

# Inquiry into the Administration and Purchasing of Disability Employment Services

Submission to the Senate Education, Employment and Workplace Relations Committee by Disability Employment Australia



# Contents

1	Introduction .....	2
2	Executive summary .....	3
3	About Disability Employment Australia .....	6
4	Response to terms of reference .....	7
4.1	Tendering more than 80 per cent of the current DES-ESS will negatively impact clients and employers .....	7
4.2	Tendering more than 80 per cent of DES-ESS risks losing experienced staff .....	10
4.3	A tender does not always equate to sustainable, quality outcomes .....	13
4.4	The Performance Framework needs to drive positive behaviour and sustainable outcomes .....	15
4.5	Three year contracting periods are incongruous with DES-ESS .....	19
4.6	Timing of the tender will negatively impact on the Government's reforms to the Disability Support Pension .....	22
Appendix A	About disability employment in Australia .....	24
Appendix B	Objects of the Disability Services Act 1986 .....	25
Appendix C	Disability Service Standards .....	26
Appendix D	Disability employment timeline .....	27
Appendix E	DES specific timeline.....	28

# 1 Introduction

Disability Employment Australia welcomes the opportunity to participate in this important Inquiry of the Senate Education, Employment and Workplace Relations Committee. The subject of this Inquiry is critical to the level of social and economic inclusion and quality of life of many Australians who live with disability.

The disability employment sector has undergone extensive changes since the introduction of the Disability Service Act 1986 (the Act). Given the level of change in the sector, it is an appropriate time for the Committee to consider the direction of the disability employment services sector and its alignment with the objects of the Act and the Disability Service Standards.

Providers of disability employment services have a long history of improving the social inclusion of Australians who live with disability by helping them achieve meaningful and sustainable employment outcomes. In doing so, they simultaneously enhance Australia's social and economic landscape by improving the quality of life of clients with disability, and increasing the labour force participation rate.

Disability Employment Australia is the peak industry body for Australia's Disability Employment Services (DES) providers. We welcome the opportunity to appear at a public hearing in support of this proposal should the opportunity arise.

## 2 Executive summary

Disability Employment Australia is passionate about the provision of appropriate and effective support services that will achieve meaningful and sustainable employment for people with disability. We support the Government's policy objective of ensuring that DES-ESS represents value-for-money.

However, we are concerned that the current policy to tender the contracts of one, two and three star rated Disability Employment Service – Employment Support Service (DES-ESS) providers neither enhances DES-ESS service provision nor achieves value-for-money outcomes. It risks destabilising the sector, with no commensurate public benefit.

### **Our Submission**

We submit the Government should review alternative and innovative procurement methods before embarking on a tender process. However, if the Government proceeds with tendering at this time, we recommend several changes to mitigate the significant negative impacts of tendering over 80 per cent of DES-ESS contracts.<sup>1</sup>

The tender will not achieve value-for-money, or enhance disability employment outcomes. We believe it is too early in the life of the DES-ESS program to tender a large number of ESS contracts. This is underpinned by the fact that the DES-ESS Performance Framework does not take sufficient account of the specific requirements of DES-ESS clients and is therefore not an effective tool for evaluating tenders. Specifically, the Performance Framework needs to have a longer-term focus and include quality measures.

The Government's decision to tender over 80 per cent of DES-ESS contracts risks destabilising the sector. Long-term relationships with employers and clients will be severed, with a detrimental impact on sustainable job placements. The tender process is also expected to increase the already high staff attrition rate of DES-ESS providers.

Continual three-year contracting is incongruous with the relationship-based nature of the DES-ESS program. Preparation and administration will prove costly in the longer term: financially, and in sector productivity and performance. Three-year minimum contract terms are not consistent with a value-for-money model. We recommend the minimum be increased to five years.

We acknowledge the Government's desire to introduce competitive tendering. However, to reduce the destabilising effect, the amount of contracts put out to tender should be those ranked as one or two stars. Also, the timing should be pushed out to 2015 to allow alternative models of procurement to be examined, and an independent review of the DES Performance Framework.

Disability Employment Australia is concerned that the Disability Employment Services (DES) ESS program is moving away from the objects of the Disability Service Act, and the intent of the Disability Service Standards. While many of the reforms to the sector have had a positive influence on employment outcomes, we now have a foundation challenge for our sector, as the current framework and administration of disability employment services appear not to be aligned with the underpinning legislation. The key milestones in the development of the sector are shown at Figure 1.

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<sup>1</sup> Calculation based on the number of providers rated one, two or three stars in the June 2011 Star Ratings.

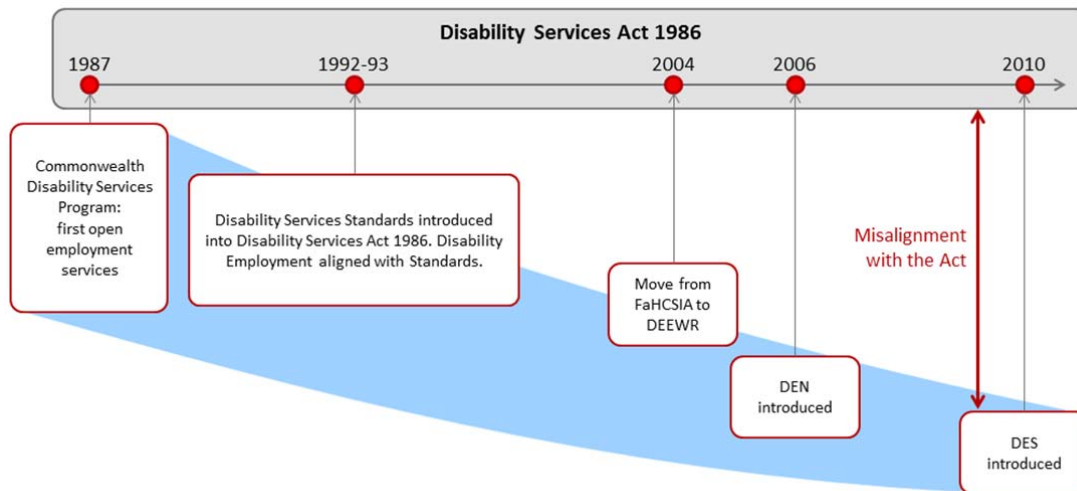


Figure 1: Is DES-ESS aligned with the Act and Disability Service Standards?

### Our Recommendations

Our overarching message to the Inquiry (and to the Government) is that more innovative procurement and service delivery models exist that will better achieve the Government's stated objectives.<sup>2</sup> These innovative methods need to be examined as alternatives to tendering.

**The Government should postpone the tender process until 2015 to allow adequate time to explore alternative and innovative procurement options to determine value-for-money, having regard to the characteristics and circumstances of DES-ESS. This will also allow the DES-ESS program to have generated robust outcome data to draw meaningful conclusions, and the evaluation scheduled for June 2013 to be completed.**

However, if the Government does proceed with the tender in 2012, the following changes are essential prior to commencement:

- **Only one and two star providers should be required to go to tender.** This achieves the Government's stated objectives of testing the market, allowing for entry and removing poor performers. Importantly, it achieves this aim with a lower risk profile and less chance of destabilising the sector and negatively effecting client employment outcomes.
- **Meaningful quality measures need to be included in the Performance Framework.** The DES-ESS Performance Framework is narrowly based on short-term throughput measures that are poorly suited to DES-ESS and are also vulnerable to manipulation. Including quality measures will ensure that an accurate value-for-money assessment is possible and those providers best able to meet the needs of clients are awarded contracts. See Table 2 on page 19 for our recommended changes to the Performance Framework.

<sup>2</sup> As set out in Terms of Reference (c) and articulated in a letter from Minister Ellis to Disability Employment Australia, 26 July 2011.

- **The minimum contract term increased from three to five years.** This represents a more efficient use of provider and Government resources; reduces the destabilising effect of continuous three year tenders; and achieves the Government's stated objectives.

## 3 About Disability Employment Australia

Disability Employment Australia<sup>3</sup> is the peak industry body for Australia's Disability Employment Services (DES).

Disability Employment Australia exists to represent the interests of our members at a national level to government and other stakeholders. We have a range of functions designed to support our members to achieve best practice service provision in their role to find employment outcomes for people with disability. We advise, advocate, train, inform, as well as undertake events to promote the sector.

