



*'reaching goals together'*

**Greenacres Disability Services Submission to the Senate Education,  
Employment and Workplace Relations Committee - The  
Administration and Purchasing of Disability Employment Services in  
Australia**

**Summary**

Greenacres Disability Services is concerned that the Disability Employment Services Sector will be unnecessarily destabilized by the government's decision to tender 80% of Disability Employment Services - Employment Support Services contracts. We contest that the competitive tendering process should not include services achieving a 3 star rating as this will not achieve value for money against the stated objectives and create unnecessary risk to the long term relationships developed by the sector that assist people with disability to gain sustainable employment outcomes.

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## **Introduction**

Greenacres Disability Services has been providing support to people with a disability within the Wollongong NSW community for over 50 years. As a service provider for people with disabilities we are committed to, and driven by our mission "...to provide quality services which enhance the skills of people with developmental and other disabilities". Trading as Greenacres Employment Solutions (GES), we have been providing open employment services since 1994. Currently GES provides Disability Employment Services-Employment Support Services to over 290 job seekers and workers in the Wollongong NSW and Shoalhaven NSW Employment Service Areas.

Greenacres Disability Services is committed to providing quality and innovative employment services to people with developmental and other disabilities but is concerned that the government's announcement to undertake a competitive tender of all Disability Employment Services - Employment Support Services with a contract star rating of 3 or less will unnecessarily destabilize the sector. We submit the following responses to the Terms of Reference from our experience of open employment service provision, for the committee's consideration in relation to the future of Disability Employment Services in Australia.

## **Response to the Terms of Reference**

### ***(a) the impact of tendering more than 80 per cent of the current DES on the clients with disability and employers they support under the current contracts***

Greenacres Employment Solutions (GES) has been supporting people with disabilities to gain and maintain open employment in regional NSW for 17 years. During this time we have developed long term relationships within our local community which are crucial to assisting our job seekers overcome barriers to employment, and our local employers develop disability confidence.

As will be the case with many Disability Employment Services providers, if we are required to tender for maintenance of current business share, these relationships will be placed at risk. Whilst relationships in any business are crucial to success, for services that assist people with disability these relationships need to be long term and secure. This is particularly evident for people with developmental disability, a significant percentage of the job seekers we support. For these job seekers many of the barriers they face to employment are permanent. They cannot be "fixed" by interventions but can very successfully be reduced through ongoing assistance. For example a person with intellectual disability can find it difficult to manage change and learn job related tasks but with structured on the job training they can become highly productive employees. Changes in the work site over time, however, can affect their productivity and, even after many years of employment, can require periods of retraining to ensure job security. In these cases continuity of support backed by a long term understanding of the individual's needs achieves the best outcomes. This same principle can also be applied to employer relationships. Placing people with disability into work sites often requires an extensive education process with employers prior to placement, adaptations to the worksite then long term support in the workplace to increase their "disability confidence".

In both these situations a new service would not be able to simply just "pick up" these relationships and provide effective support resulting in the loss of these relationships and the reduction in outcomes for both people with disability and employers.

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It is Greenacres Disability Services belief that a competitive tending process is not an appropriate procurement model for the disability services sector as it does not recognise the needs of people with disability and will create unnecessary disruption to service delivery and loss of long term community relationships. If a tendering model must be introduced, however, a concession to existing 4 and 5 star providers is insufficient when 80% of the sector will still be at risk of destabilization. This concession must be extended to services at 3 stars to reduce this disruption to a level that can be negated by the remaining stable service providers in the sector.

***(b)the potential impact of losing experienced staff***

Appropriately experienced and qualified staff are essential to the operation of Disability Employment Services as they provide the direct assistance to our job seekers with disability. Job seeker engagement, quality individualised planning, job matching, employer support and on the job training all rely on the skills, knowledge and experience of Employment Consultants to be effective in securing sustainable employment outcomes for people with complex needs. In short, the loss of staff directly effects service provision and the achievement of employment outcomes.

This is particularly evident in regional and remote areas. As a regional based service provider, Greenacres Disability Services has always found the process of recruiting appropriately experienced and qualified staff a challenging one. Employment Consultants employed in the Disability Employment Services need to be highly competent in a number of diverse areas to function effectively with vulnerable job seekers. For example they need to:

- be knowledgeable in Industrial relations to ensure job seekers are being placed in legitimate jobs that meet the DEEWR contract and DSS requirements
- understand the needs of employers and the requirements of training people on the job in a variety of diverse and different industries
- have excellent communication skills, IT skills, administration skills and marketing skills
- understand the needs of people with a diverse range of disabilities and barriers to employment
- have general recruitment skills in preparing job applications and resumes.

Staff for our services do not just come "off the shelf". Services therefore essential must invest time and resources in to mentoring and training staff to develop them into the role. At Greenacres Disability Services we invest considerable company resources in ensuring our staff have Cert IV level qualification in Disability and or Training and Assessment as well as qualifications in First Aid, Marketing and Mental health awareness.

Whilst we are confident in our ability to deliver services and compete for business in a competitive environment, a three year contract with an uncertain future even when you are performing to a 3 star level increases the pressure on staff retention, particularly when other services and funding types in the disability sector have future security in their service operation and do not need to compete in a competitive tender market. Greenacres Disability Services is concerned that such an extensive tendering process in the sector will accelerate staff loss and extend service recovery time in the first quarter of the new contract, all factors that will slow the delivery of direct service provision and the placement of people with disabilities into successful and sustainable employment.

***(c) whether competitive tendering of more than 80 per cent 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 performers from the market***

People with disability should have access to quality services that adhere to the Disability Services Standards and deliver sustainable employment outcomes.

