



Senate Inquiry on the administration and purchasing
of Disability Employment Services in Australia

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Senate Education, Employment and Workplace Relations Committee

PO Box 6100
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Canberra ACT 2000
Australia

Anglicare Tasmania welcomes the opportunity to provide a response to the Senate Inquiry on the administration and purchasing of DES in Australia.

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1. Executive Summary

In order to address social disadvantage and promote social justice, Anglicare has been delivering a range of Disability Employment Services (under various names) for over two decades. From research and practice-based evidence, Anglicare has found that delivering employment services is a highly practical means of supporting the health and wellbeing, social inclusion and economic participation of people living with disability.

Working within existing funding requirements, including the Disability Employment Service (DES) Performance Framework, the predominant aim of Anglicare's DES is to support movement towards greater participation in the community (including employment outcomes) for people living with disabilities.

Given recent reforms already undertaken within the DES sector, along with imminent changes to Disability Support Pensions, and in the context of tight labour markets, Anglicare believes that tendering more than 80% of DES at this point in time will put extra stress on a sector already under pressure. We suggest tendering is not the most cost-effective means of achieving the stated objectives of the proposed tendering process.

We suggest there are alternative ways to meet the aims of the proposed tendering process, and better ways to enhance service quality within the Disability Employment Service sector.

At the heart of our concerns, is that the timing of this proposed tendering process follows on from major recent reforms. The DES sector is still re-establishing itself within a new funding and reporting environment. All DES are required to provide comprehensive information relating to many aspects of their work - poorly performing DES are already being scrutinised. Service reports and contract management processes are already working towards maximising employment outcomes. We request that the Australian Government does not place extra pressure on this sector, but instead chooses to support stabilisation of the sector, as a vital component to their social inclusion strategy.

Assistance to stabilise existing DES will produce better employment outcomes for people with disabilities - rather than a tendering process which will add an extra set of administrative pressures on services already working hard to make a direct difference in the lives of people they support. Within a stable funding environment, the DES sector is more likely to make significant and expanding contributions to workforce participation rates, as well as to the health and wellbeing of Australian communities. Resources that might be used to administer a tendering process (and subsequent re-allocation of funding contracts) should instead be used to support the sector, including the provision of greater funding incentives for employers (to

employ people living with disability), and more incentives for DES agencies to develop innovative employment solutions for people living with disability.

2. About Anglicare Tasmania

Anglicare is one of Tasmania's largest community organisations, offering a range of services to the Tasmanian community including counselling and family support, alcohol and other drug services, disability and aged care support, mental health, accommodation support, employment services and a social policy, advocacy and research centre. Anglicare is committed to social justice and to supporting people in need to reach fullness of life.

As part of our commitment to supporting Tasmanians towards greater social inclusion, including access to meaningful employment, Anglicare delivers an Australian Government funded employment service, the Disability Employment Network. Our organisation has previously been involved as a provider of other employment services, including Work for the Dole, Green Corps, the Personal Support Program and Job Placement, Employment and Training.

Anglicare is a member of Disability Employment Australia, the national representative body for Australia's Disability Employment Network. A key benefit of placing a Disability Employment Service within a large non-government organisation such as Anglicare Tasmania is the ability for that service to cross-refer clients, both within and beyond its own service settings. In Anglicare's case, people engaged in DES can be supported within alcohol and other drug counselling programs, mental health services, disability support programs, housing and homelessness services, and family services at the same time they are seeking employment. Within our organisation, staff from other service areas and programs work together with DES to improve participation for people living with disability, across our suite of support services. Partnerships such as these concurrently enhance health and wellbeing aims alongside employment opportunities and outcomes for people seeking work.

Our response to the current Senate Inquiry is based on organisational knowledge, staff observations and expertise, client comments and research.

3. Introduction

Anglicare Tasmania welcomes this opportunity to contribute to the Senate Inquiry on the administration and purchasing of DES in Australia.

From a long history of supporting Tasmanians experiencing a range of difficulties, Anglicare has learned a great deal about assisting people towards greater participation in the life of their community, including employment. We place this submission in the context of international human rights, Australian aims for social inclusion, and 'practice-based evidence' (what we know works well) in the task of assisting people towards employment in the Tasmanian context.