We have a particular focus on:

- government policy relevant to disability employment
- issues impacting on the viability of the industry
- removing barriers to workforce participation for people with disability
- promoting best practice and innovative ways to find people with disability real jobs.

Working from a social inclusion perspective, Disability Employment Australia approaches its work from a society-wide perspective and is committed to identifying opportunities to get a 'better deal' for jobseekers and employees with disability and educate the public about issues related to disability employment.

Disability Employment Australia has played an active role over many years in providing advice on increasing workforce participation rates for people with disability and has worked hard to establish itself as the peak organisation in relation to disability and open employment.

Disability Employment Australia has worked closely with government Ministers and departments over the past three years, during which time the Australian Government has undertaken significant consultation and review in the area of disability and employment.

Additionally, Disability Employment Australia has had many opportunities to work with DEEWR on gathering industry views and feeding into the policy and procedure making process, particularly during the lead up to the implementation to the new DES-ESS structure and post transition, including through its representation on a number of key government advisory groups;

- DES Reference Group (Convened by the Minister)
- Employment Partnership Committee
- DES Operational working Group
- DES Evaluation Strategy Working Group
- IT Advisory Group (responsible for new ESS IT System covering both JSA and DES-ESS)
- DES Transition Reference Group
- DES Technical Advisory Group
- Contract Management and Quality Servicing Working Group

Disability Employment Australia now has a critical role in monitoring the DES program implementation to ensure that the un-evaluated program achieves outcomes consistent with the objects of the Act and the Disability Service Standards.

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<sup>3</sup> Disability Employment Australia was previously known as ACE National Network Inc (ACE).

## 4 Response to terms of reference

The following section is structured to align with the Inquiry's terms of reference and relates specifically to the ESS component of DES. In preparing this submission, Disability Employment Australia has sought input and feedback from its members. In order to present our submission as a public document to the Inquiry, the names of providers and clients have been removed to preserve confidentiality. Disability Employment Australia is happy to provide these identifiers to the Committee on a confidential basis.

### 4.1 Tendering more than 80 per cent of the current DES-ESS will negatively impact clients and employers

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

Disability Employment Australia shares the Government's commitment to provide high quality value-for-money specialist employment services that meet the needs of people with disability. However, we do not believe that the proposed tendering of over 80 per cent of contracts will either promote innovative service delivery or achieve value-for-money. A central tenant of this submission is to voice the concern of many DES-ESS providers that tendering over 80 per cent of contracts will, in fact, destabilise the sector and negatively impact clients and employers through:

- loss of continuity in relationships through the sheer volume of contracts tendered, and the potential for widespread loss of client and employer relationships where providers change contracts
- it is too early to tender the DES-ESS program and insufficient performance data exists to conduct an effective tender
- productivity will decrease for 6-18 months after the tender process as resources are diverted from service provision to the tender process.

These issues are discussed below. We submit that tendering the contracts of one and two star providers, where poor performance has been proven, would better meet the Government's objectives.

#### 4.1.1 Loss of continuity in relationships

People with disability face profound barriers to employment in Australia. Building effective and enduring relationships between clients with disability and employers is central to breaking down these barriers. Working with employers to achieve this is time consuming and costly, and distinguishes DES from JSA.<sup>4</sup> DEEWR recognises this distinction:

A key distinguishing feature of Disability Employment Services is their capacity to support and manage a participant's condition in the workplace, along with providing ongoing support in the workplace for as long as it is required.<sup>5</sup>

If the proposed tender of over 80 per cent of contracts goes ahead in mid-2012, approximately 518 DES-ESS contracts will be up for tender. These contracts relate to approximately 76,000 clients and a

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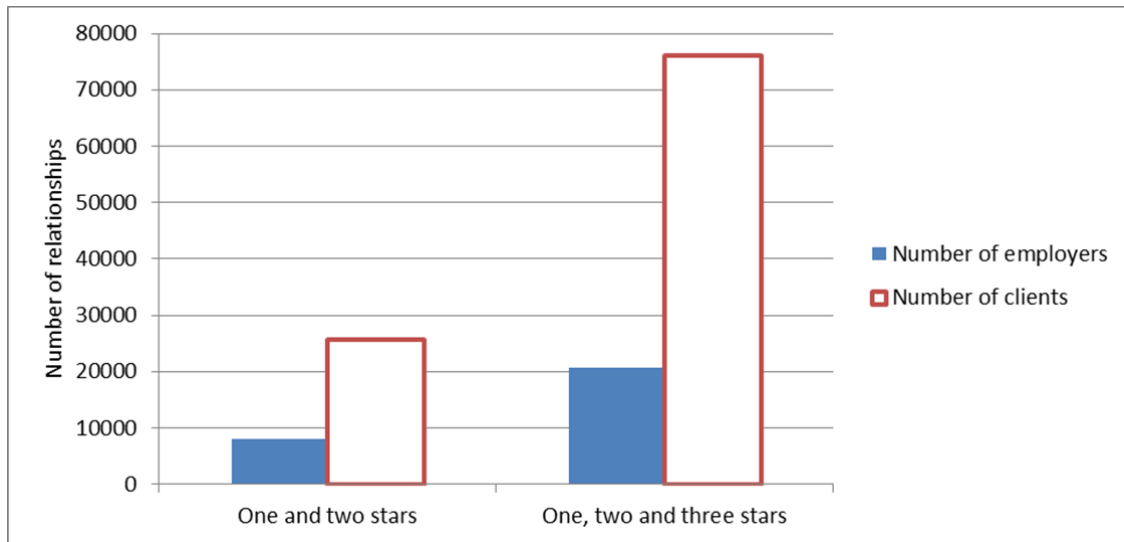
<sup>4</sup> See, for example:

- Australian Human Resources Institute, *Recruiting People with a Disability, An employer perspective*, 2011.
- Joint report by Anglicare, Catholic Social Services, The Salvation Army, UnitingCare, *What if Employers say no?*, 2011.
- DEEWR, *Employer Perspectives on Recruiting People with Disability and the role of the Disability Employment Services*, 2011.

<sup>5</sup> DEEWR fact sheet, *An employer's guide to employing someone with a disability*.



significant number of employers. Around 21,000 of these employers have employees with a disability in the 'Post Placement Support' or 'Ongoing Support' phase (that is, they currently have a client working in their organisation). Complex service requirements will be put at risk if DES-ESS relationships are severed and replaced with different people, philosophies and systems. Figure 2 shows the significant difference in the number of relationships affected if three star providers are included in the tender.



Notes: As at 30 June 2011. Number of employers figure assumes 31 per cent of clients are in ongoing support or post placement phase.  
Source: Disability Employment Australia analysis, based on available data

Figure 2: Number of client and employer relationships impacted by tender

Disability Employment Australia submits that the potential for widespread loss of relationships between DES-ESS providers and their clients and employers will have a destabilising effect on the DES-ESS sector, and negatively impact client outcomes.

#### 4.1.2 It is too early to tender the DES-ESS program

The DES program was introduced in March 2010 following the combination of the Disability Employment Network (DEN) and Vocational Rehabilitation Services (VRS). After only eighteen months of existence, and three contract variations, it is now proposed that more than 80 per cent of DES-ESS contracts be tendered. This risks destabilising the sector and may jeopardise the quality of client outcomes.

The proposed timing does not allow for an appropriate period of time on which to assess performance for tender appraisal purposes. In its Interim Evaluation Report, DEEWR recognised that the program is still in a transitional phase, and that many providers were still adjusting to the new program. DEEWR also recognised the limited information available for its interim review, and was forced to focus on nine of the twenty key indicators.<sup>6</sup> Disability Employment Australia submits that tendering this over 80 per cent of contracts at this time represents an unacceptable risk to continuity of service delivery within the sector.

<sup>6</sup> DEEWR, *Evaluation of Disability Employment Services Interim Report*, June 2011, p v.

### 4.1.3 Productivity will decrease for 6-18 months after the tender process

Requiring providers of over 80 per cent of DES-ESS contracts to tender will lower the amount of job placements made. It will force providers to divert tax payer funds away from service provision to focus on the tender application process. Given that half of the three star providers who will have to tender are currently above the national average, this represents an inefficient use of resources. Loss of productivity is greater when contracts change hands. Industry experience from previous tenders indicates that even if contracts do not change hands, the tender process will lower productivity for around six months. If contracts do change hands, experience indicates it can take up to 18 months for the new provider to become fully productive. The potential impact of the tender on productivity is demonstrated in Figure 3.