The Disability Employment Services Performance Framework Guidelines published by the Department of Education, Employment and Workplace Relations describe a 4 and 5 Star Rating as a "...high rating...", with services performing well above the average, and a 3 Star Rating as a "...good rating...", with services performing around the average. In other words, services who are certified under the Disability Services standards and achieve a star rating of 3 or above are providing a quality service to their job seekers and meeting the expectations of the funding body.

To insist services who have achieved a 3 star contract rating need to re-tender to maintain current business is not cost effective and will result in resources being channelled away from direct service delivery. Greenacres Disability Services submits that the competitive tendering process should be restricted to 1 and 2 Star contract services only, that is services who have been measured through the star rating process to be performing well below the average level of service performance.

Based on the June 2011 Contract Star Ratings published by the Department of Education, Employment and Workplace Relation for Disability Employment Services - Employment Support Services, up to 20 per cent of the market would be available to tender should the competitive tender process be restricted to the low star rated contracts of 1 and 2 stars. This would allow a substantial component of the sector with proven solid performance to remain stable and focussed on core business while still presenting a sufficient amount of market share to:

- test the market and allow for new players to bid to enter the sector
- allow for market forces to remove poor performers
- allow for stability in the sector and service delivery to job seekers with high support needs
- ensure value for money by reducing the extent of the tender process
- restrict the unnecessary diversion of resources from core service delivery

***(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.***

The DES performance Framework introduced by the Department of Education, Employment and Workplace Relations both monitors and measures provider performance over a specific range of Key Performance Indicators. Whilst it functions as a strong driver of many aspects of service provision it does not measure all aspects of the service provided to people with disability - many of which are derived from the Disability Services Standards.

The focus of Key Performance Indicators 1 and 2, the factors that contribute to the Star Ratings calculations, are the quantitative performance of a service provider to place people into employment at their minimum benchmark of work capacity for a period of 26 weeks and to a certain extent beyond this time frame. As a measure to allow DEEWR to monitor service provider capacity

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and performance this has its benefits but it is inadequate to use this as a standalone measure to determine contract procurement levels .

Under the Disability Services Standards it is also the role of the service provider to assist people with disabilities develop a variety of job choices and career progression over time, increase their work capacity to expand working hours and wages if able, foster social inclusion and community integration and promote a positive image of people with a disability to educate the community on the benefits of employing people with disability. The current Performance Framework , leading to the star ratings calculation, does not measure any of these achievements. It does not measure the impact on local communities gained through the long term relationships of employment services with employers and other community services. It does not measure the development of work force capacity and disability confidence of local employers gained through relationships with Disability Employment Services nor the positive promotion of people with disability achieved through innovative programs and marketing and promotion conducted by local employment services. In past tenders and in ongoing contract management all these activities, however, are acknowledged by DEEWR as important aspects of quality service provision.

Greenacres Disability Services therefore submits that the DES performance Framework and Star Ratings should not be the only factor determining procurement decisions in relation to competitive tendering and further should be reviewed to ensure it is more aligned with the Disability Services Standards.

**(e) the congruency of 3 year contracting periods with long-term relationship based nature of Disability Employment Services – Employment Support Services program, and the impact of moving to 5 year contract periods as recommended in the 2009 Education, Employment and Workplace Relations References Committee report, DEEWR tender process to award employment services contract;**

Throughout this submission Greenacres Disability Services has acknowledged the importance of long term relationships in achieving sustainable employment outcomes for people with disability. Long term relationships can only be developed and maintained when there is some surety of business.

Greenacres Disability Services believes that a fixed term contract model with competitive tendering does not necessarily lead to better quality outcomes for people with disability, particularly when it is introduced to a mature sector which predominately consists of Mission driven organisations committed to providing long term, sustainable, person centred services. We contend that a monitoring system that links the Disability Standards with the Performance Framework would effectively monitor performance. Poor performing services could still be identified and business share reallocated as required.

If a fixed contract model is adopted, however, it is our belief that value for money and increased outcomes for people with disability would be best achieved by extending the existing contract length from 3 years to a minimum of 5 years as recommended in the 2009 Education, Employment and Workplace Relations References Committee report.

**(f) the timing of the tender process given the role of DES providers in implementing the Government's changes to the disability support pension.**

The current DES contract commenced in March 2010. It introduced significant changes in contract requirements, service delivery rules, administration and electronic reporting, a different measurement of outcomes and a new star rating model, to name but a few of the changes. Prior to this new contract the sector had undergone significant reform with a change in funding body, a shift from block grant to individualised funding and a change in program types e.g. Capped and Uncapped.

The industry is about to embark on further change as a result to the changes to the DSP. It is expected that the changes to the DSP eligibility that were introduced on the 3rd of September 2011 will result in greater numbers of "non voluntary" job seekers entering Disability Employment Services who need to prove they cannot work to be eligible for DSP. It is likely these job seekers will need significant levels of assistance to be motivated to enter the workforce and may require different interventions to assist them to outcomes than currently practiced in many services. It is likely, therefore that services may need time to adapt their service delivery models to achieve outcomes for this new client group. The changes to the impairment tables which come into effect in January 2012 are also likely to impact on outcome rates and disability support models although there is insufficient data available to predict the extent of this impact.

Given the history of rapid and constant change, the relative infancy of the DES model and the uncertainty of the impact that will result from the new DSP reforms Greenacres Disability Services submits it is not an appropriate time to destabilise the sector by placing 80% to competitive tender, particularly when a large proportion of these services have demonstrated good performance through the departments own performance measures.