuse. He has now been working almost a year and while he needs high ongoing support he is a sober member of AA and is working well.