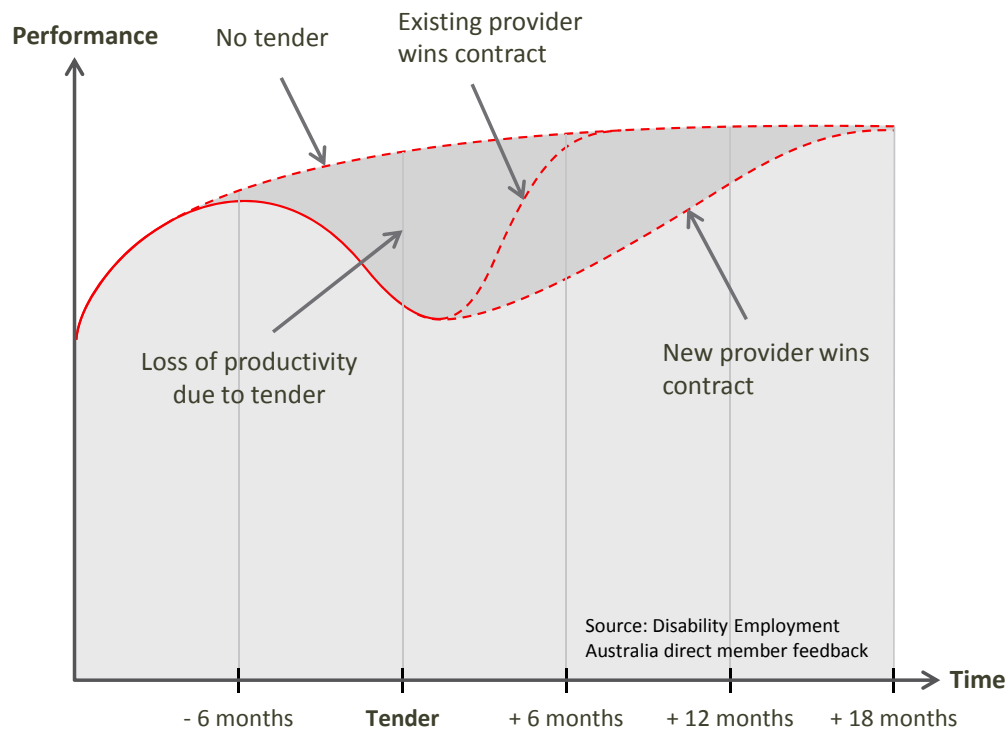


Figure 3: A tender process will decrease productivity

The tender process will increase the already high administrative costs of DES-ESS. We anticipate that the cost to DES-ESS providers will be in the vicinity of \$10 million.<sup>7</sup> The cost to Government is likely to run to several million dollars. This represents tax payer funds that will be diverted from achieving employment outcomes. The Government has not provided evidence of any cost benefit analysis on the tender process for DES-ESS, and has not identified the return on public investment.

The tender process also makes it harder for DES providers to plan their business with any certainty. Previous DEEWR tenders have resulted in providers being awarded tenders that cover different geographical locations. This requires a provider to start up an office, only to close it down and shift location three years later. This significantly increases the costs of doing business, and is not consistent with quality outcomes or value-for-money.

The tender process is already impacting on access to funding, as evidenced in the case study below.

<sup>7</sup> Disability Employment Australia calculation based on member information.

**Case study one: Impact of tendering on business continuity planning and funding**

*“The announcement of wide scale tendering in the next 12 months has impacted on our organisation’s ability to implement our business development plan. Recently, [DES Provider] in WA submitted a funding application to the WA Lotteries Commission (Lotterywest) for approximately \$500,000 to fit-out and equip an extension to our current building. Lotterywest expressed concern that [DES Provider] was subject to an upcoming tender round, with the attendant risk of not securing a new contract, making it hard for Lotterywest to provide any funding. Given that Lotterywest is the major provider of one-off grants to DES-ESS providers in WA, the 95% of DES-ESS providers in WA who will have to tender will also potentially lose access to Lotterywest grants over the next eighteen months.*”

#### 4.1.4 Conclusion

Tendering will destabilise the sector: the quality of existing key relationships will be lost, productivity will decrease, and additional costs will be incurred with no commensurate public benefit. This will have a direct negative impact on client outcomes. If the Government chooses to proceed with an open tender, it would be more appropriate to only tender the contracts of one and two star rated DES-ESS providers.

## 4.2 Tendering more than 80 per cent of DES-ESS risks losing experienced staff

*Terms of reference (b): the potential impact of losing experienced staff*

The tender process is already having a destabilising effect on the dedicated DES-ESS workforce, who are becoming increasingly uncertain of their professional futures. DES-ESS providers operate at the complex and specialist end of employment services. They require a workforce skilled across a range of areas, articulated in an employment context. The necessary skills include: vocational counselling, special education, case management, marketing and an understanding of disability. Previous experience demonstrates that uncertainty created by large employment services tenders will result in experienced staff leaving the industry.<sup>8</sup> We anticipate an increase in the already high turnover rate (in some cases up to sixty per cent)<sup>9</sup> within the DES-ESS sector. Nearly sixty per cent of DES staff surveyed by Disability Employment Australia indicated they have worked in the sector for three years or less.<sup>10</sup> Any further loss of experienced, specialist staff will be hard to replace and will negatively impact client outcomes and employer relationships. This will diminish a DES-ESS provider’s ability to ensure that all staff have the ‘relevant skills and competencies’ to deliver services to a person with disability, as required by Disability Service Standard 11.

<sup>8</sup> Senate Inquiry Education, Employment and Workplace Relations Committee, *DEEWR tender process to award employment services contracts*, 2009, para 4.50, p 46.

<sup>9</sup> Nevile, A & Lohmann, R, *“It is like they just don’t trust us” Balancing trust and control in the provision of disability employment services*, 2011, p 39.

<sup>10</sup> Disability Employment Australia, *DES Employee Profile Survey 2010*  
[http://disabilityemployment.org.au/static/items/Disability\\_Employment\\_Australias\\_DES\\_Employee\\_Profile\\_Survey\\_2010.pdf](http://disabilityemployment.org.au/static/items/Disability_Employment_Australias_DES_Employee_Profile_Survey_2010.pdf)

**Case study two: How DES-ESS employees view their professional future**

*“In our externally conducted staff surveys we have always received exceptionally high rankings for our purpose, vision, values and positive comments around job satisfaction. The external provider (Voice Project) stated that these are some of the highest rankings they have experienced. Curiously, on the question “Intention to Stay” our results were only average, in stark contrast to our other high ratings.*

*We conducted follow up focus groups to unpack these results with all of our staff. The overwhelming response was that while staff were very satisfied working for [DES Provider], they were unsure of their professional future because of the short term nature of DEEWR contracts. Some were seeking more stable positions within [DES Provider], some were looking externally, while others said they didn’t want to leave, but couldn’t rank this question highly due to the uncertain nature of ongoing DES contracts.”*

The tender process has caused significant uncertainty for job tenure of current employees, and makes it increasingly difficult for them to plan their career paths. As employees become increasingly insecure and anxious about their professional futures, they are more likely to look for employment outside the sector. The employment services industry has already witnessed high levels of staff exiting the sector following the transition from FaHCSIA to DEEWR in 2005.

**Case study three: Impact of previous tender processes on staff turnover**

*“As a small regional provider situated in rural WA, staff turn-over resulting from the instability in the sector impacts on our continuity of service.*

*All three of our employment consultants left within two years of the DES-ESS program transferring to DEEWR. All cited the demands of the new DEEWR contract for their departure and its reduced focus on quality outcomes. Our service was in danger of closure due to high staff turnover and a loss of organisational knowledge. Being in such an isolated part of Australia made it extremely difficult to find and attract suitably experienced staff.*

*The frequent changeover of staff was noticed by clients and many expressed their displeasure at having to ‘repeat their stories’. This was more pronounced for clients with specific conditions, such as Autism spectrum disorders.*

*We have finally managed to stabilise staff turnover over the last eight months. Our service has expanded to include other support roles such as a school work experience program coordinator and youth employment consultant, and an administrative and compliance officer.*

*The announcement of the tender has seen a targets-focussed restructuring of ours, and many DES providers. I am concerned about the consequences of the March 2012 Star Ratings if we achieve less than a 4 star result. Our situation will become very tenuous with the uncertainty the tender will bring. I am not sure if employees will stay or go in that situation and I feel extremely vulnerable as a regional manager of a small service.”*

The three year tender cycle embeds employment uncertainty for DES-ESS providers and their employees. The frequency of a three year tender cycle will make it difficult for providers to invest in their staff and forecast staffing needs. Providers will not know if they will have a business following the

next round of tenders and, from our experience, rarely does the provider's 'footprint' remain identical following a tender process. Changing outlet location is disruptive and involves closing an office and staff redundancies, only to open a new office in a new ESA – often with new staff.