From our experience, Disability Employment Services risk reinforcing disadvantage if they can not provide individually-tailored support, if they are not able to nurture strong relationships between employees and employers, and if the ultimate aim is not to achieve both suitable and sustainable employment outcomes for people experiencing difficulties. We assert that successful delivery of DES needs to be measured against people's movement towards greater involvement in their community, including employment, and that employment outcomes be measured alongside improvements in people's personal health and wellbeing. From Anglicare's perspective, successful outcomes include many steps towards employment; and successful employment means development of a suitable and sustainable relationship between employer and employee, which requires varying levels of support from the DES provider. Our response to this Inquiry is based on these premises.

International human rights

Article 23 of the United Nations *Universal Declaration of Human Rights* states:

'Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment; Everyone, without any discrimination, has the right to equal pay for equal work; Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection; and Everyone has the right to form and to join trade unions for the protection of his interests' (United Nations, 1948).

DES play a key role in assisting the most disadvantaged Australians towards their right to employment, including social protection and support.

Social Inclusion

The Australian Government states a vision for a 'socially inclusive society' is one in which all Australians feel valued, and everyone has the opportunity to participate fully in the life of our society. Acknowledged is that this vision requires the provision of resources, opportunities and support for people to learn by participating in education and training, work by participating in employment, in voluntary work and in family and caring, engage by connecting with people and using their local community's resources and have a voice so that they can influence

decisions that affect them (Australian Government, 2011). To achieve this vision, the Australian Government recognises a need to address increasingly complex and entrenched forms of disadvantage. The Social Inclusion Board states key approaches required to achieve this vision include:

- *building on individual and community strengths*
- *building partnerships with key stakeholders*
- *developing tailored services*
- *giving a high priority to early intervention and prevention*
- *building joined-up services and whole of government solutions*
- *using evidence and integrated data to inform policy*
- *using locational approaches*
- *planning for sustainability*

From Anglicare's perspective, DES have a key role to play in the promotion of social inclusion in Australia. To be successful in this role, the task and methods of DES cannot merely focus on a person's 'readiness' to attend a workplace for 13 or 26 weeks, but must also support improvements in people's health and wellbeing across a range of domains. To assist movement towards greater social inclusion for jobseekers living with disabilities requires the establishment of strong links between services and employers, and the development of strong relationships with jobseekers. Delivered well, DES offer much more than short-term employment placements; they enhance opportunities for economic participation and social inclusion for a particularly disadvantaged group of Australians.

Practice-based evidence

In order to address social disadvantage and promote social justice, Anglicare has been delivering a range of DES (under various names) for over two decades. Anglicare has found the provision of DES offer a highly practical means of supporting 'the right to employment' and social inclusion for people living with disability. Working within existing funding requirements, including the DES Performance Framework, our predominant aim is to support movement towards greater participation in the community for people with disabilities, including economic participation via the provision of employment opportunities.

4. Terms of Reference Responses

If opportunities for economic participation (including employment) are both a fundamental right, and a fundamental pillar for social inclusion, DES have a key role to play – not just in the Australian labour market, but also in building the health and wellbeing of Australians. If the Australian Government sees value in promoting social inclusion, they must attend in a

coherent manner to the interface between the labour market (workforce participation) and the delivery of social services.

Anglicare suggests that recent reforms, including tendering of DES Management Services and the establishment of the Performance Framework (including development of star ratings and key performance indicators), combined with proposed tendering of over 80% of existing DES, risks placing extra emphasis on employment outcomes, at the cost of the provision of essential social services by DES.

Anglicare agrees that the DES sector must be held to account, that quality service delivery (including quality assurance and continuous improvement) and employment outcomes are important, and that agencies must be funded according to their capacity to deliver high quality support for people living with disabilities. However we do not necessarily believe that more pressure will assist with these aims, or that fewer agencies delivering more services will better meet these aims. We believe that current reporting requirements are already providing a comprehensive set of information about service outcomes to the Department of Education, Employment and Workplace Relations (DEEWR), upon which decisions about funding may be made. This section outlines our rationale for disagreeing with the proposed tendering of 80 percent of existing DES.

4A. Impact of tendering more than 80% of the current DES

As well as affecting services and staff, tendering more than 80% of the current DES will impact people who are currently supported within existing DES services, with implications for both jobseekers and potential employers.