We submit that the risk of a skills and labour shortage can be minimised by moving to five year contracts and reducing the number of contracts simultaneously put to tender to one and two star providers only. This scenario would still test the market and provide ample opportunity for new providers to enter the market and expose lower performers to competitive pressures.

In regional communities, staffing issues are even more pronounced. In addition, in many regional areas, there is only one DES-ESS provider. We need to ensure that any procurement policy does not have a detrimental impact on these communities.

**Case study four: Importance of permanent presence of DES providers in Regional communities**

*[DES provider] has very strong connections with employers across Central West NSW and further afield. The organisation works in a number of different areas across the community. In relation to DES-ESS, [DES provider] works closely with large employers such as Woolworths, Coles, Bunnings and McDonalds, as well as more than 100 small to medium family-run businesses.*

*[DES provider] is central to breaking down community barriers for people with disability through employment. In regional areas, the stigma of disability is often more pronounced than in urban environments. By establishing long-term relationships with employers throughout the community, [DES provider] has been able to break down these barriers, and create a more inclusive community for people with disability.*

*The potential reallocation of contracts would be a major disruption to [DES provider]'s service provision. It would significantly curtail the community's access to training, labour hire and youth services for people with disability, as well as to employers and other service providers across the region. [DES provider]'s network of offices is underpinned by the delivery of Disability Employment Services, and our clients (including employers), alongside the wider community, have come to strongly value the physical presence and broad range of work that we do.*

In conclusion, Disability Employment Australia submits that tendering over 80 per cent of contracts will increase staff turnover and have a destabilising effect on the sector. The loss of expert industry knowledge following an increase in staff turnover will risk the quality of client outcomes. We are anxious to avoid a repeat of previous spikes in staff turnover rates and the ensuing negative impacts on our clients and employers. Increasing the contract length from three to five years, and decreasing the amount of contracts put to competitive tender simultaneously would go a long way in stabilising the employment opportunities within our sector, while still providing for new entry and removing any proven poor performers from the sector.

## 4.3 A tender does not always equate to sustainable, quality outcomes

*Terms of reference (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*

We do not consider that the Government’s chosen procurement method is the best way of either achieving its stated market-based aims or sustainable high quality employment outcomes. The Government does not appear to have adequately examined alternative and innovative procurement methods in reaching its decision to tender DES-ESS. The Government now has an opportunity to research innovative, client oriented models of procurement, including models that are proving successful in other areas of Government service delivery – both in Australia and overseas. These alternative models may offer greater value-for-money and are capable of achieving the Government’s objective of testing the market and allowing for entry and exit from the market.

There is a substantial body of evidence that indicates tendering is not well suited to DES. The table below cites sources that question tendering and propose alternative procurement methods.

Date	Author/publication	Finding
1986	Section 1(e) of the Disability Services Act 1986	The objects of this Act are: (e) to encourage innovation in the provision of services for persons with disabilities
2002	Productivity Commission: review of Job Network <sup>11</sup>	Called for competitive tending in the Job Network to be replaced by a licensing system that permits free entry at any time to any supplier that meets accreditation standards; and includes automatic licence renewal, subject to a requirement that providers achieve a certain performance standard.
2009	Senate Inquiry into DEEWR purchasing of employment contracts <sup>12</sup>	‘The committee majority is mindful of [...] concerns that the competitive tendering process is not able to adequately assess some aspects of provider performance.’ ‘The government should re-examine this [licensing] alternative. The committee majority looks forward to the release of new research being carried out by the Productivity Commission into improving the measurement of the not-for-profit sector’s contributions.’
2010	Productivity Commission, Research Report, Contribution of the Not-for-Profit Sector <sup>13</sup>	Included several comments about the adverse affect of inadequate contracting processes such as overly prescriptive requirements, increased micro management and inappropriately short-term contracts. Recommendation 12.1: ‘In choosing between alternative models of engagement, governments should consider the nature of the outcomes sought, the characteristics of clients, and the nature of the market.’ Recommendation 12.5 ‘The length of service agreements and contracts should reflect the length of the period required to achieve agreed outcomes rather than having arbitrary or standard contract periods.’

<sup>11</sup> Productivity Commission, *Independent Review of the Job Network, Inquiry report No. 21*, June 2002.

<sup>12</sup> The Senate, Education, Employment and Workplace Relations Committee, *DEEWR Tender Process to Award Employment Services Contracts, Inquiry Report*, para 4.62, June 2009.

<sup>13</sup> Productivity Commission, *Contribution of the Not-for-Profit Sector, Research Report*, p 305, 306, L, January 2010.

Date	Author/publication	Finding
2011	Considine, et al <sup>14</sup>	'Tight and demanding regulation certainly succeeds in reducing error and providing a political response to fraud. Competition amongst contractors does promote efficiency. <i>What neither quasi-markets nor tight regulation succeeded in doing on their own was to promote innovative solutions for the most vulnerable</i> [emphasis added].'
2011	Anne Nevile and Rosemary Lohman <sup>15</sup>	'DEEWR and the sector together develop a set of performance management tools that meet the government's goal of managing political risk as well as providing an <i>enabling environment for innovative, flexible and individualised service delivery</i> [emphasis added].'

Table 1 Is tendering well suited to DES?

Our submission sets out the reasons why we consider the tender process will not represent value-for-money and is not the best way to achieve the Government's market objectives. Our four key reasons are set out below, with cross references to the relevant discussion. Our recommendations are set out in Section 2.

1. The importance of DES-ESS relationships needs to be recognised in the procurement criteria (see Section 4.1.1 and Section 4.5)
2. There are better ways to measure performance than the current DES-ESS Performance Framework (see Section 4.4)
3. The three-year tender period is too short for DES-ESS and represents an inefficient use of provider and Government resources (see Section 4.5)
4. If the tender goes ahead, tendering only one and two star provider contracts, where poor performance has been proven, will reduce the destabilising impact on the sector (see Section 4.1).

The following section will canvass alternative methods of procurement that the Government should examine before committing to a tender. We consider that these options may have the potential to more effectively achieve the Government's objectives. The Government needs to research various options, such as licensing and social impact bonds, before commencing a procurement process.

#### 4.3.1.1 Licensing and accreditation is successfully applied in similar sectors

Licensing and accreditation schemes are successfully used in many sectors where long-term relationships are critical. The aged care, child care, and education sectors involve long-term relationships with vulnerable members of the community. All have some form of licensing and accreditation system.

An aged care home, for example, must be accredited under the Accreditation Standards for Residential Aged Care to receive public funding.<sup>16</sup> Accreditation standards cover management, care, lifestyle, quality, and safety issues. The accreditation process is ongoing, and providers are required to maintain performance against standards to receive accreditation and funding.

#### 4.3.1.2 Social impact bonds

Social Impact Bonds (SIB) are an innovative, and yet to be fully tested, way of financing not-for-profit service providers. They redefine the relationships between government, social investors, and service

<sup>14</sup> Considine, M. , Lewis, J. O'Sullivan, S. (2011). *Quasi-Markets and Service Delivery Flexibility Following a Decade of Employment Assistance Reform in Australia*. Journal of Social Policy, 40, pp 811-833.

<sup>15</sup> Nevile and Lohman, 2011, '*It's like they just don't trust us: Balancing Trust and Control in the Provision of Disability Employment Services* <http://disabilityemployment.org.au/members/library/reference-material/item/315/>.

<sup>16</sup> The accreditation process is set out in the Accreditation Grant Principles 2011, found at: [www.health.gov.au](http://www.health.gov.au).

providers. Under an SIB, a service provider raises funds from investors based on a contract with government to deliver improved social outcomes that generate future government cost savings. These savings are used to pay investors a reward above their initial investment, only if predefined targets are met. Originally developed in the UK, SIBs have gathered momentum in Australia and the USA.

The NSW Government is examining the feasibility of adopting SIBs across a wide range of policy areas including disability services.<sup>17</sup> Conducted by the Centre for Social Impact, the study concluded that the SIB concept is feasible in NSW, stating:<sup>18</sup>

[SIBs] offer the potential to achieve significantly better social outcomes and deliver future cost savings for government. SIBs provide a new model for the sharing of risk between government, NPOs and social investors. They utilise commercial investment expertise and market discipline for the delivery of public services by [providers].

The study examined various models of risk sharing across government, the service provider and the social investor. It noted that return on investment would need to be commensurate to the risk, and that the optimal risk sharing would be specific to the particular policy area.

### 4.3.2 Conclusion

Disability Employment Australia urges the Government to postpone the tender until such time that an independent review on the best path forward for DES-ESS is undertaken. This decision should be informed by a review of alternative and innovative procurement methods. We believe that tendering will not achieve the Government's objectives or improve client outcomes. Regardless of this opposition, we remain optimistic, that with our recommended adjustments to the tender process (see Section 2), the sector will continue to achieve sustainable and quality employment outcomes for people with disability.

## 4.4 The Performance Framework needs to drive positive behaviour and sustainable outcomes

*Terms of reference (d): whether the DES-ESS 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.*

With its origins in JSA contracts, the DES-ESS Performance Framework is not fully suited to achieve sustainable employment outcomes for DES-ESS clients. It does not promote the objects of the Disability Services Act, which are centred on increasing the social inclusion of people with disability through increased economic independence, employment and integration in the community.<sup>19</sup>

The Performance Framework is inadequate to use as a basis for determining who must tender, and for evaluating tenders, because:<sup>20</sup>

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<sup>17</sup> Policy areas include, juvenile justice, parenting support for vulnerable families, disability, homelessness and mental health.

<sup>18</sup> Centre for Social Impact, *Report on the NSW Government Social Impact Bonds Pilot*, p 11.

<sup>19</sup> Section 3, *Disability Services Act 1986*.

<sup>20</sup> Waghorn, *Presentation to the Australian Government's Parliamentary Inquiry into Mental Health and Workforce participation*, 9 August 2011, p 4.



- **It is not an accurate measure of meaningful DES-ESS client outcomes** because it is inflexible; primarily focused on short-term throughput measures; and does not recognise the importance of relationship building in DES-ESS
- **It is too narrow and short-term focused** and should include a 52 week measure (as well as the current 13 and 26 week measures) to better reflect the long-term relationships in DES-ESS
- **It does not contain a quality measure** – the Star Ratings only include short-term throughput measures (KPI 1 and KPI 2).

It is important to include quality measures in the DES Star Ratings so that the ratings are an accurate reflection of meaningful employment outcomes and are consistent with the objects of the Act. A robust performance framework must measure not only the quantity of throughput, but the quality of service and outcomes achieved. The Star Ratings are calculated on efficiency (KPI 1) and effectiveness (KPI 2), and exclude quality measures (KPI 3). 'KPI 1 – Efficiency' and 'KPI 2 – Effectiveness' should be retained, but need to be complemented with 'KPI 3 – Quality'. Figure 4 below displays the incomplete nature of the Performance Framework.

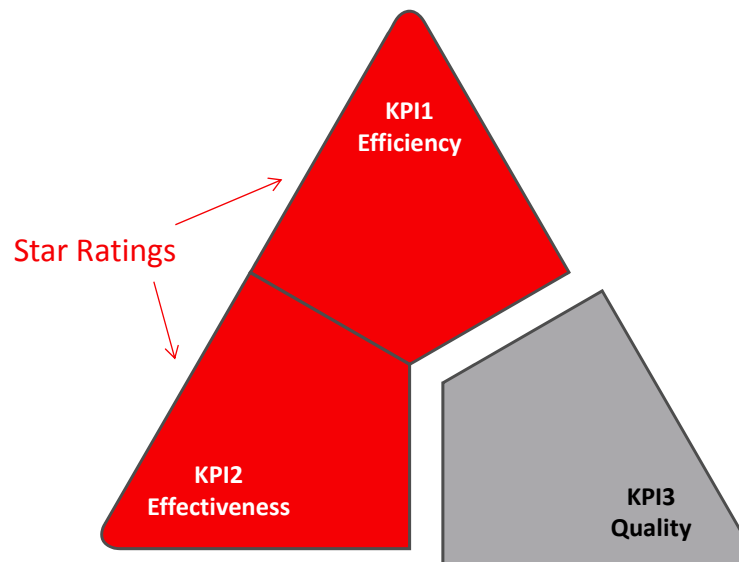


Figure 4: The missing link in the DES-ESS Performance Framework

The DES-ESS Performance Framework is more than a monitoring and reporting process. It drives provider behaviour through its critical role in the Government's tender process – both in determining who must tender, and who will be awarded contracts. It is therefore essential that the behavioural incentives implicit in the framework are aligned with the Act and promote quality employment outcomes.

Under the current Performance Framework, research has found that perverse incentives are created – 'creaming' and 'parking' – where organisations have a financial incentive to focus their efforts on clients

who are easier to place, and neglect those who face the highest barriers to employment and need the most help.<sup>21</sup>

The Performance Framework creates a disincentive for taking up eligibility streams such as Job in Jeopardy. This is a particular disadvantage for small specialist providers who use this option more than other providers to prevent clients falling out of jobs.

**Case study five: Specialist providers disadvantaged by lack of acknowledgement of Job in Jeopardy**

*“One sensory specialist [DES Provider] cites that 35% of its current caseload are Jobs in Jeopardy participants. The current Performance Framework does not factor these clients in to the star rating system. These are intense and complex cases and often the employee has had a significant change in condition, such as the onset of an impairment. There is significant work that needs to be undertaken with the client to help them adjust to their new condition, which can affect all aspects of their working environment, equipment, roles and relationships.”*

*“A second sensory impairment specialist in SA [DES Provider] aided [Client], who has worked as a Test Analyst for Centrelink since 2006. His eye condition (Blepharoconjunctivitis) and his deteriorating vision put his job in jeopardy.*

*Following an assessment, [DES Provider] successfully applied to JobAccess for funding for two large 27" monitors, as well as a large font, high contrast keyboard and desktop magnifier, so that [Client] could clearly see the technical specifications he was required to reference which contained extremely fine print.*

*Without the provider’s intervention and in-depth understanding of his eye condition and its effects, plus a thorough and extensive knowledge of the different types of adaptive equipment available to assist people with a vision impairment, [Client] would very likely have lost his job. Instead, [Client] remained in his position and is an extremely happy worker again.*

*Generalist DES providers lack the resources, expertise and reputation that [DES Provider] has accumulated in the over a hundred years that it has been operating, to provide a comprehensive employment service – plus other essential services – to people who are blind or vision impaired in SA.*

*Intervention strategies are implemented for each individual’s circumstances and include liaising with their employers, installing adaptive technology, providing training where required, and delivering workplace support until the client is independent once again.”*

The current DES-ESS Performance Framework is ill suited to the specific DES-ESS environment and is not a suitable basis to assess a provider’s ability to deliver high quality disability employment services. Following on from our three key areas of concern (on page 16 above), we have identified the following issues with the Performance Framework:

- **The quality measure (KPI 3) is not a meaningful measure of quality** – it is only a compliance based ‘yes/no’ question and needs to be expanded. In 2009, the Industry Reference Group identified that further work was required to ensure that KPI 3 adequately measures all quality elements.<sup>22</sup> This work needs to be done prior to any procurement process.

<sup>21</sup> Neville, Lohmann, “It is like they just don’t trust us” *Balancing trust and control in the provision of disability employment services*, June 2011.

<sup>22</sup> Industry Reference Group, *Disability Employment Services Performance Framework, Report*, 18 August 2009, p 12.