A competitive tender process, undertaken on such a scale, will increase the already-high proportion of administrative work undertaken within the DES sector. In Anglicare's case, a focus on the tender application process will have implications for staff workloads, including necessarily taking staff time away from core DES business, that of job placement and support. Rather than raising the quality and outcomes of existing services, the loss of productivity due to a large scale tendering process (particularly during the period of tender development and contract allocation) will cause a diversion of essential resources, and disruption to core business.

Central to this submission is our concern that tendering 80 per cent of contracts will increase workloads and destabilise the DES sector, without necessarily meeting the objectives of the intended tender process:

- For a sector still ‘finding its feet’ after major reforms in 2010, tendering more than 80 per cent of DES will create further prolonged instability.
- Even those agencies performing well within the current Performance Framework will experience funding insecurity.
- Services will have to allocate resources to the tender process, taking staff time away from direct service delivery.
- Insecure funding means insecure employment for DES staff, leading to potential loss of experienced staff to more secure positions elsewhere.
- Loss of experienced staff may lead to loss of corporate knowledge (including strong employer relationships), which will place more pressure on existing staff.
- Diversion of staff time and agency resources towards administrative tasks associated with tendering processes will directly impact upon the staff time available for core business (supporting employment outcomes).
- Current performance measures do not adequately account for the ‘quality’ of support provided, including work undertaken to secure suitable long-term relationships that assist longevity of employment placements. A competitive tendering process may lead to services ‘dropping’ certain longer-term supports they would otherwise provide, to ensure ‘quick placements’ are achieved (i.e. more short-term placements at the cost of better longer-term employment outcomes).
- Extra pressures placed on agencies and staff will lead to extra pressure placed on service users and potential employers, with unknown impacts on those critical relationships.

It is Anglicare’s belief that to undertake a tendering process at this point in time will require DES to produce evidence of their tender-writing capabilities, at the cost of focusing on their employment-support capabilities (i.e. DES core business) (see also, 4E).

4B. Potential impact of losing experienced staff

Sector instability, and subsequent loss of specialist staff, holds particular ramifications for this sector. The loss of experienced staff means that relationships, policies, procedures, and other forms of ‘corporate’ knowledge (such as known links with employers, industry, and with local community) will be lost. Anglicare’s experience demonstrates that when you have built up a solid, secure, skilled and effective staff team, it is in clients’ interests to keep them. It is difficult to replace a skilled workforce across specialisations such as vocational employment, special education, case planning, and employment placement. A secure staff team is a required environment for effective service delivery within DES.

We also acknowledge the particular skill set that is required to work within the funding and reporting environment administered by DEEWR.

Over time, and in contrast to the broader DES sector, Anglicare has had a very low staff turnover. Since this proposed tendering process, we have received resignation from two long term, dedicated DES staff members. A key factor articulated within their resignations, was job insecurity, and their requirement for a stable, secure income. Those staff have sought employment in more secure sectors. These losses have placed extra pressure on existing staff, and the challenge for Anglicare now, is to replace these staff within a climate of sector insecurity. We recognise it is difficult to attract new staff in an uncertain funding environment.

As an agency embracing 'family friendly' workplace practices, and valuing workforce development strategies, our ongoing challenge is to maintain best practice standards and high quality employment conditions within an increasingly competitive sector. If the tender process takes place, agencies will need to maintain service delivery, recover from staff losses, and employ new staff (with associated training needs) at the same time that they take up new service contracts. These extra and unnecessary burdens will have lingering effects, and will take some time to move through, towards another phase of DES consolidation. Given recent reforms and the current employment market, this is a process the sector can ill afford. Anglicare believes the costs of a tendering process will outweigh any gains made.

4C. Alternative ways to:

- i. test the market**
- ii. allow new 'players' into the market, and**
- iii. remove poor performers from the market**

Anglicare questions whether the competitive tendering of more than 80 per cent of the DES sector will deliver the best value for money in achieving the stated aims of the tendering process. We suggest alternative ways to meet the stated objectives of DES tendering.