- **DEEWR program assurance and enforcement** – DEEWR’s program assurance activities need to actively monitor and implement the Disability Service Standards (DSS) in day-to-day DES practice, as well as the quality of outcomes for clients and employers.
- **The Performance Framework does not benchmark performance** – it simply compares the *relative* performance of each DES-ESS provider. It does not contain any *absolute* measures. Therefore, it does not contain any expected standard of service. In 2009 the Industry Reference Group recommended an examination of the feasibility of benchmarking.<sup>23</sup> At that point there was insufficient data to commence benchmarking. This work needs to be done prior to any procurement process.
- **Manipulation of Star Ratings** – Star Ratings can be manipulated through behaviour that is not aligned with the interests of DES-ESS clients or employers. Manipulation can occur by providers screening out clients and only selecting those with a higher chance of placement; placing at minimal hours; buying short-term jobs through employer incentives and; placing jobseekers into subsidiary businesses. The behavioural incentives in the Framework should align with quality sustainable outcomes for clients.
- **Procurement as performance management** – Contract management needs to be applied in a transparent and timely manner, with the reallocation of business, if and when there is demonstrated poor performance that cannot be redressed in an agreed period. As opposed to the current practice of using the procurement process to exit poor performers, a risk management, and early intervention approach is recommended. This would ensure that there is a more consistent standard of service delivered to clients and employers. The Performance Framework, the Charter of Contract Management, and the DES Deed 2010-12 already enable this approach.

**Case study six: DES-ESS as individualised quality services under Disability Service Standards**

<p><i>“One of my jobseekers accepted work as a kitchen hand on above award wages. He had undertaken a coffee making course, and I continued to support the client to reach his dream job of making coffee in a café, despite significant barriers. He has now achieved his aspirations, but without a focus on quality of placement this may not have occurred.</i></p> <p><i>Disability Service Standard Two states that providers should ensure the services provided are tailored to the needs of each client in response to those goals, in an individualised way. This means working with job seekers to identify suitable vocational goals and identifying ways to achieve those goals.</i></p> <p><i>We are moving away from the Standards. We are expected to achieve outcomes based on the number of jobs we find for clients and how quickly we do this. The Disability Employment Service Standards Quality Assurance (DESQA) audit, is a pass/fail KPI. Services should not be measured by their employment outcomes alone, but by the quality individual service they provide. DES providers are not just another employment provider; the Disability Services Act under which we were created means we exist to increase social inclusion for people with a disability through sustainable employment outcomes.”</i></p>	<p><b>Disability Service Standard Two: Individual needs</b></p> <p>Each person with a disability receives a service that is designed to meet, in the least restrictive way, his or her individual needs and personal goals.</p> <ul style="list-style-type: none"> <li>◦ Each individual's employment goals are established objectively to reflect his or her needs and personal goals</li> <li>◦ Each individual's employment goals are used as a basis for service provision, with the service provider undertaking a process of planning, implementation, review and adjustment to facilitate the achievement of these goals</li> <li>◦ Services are delivered to meet each individual's employment goals through pathways and plans that do not have any unnecessary restrictions or constraints</li> </ul>
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<sup>23</sup> *ibid*, p 6.

Disability Employment Australia submits that the following work must be undertaken prior to any tender process to ensure that the Performance Framework is appropriate for DES-ESS.

Proposed changes to the DES-ESS Performance Framework	
<b>1</b>	<p><b>An independent review must be undertaken of the Performance Framework</b> to enable an assessment of the extent to which DES-ESS is meeting the objectives of the Act, including an:</p> <ul style="list-style-type: none"> <li>◦ examination of any perverse incentives present in the current Framework (for example, is the short-term outcomes focus decreasing incentives for quality?)</li> <li>◦ exploration of any impact tendering may have on collaborative initiatives and best practice information sharing within the sector</li> <li>◦ analysis of the DES-ESS program’s performance of servicing people with specific types of disability.</li> </ul>
<b>2</b>	<p><b>The Performance Framework must be realigned to the Disability Services Act and the Disability Service Standards</b> to drive performance that achieves meaningful and sustainable client-oriented outcomes.</p>
<b>3</b>	<p><b>Promote the importance of relationships</b> to shift the performance framework from a short-term throughput based methodology, to one that recognises the central importance of sustainable relationships to DES-ESS employment outcomes. For example, include a longer-term throughput measure (52 weeks) which is more reflective of DES-ESS timelines.</p>
<b>4</b>	<p><b>Include quality measures in the Star Rating system</b> that are aligned to the Disability Service Standards to ensure that the Star Ratings are reflective of sustainable and meaningful client outcomes. These measures could be drawn from a revised KPI 3.</p> <p>To enhance KPI 3: Amend the quality indicator from a compliance based ‘yes/no’ measure to include meaningful indicators of quality employment outcomes. Such measures, which used to be monitored under DEN, could include:</p> <ul style="list-style-type: none"> <li>◦ length of employment beyond 26 week</li> <li>◦ pay rate</li> <li>◦ hours worked per week.<sup>24</sup></li> </ul>
<b>5</b>	<p><b>Adopt a risk-management approach</b> to performance management.</p>
<b>6</b>	<p><b>The DES-ESS complaints mechanism needs to be transparent.</b> There is currently no public reporting or feedback to DES providers – this is a lost opportunity to drive positive behaviour.</p>

Table 2: Proposed changes to the DES-ESS Performance Framework

In conclusion, Disability Employment Australia submits that the current performance framework has had unintended consequences and is not fully suited to DES-ESS. It does not provide incentives for providers to act in the best interests of DES-ESS clients. The Performance Framework needs to be amended to ensure it drives behaviour and practices that deliver meaningful client outcomes that are aligned with the objects of the Disability Services Act and the Disability Service Standards.

## 4.5 Three year contracting periods are incongruous with DES-ESS

*Terms of reference (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*

<sup>24</sup> These measures of quality were recorded under the NEIMS IT system, which was operational under DEN.

*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*

Disability Employment Australia consider that the proposed three year contracting term will not provide the optimal environment for a provider to achieve high quality client outcomes or the necessary employer engagement.

Long-term relationships are essential to a DES-ESS provider's ability to provide meaningful and sustainable services to clients with disability, and to effectively engage with employers and community services. Once a client is placed with an employer, the ongoing relationships with both client and employer are critical in achieving meaningful and sustainable employment outcomes.

Relationships between the DES-ESS provider and the client can take significant time to develop due to the often complex, multi-service requirements of DES-ESS clients. Specific challenges for the DES-ESS provider-client relationship may include:

- multiple disability
- limited core job specific skills or work experience
- a long history of disjointed, inadequate service provision across the broad spectrum of disability services
- barriers to employment that may not be managed prior to an individual's engagement with DES-ESS, especially if they are activity tested
- employers require increased awareness of disability issues.

Likewise, relationships between DES-ESS providers and employers are also complex. There is a substantial body of literature<sup>25</sup> that identifies the need to build relationships with potential employers and educate them on the benefits of employing a person with disability. For example, research conducted by the Group Training Association of Victoria highlighted that one of the main barriers to employment faced by people with a disability is the lack of information for employers. It found that employers are 'looking for assistance in building their capacity to support the productive employment of people with a disability'.<sup>26</sup>

The process of building trust and understanding is both timely and resource intensive. Specific challenges in the DES-ESS provider-employer relationship may include:

- **Employers often know little about disability**, or the prospects of employing people with disability. Barriers to employment such as myths and fears are prevalent across employers.
- **All employers require a solution that fits their business model.** It takes time for a DES-ESS provider to understand employer needs and how they can be met by employing someone with disability.
- **Employers require a close ongoing relationship with a DES-ESS provider** so that support issues can be monitored and dealt with swiftly. Three-year tender cycles jeopardise these relationships and act as a disincentive to employing a person with disability.

Three year contract terms also result in higher administrative costs and a diversion of funds from client services. The 2009 Senate Inquiry into *DEEWR tender process to award employment services contracts*

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<sup>25</sup> See, for example:

- Australian Human Resources Institute, *Recruiting People with a Disability, An employer perspective*, 2011.
- Joint report by Anglicare, Catholic Social Services, The Salvation Army, UnitingCare, *What if Employers say no?*, 2011.
- DEEWR, *Employer Perspectives on Recruiting People with Disability and the role of the Disability Employment Services*, 2011.

<sup>26</sup> Group Training Association of Victoria, *What would it take? Employer perspectives on employing people with a disability*, 2010.

found extending the minimum contract period to five years should be considered. The inquiry recognised that the discontinuity of a three year contract is ‘disruptive and costly, and a distraction from the main task of the provider’.<sup>27</sup> Interestingly, this finding was in the context of the JSA program, where the ongoing relationship is generally shorter and less critical than in DES-ESS.

Three year contracts decrease the amount of time providers are operating at peak performance. The relatively short time frame means that they are preparing for tenders, or building to peak performance for over half of the three year contract. Figure 5 below shows the time during which providers are operating at sub optimal levels because of the tender process, and illustrates the differences between a three and five year tender cycle.

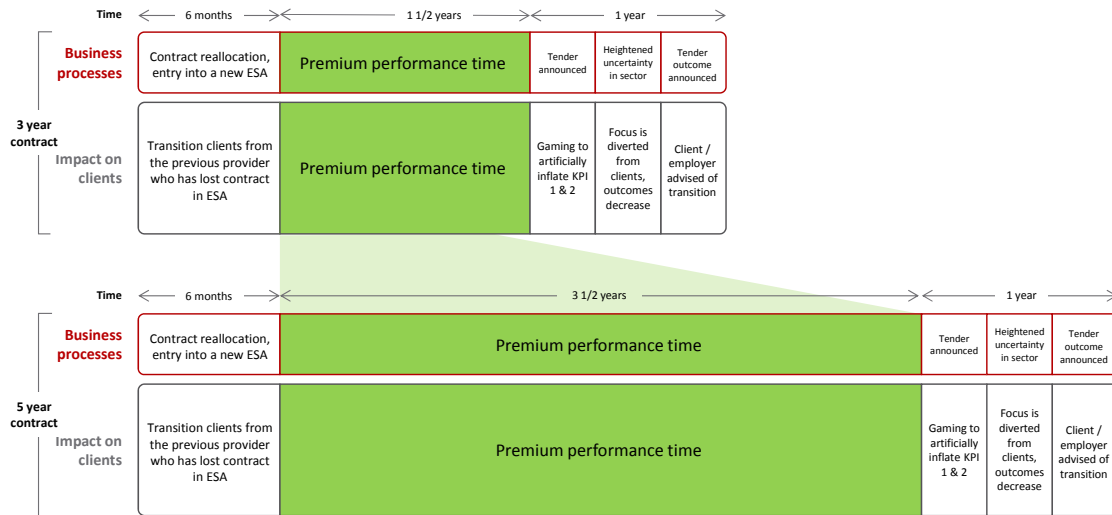


Figure 5: Three year contracts are incongruent with DES-ESS<sup>28</sup>

Disability Employment Australia submits that the minimum contract length should be increased from three to five years, and the tender process pushed back to 2015 to allow for essential changes to the Performance Framework. Alternatively, a similar outcome could be achieved by including a contract term that provides for the automatic extension of the contract if the provider maintains an appropriate level of performance. This idea is similar to the licencing regime in the aged care sector where licences carry over, provided that minimum performance standards are met.

The below case study is a firsthand account of the importance of relationships between DES-ESS providers and employers.

<sup>27</sup> The Senate, Education, Employment and Workplace Relations Reference Committee, *DEEWR tender process to award employment services contracts*, para 4.69.

<sup>28</sup> Senate Inquiry into Education, Employment and Workplace Relations References Committee into the DEEWR tender process to award employment services contracts , p 50, para 4.69.

**Case study seven: Employers require consistent relationships to support employees with disability**

*“A successful business is built on a relationship of trust and reputation. This takes time to establish. We were attracted to [DES Provider] by the strong belief they have in their candidates.*

*Because of [DES Provider]’s willingness to back us up and the faith they have in their job seekers, we ended up signing two happy kitchen staff who are still currently employed with us - thanks to the ongoing support of [DES Provider].*

*The [DES Provider] team has now earned our trust. They have been consistent in their work ethics and professional manner and now know our business needs intimately, and I can call on them at any time if any issues arise with our kitchen staff. They have gone out of their way to provide excellent customer service and follow through with their clients / employer checks to insure all parties are happy.*

*[DES Provider] has helped us to save time and reduce recruitment costs. I am now looking to employ another job seeker from [DES Provider].”*

*Director, [Business], South East Melbourne*

## 4.6 Timing of the tender will negatively impact on the Government’s reforms to the Disability Support Pension

*Terms of reference (f): the timing of the tender process given the role of DES-ESS providers in implementing the Government’s changes to the disability support pension*

Given the significant reform of both general and disability employment services in recent years, now is not the time to embark on a widespread open tendering process of DES-ESS. While we welcome many of the reforms, there is too much uncertainty to tender such a large portion of DES-ESS contracts. The sources of this uncertainty include the significant policy changes to the Disability Support Pension (DSP) and the announcement of a National Disability Insurance Scheme (NDIS). Also, the lack of credible data to assess provider performance means it is inappropriate to conduct a tender at this time.

There have been two key changes to the DSP, and their impact on DES-ESS is still uncertain. Firstly, changes to the DSP eligibility criteria came into place on 3 September 2011. From this date, new DSP claimants who do not have a severe impairment must demonstrate that they have actively participated in a program of support in addition to meeting the existing continuing inability to work criteria, including the 15-hour work ability rule.<sup>29</sup> Currently, 43 per cent<sup>30</sup> of DES-ESS clients are activity tested. It has been widely estimated that approximately 8,000 additional people will be activity tested as a result of DSP eligibility changes, and that the majority of these will flow to DES. It can be assumed that the motivation of people entering DES-ESS from this path will represent a shift from the ‘voluntary’ clients for whom DES-ESS was originally designed.

The exact impact these changes will have on the profile of DES-ESS clients – and the performance of DES-ESS providers – is unknown. It is expected that there will be changes to the attrition rate from the post placement support phase (i.e. from the workforce) through the DES-ESS program. Further, the impact this will have on employers and their willingness to use DES-ESS as a workforce solution is unknown.

<sup>29</sup> [http://www.fahcsia.gov.au/guides\\_acts/ssg/ssguide-3/ssguide-3.6/ssguide-3.6.1/pc\\_13675.html](http://www.fahcsia.gov.au/guides_acts/ssg/ssguide-3/ssguide-3.6/ssguide-3.6.1/pc_13675.html)

<sup>30</sup> DEEWR published DES Monthly Report as at 31 July 2011 from the Provider Portal  
<https://ecsn.gov.au/sites/SecureSitePortal/Documents/Current/DES%20Monthly%20Report%20as%20at%2031%20July%202011.xlsx>

Secondly, the Impairment tables will change on January 2012. This change is also expected to increase the number of activity tested DES-ESS referrals. The exact impact these changes will have on levels of DES-ESS performance and the DES-ESS program more broadly is unknown.

Changes to the NDIS will indirectly affect DES-ESS, with the drive to more person-directed service models. There will be an expectation that the DES-ESS will be flexible to respond to the specific requirements of individuals. Again, the specific impact of this changes on DES-ESS is unknown, as is the adequacy of the Performance Framework to deal with this changing environment.

Since the DES-ESS program was introduced, the disability service sector has undergone significant change. The program has only been operational for 18 months, and is still under evaluation, with the final program evaluation due in 2012-13. Due to the immaturity of the program, there is still a lack of credible data to assess provider performance in a tender evaluation.

Given this changing landscape, we submit that it is prudent to delay any procurement process until 2015 to ensure that the policy changes to the DSP can be fully implemented, and the implications of the NDIS are fully understood. This uncertainty is compounded by the immaturity of the DES-ESS program, and the lack of credible performance data.



## Appendix A About disability employment in Australia

Open employment programs for people with a disability were established in 1986 on an ‘aspirational’ rationale for employment, particularly for people with intellectual and developmental disabilities, including those with substantial support needs. At its core is the notion that any person with disability who wants to work should be supported to do so.

This rationale fundamentally promotes the value of employment as a way of achieving social inclusion. Not only does it create participation opportunities for people with disability, but it creates opportunities for the community to see people with disability as positive and contributing citizens in their community.

Organisation for Economic Cooperation & Development (OECD) statistics show that Australia performs very poorly in the employment rates for people with disability – ranking 13th out of its 19 counterparts<sup>31</sup>. This poor performance continues despite significant reform over the last decade to both employment services and income support policy. With around 4 million Australians (18.5% of the population) reporting to have a disability<sup>32</sup> – people with disability are a crucial resource in building a productive and sustainable workforce that is able to meet the countries future economic needs.