- i) Anglicare questions the merit of allocating a significant amount of resources and time to 'test this market' at this point in time. DES are already rigorously 'tested' via current reporting and rating mechanisms within the Performance Framework. Although additional criteria could be added within existing contracts to better measure 'quality', recent reforms mean that DES are required to articulate a range of outcomes across a range of key performance indicators. Performance can already be rated by DEEWR according to Contract Compliance Activities. The DES 'market' is regularly assessed via these means. It should be noted that this same market has

recently adapted to major reforms, and is still re-establishing itself within a new funding and service delivery environment, hence the 'market' is still settling.

We suggest the DEEWR 'test' the market at a point in time when reforms have been consolidated within existing DES.

- ii) From our experience, it appears that new 'players' can already enter the DES 'market'. For example, it is presumably possible for an organisation or agency to move to auspice an existing service, add an existing DES service to their suite of services, even 'buy' a service if they felt inclined to do so.

If we wish to allow 'new players' to enter the market, a simple invitation to new players to 'state their case' for being allocated DES funding could be made. This open invitation could be made without disruption to existing services.

- iii) Removal of 'poor performers' from the existing market could be efficiently achieved via a review of existing service performance data; this data is already at hand. Anglicare believes the by excluding 'quality' from star rating criterion, existing performance criteria emphasise short-term employment placements (13 and 26 week placements) over longer-term 'suitable and sustainable' employment outcomes. Nevertheless we believe a significant amount of performance information is already known about existing services, and decisions about ongoing funding could be based on that information.

An alternative means of removing 'poor performers' from the market could involve an assessment of existing data, combined with a visit to perceived 'poor performers' (perhaps drawn from DES with one star ratings) by quality surveillance teams. Perceived poor performers could be invited to 'state their case' for being granted recurrent funding, based on their own interpretation of quality and effectiveness, given their local socio-cultural and economic context.

It is unknown how many DES are performing poorly – it is possibly a small minority.. All DES are under pressure due to changes in labour markets, including competitive employment environments. Currently, the financial incentives being offered to employers by mainstream employment agencies (Job Services Australia) are greater than DES can offer. Presumably all DES are working hard to place people in employment. In the context of a tight labour market, greater support should be given to DES - rather than extra pressures added.

For jobseekers living with disability, health and wellbeing needs to be addressed before and alongside employment outcomes. Suitable and sustainable employment requires support with

health and wellbeing alongside employment aims. If DEEWR needs to take extra steps to assess the current DES 'market', Anglicare suggests a suitable process would involve a closer review of measures not currently included within the Performance Framework, such as the following key areas:

- health and wellbeing outcomes alongside employment outcomes;
- movement of jobseekers towards greater participation in the community (as well as employment outcomes);
- a review of 'suitable and sustainable' employment outcomes (alongside a review of shorter-term placement outcomes);
- qualitative descriptions of support provided (including support offered in employment settings);
- an investigation of innovative practice (including identification of 'extra' levels of care provided, tailored individual supports provided, innovative supports, and creative employment solutions); and
- closer identification of the nature and strength of community linkages and partnerships.

Performance in areas of community linkages, innovation, and levels of care are not well captured within existing Performance Frameworks. The strength of links a DES have with local businesses, industry, government and other community services (including those offering training, education, and social support) are not to be underestimated within any review of DES effectiveness. We suggest that a tendering process will not necessarily identify these strengths, nor provide additional information about 'poor performers'. Tenders require time, effort and a certain range of skills – the tender process adds a performance indicator of 'tender-writing'; a tendering process will predominantly provide evidence about which DES can produce strong written reports - whilst placing extra pressure on all DES.

4D. DES Performance Framework

Anglicare is not convinced the current DES Performance Framework provides the best means of assessing a provider's ability to deliver services to meet the stated objectives of the Disability Services Act 1986. Our long experience in delivering employment services tells us that flexibility, responsiveness, strong relationships, creative solutions and determined efforts assist people with disabilities to have both their needs and their aspirations met with regard to employment outcomes. A competitive tendering process does not encourage relationship-building, nor creative solutions. Strict performance measures based on short-term employment placements, produce risk-adverse practices, and an atmosphere of haste, mistrust and control (Neville and Lohmann, 2011).