In its current iteration DES is funded by DEEWR to deliver a range of disability employment services to jobseekers with disabilities. DES providers also provide services to employers to support the employment of people with a disability. The service provided is proactive, specialised, flexible and sustained support to people with disability through an articulated set of client focused and tailored interventions. Two service streams sit under the umbrella of DES – Disability Management Services (DMS) and Employment Support Services (ESS). The scope of this submission is restricted to ESS.

The services to jobseekers with disabilities include;

- Vocational guidance and support
- An active, individualised approach to jobsearch
- Support in managing whole-of-life issues before and after starting work
- On-the-job support to assist to establish people in the job and additional ongoing support to maintain that job in the longer term – a key defining aspect of the program
- Off-site support for those who do not disclose their disability

The services provided to employers include;

- Recruitment and selection assistance
- On-the-job training with new employees
- Technical assistance with job redesign and workplace adjustments
- Information about available government programs or funding
- Follow-up and back-up support
- Re-training of employees should they move from one duty to another or if a new skill is required
- Advice and training to co-workers about issues related to employing people with disability

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<sup>31</sup> OECD, Employment Outlook: Towards more and better jobs, 2003, p141

<sup>32</sup> ABS Survey 4430.0 - Disability, Ageing and Carers, Australia: Summary of Findings, 2009

## Appendix B      Objects of the Disability Services Act 1986

(1) The objects of this Act are:

- (a) to replace provisions of the Handicapped Persons Assistance Act 1974, and of Part VIII of the Social Security Act 1947, with provisions that are more flexible and more responsive to the needs and aspirations of persons with disabilities;
- (b) to assist persons with disabilities to receive services necessary to enable them to work towards full participation as members of the community;
- (c) to promote services provided to persons with disabilities that:
  - (i) assist persons with disabilities to integrate in the community, and complement services available generally to persons in the community;
  - (ii) assist persons with disabilities to achieve positive outcomes, such as increased independence, employment opportunities and integration in the community; and
  - (iii) are provided in ways that promote in the community a positive image of persons with disabilities and enhance their self-esteem;
- (d) to ensure that the outcomes achieved by persons with disabilities by the provision of services for them are taken into account in the granting of financial assistance for the provision of such services;
- (e) to encourage innovation in the provision of services for persons with disabilities; and
- (f) to assist in achieving positive outcomes, such as increased independence, employment opportunities and integration in the community, for persons with disabilities who are of working age by the provision of comprehensive rehabilitation services.

(2) In construing the objects and in administering this Act, due regard must be had to:

- (a) the limited resources available to provide services and programs under this Act; and
- (b) the need to consider equity and merit in accessing those resources.

Source: Section 3, Disability Service Act 1986.

## Appendix C Disability Service Standards

***Standard 1: Service access***

Each person with a disability who is seeking a service has access to a service on the basis of relative need and available resources.

***Standard 2: Individual needs***

Each person with a disability receives a service that is designed to meet, in the least restrictive way, his or her individual needs and personal goals.

***Standard 3: Decision making and choice***

Each person with a disability has the opportunity to participate as fully as possible in making decisions about the events and activities of his or her daily life in relation to the service he or she receives.

***Standard 4: Privacy, dignity and confidentiality***

Each service recipient's right to privacy, dignity and confidentiality in all aspects of his or her life is recognised and respected.

***Standard 5: Participation and integration***

Each person with a disability is supported and encouraged to participate and be involved in the community.

***Standard 6: Valued status***

Each person with a disability has the opportunity to develop and maintain skills and to participate in activities that enable him or her to achieve valued roles in the community.

***Standard 7: Complaints and disputes***

Each service recipient is encouraged to raise, and have resolved without fear of retribution, any complaints or disputes he or she may have regarding the service provider or the service.

***Standard 8: Service management***

Each service provider adopts quality management systems and practices that optimise outcomes for service recipients.

***Standard 9: Employment conditions***

Each person with a disability enjoys working conditions comparable to those of the general workforce.

***Standard 10: Service recipient training and support***

The employment opportunities of each person with a disability are optimised by effective and relevant training and support.

***Standard 11: Staff recruitment, employment and training***

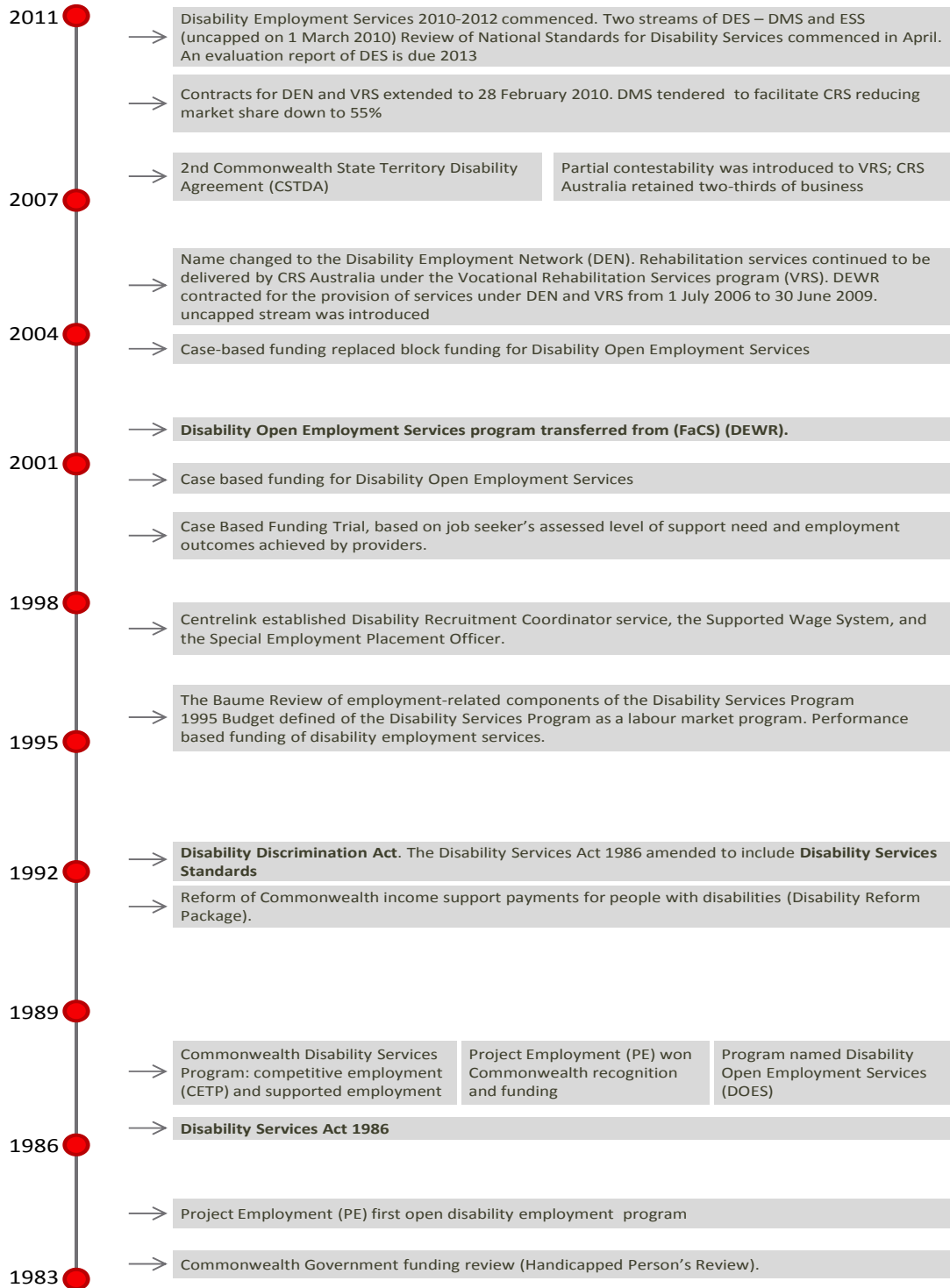
Each person employed to deliver services to a person with a disability has relevant skills and competencies.

***Standard 12: Protection of human rights and freedom from abuse***

The service provider acts to prevent abuse and neglect and to uphold the legal and human rights of service recipients.

Source: Disability Services Standards (FaCSIA) 2007.

## Appendix D Disability employment timeline



## Appendix E DES specific timeline