Long-term relationships are critical to employment outcomes for some people living with disabilities – disabilities do not fade away once someone has achieved an employment placement. The current DES Performance Framework does not adequately measure a DES capacity for developing strong supportive relationships, a key element within a successful employment outcomes for some. In contrast to aims of social inclusion, the current Performance Framework focuses on labour market outcomes - outcome measures that are better suited to aims of Job Services Australia where 'efficiency' and 'effectiveness' are relevant outcome measures. That 'Quality', (KPI3) does not form part of the numerical star rating is disappointing to Anglicare. We consider quality central to our work, and believe Key Performance Indicator 13 deserves more attention - including inclusion in star ratings, if star ratings are the ultimate measure of effectiveness.

Current Performance Frameworks do not adequately measure local relationships, including the links between services and employers (e.g. businesses, industry, government, and community services) that are so important for DES. Suitable and sustainable employment outcomes rely on a whole range of health and wellbeing needs being met, along with the development of relationships, and confidence. Some clients need a longer time-frame to be readied for a suitable and sustainable employment. Current performance indicators do not adequately reflect the work that goes on in these areas.

Anglicare's position is that DES exist to promote social inclusion via employment, not promote employment at the expense of social inclusion. Closer alignment of performance measures with the Disability Services Act 1986 will ensure DES more closely meet the original intended aims of DES for people living with disabilities.

In their study of Disability Employment Services Nevile and Lohmann (2011) discuss the need to reconcile trust and control: "the government has placed greater financial risk on service providers, exacerbating tensions which already existed prior to 1 March 2010 between providers contractual obligations under the DEED and their obligations under the Disability Service Standards" (p.59). The current Performance Framework is not conducive to the development of trust and flexibility, nor creative problem-solving and innovation. If services are required focus on timeframes for short-term 'employment outcomes', innovation will necessarily be stifled. Pressures to meet short-term targets create a risk-adverse environment; DES will strive to meet outcomes targets with little time for developing new, flexible, individually-tailored opportunities for people they work with (including via new partnerships and skill development mediums). These are the 'extras' that lead to confidence and real 'job readiness'. Anglicare considers these 'extras' core business when it comes to placing people in suitable and sustainable employer-employee relationships.

From our observations, the DES Performance Framework mirrors Job Service Australia contracts, which are designed to meet different objectives in a sector with different client profiles and do not necessarily take into account extra support required, nor additional that are essential for employment outcomes. We believe it is critical for the incentive properties of the Framework to be realigned with the objects of the Act and the Disability Service Standards.

As stated previously, the current emphasis is on 13 and 26 week employment outcomes misses essential ingredients of quality service provision, including qualitative assessments of both 'suitability' and 'sustainability' of job placements.

4E. 3 year contract periods versus 5 year contract periods

Returning to our introductory statements, Anglicare believes that supporting sector stability is one of the greatest steps the Australian Government could take in an aim of raising the efficiency and effectiveness of existing DES. From our observations, whilst greater competition may work well within mainstream employment settings, greater stability supports better outcomes within DES settings.

The current proposed tendering process, combined with three-year contract periods does not create the stability required to significantly advance the quality and effects of the DES sector. Towards an aim of sector stability, we expect that extending contracts from three years to five years will have enormous benefit - for staff security, service innovation, employer linkages, and ultimately, employment outcomes for people living with disabilities.

The core business of DES is necessarily based on the development of long-term relationships. We are in favour of establishing a funding contract framework to match these practices. For this reason, as recommended in the 2009 Education, Employment and Workplace Relations References Committee report, we are in favour of five year contract periods.

Employers already perceive that employing a person with a disability is a risk. By reducing support to the sector via extensive tendering, the perceived risks for employers increase. For similar reasons to jobseekers, employers need to be able to trust that quality services will be provided, including ongoing support for some employees in some cases. In order to attract career DES staff, the DES sector needs to provide stability and job security. Likewise, DES providers require sectoral stability in order to invest in training and supporting their staff. For Anglicare, maintaining experiencing staff has been integral to our capacity for delivering quality outcomes for jobseekers.

Relationship-building is central to delivering quality DES. We believe a three year funding cycle does not enhance the capacity for DES to provide stable and secure workplaces, or high quality outcomes for jobseekers. From our perspective, five year funding contracts are more likely to meet these aims. Longer contacts allow for better vision-formation, planning, establishment, implementation, consistency, and stability - which provide a solid platform for innovation, flexibility, and the development of creative employment solutions.

4F. Timing of tender process

In contrast to mainstream employment services, DES were not established to divert individuals away from welfare payments and into employment, however the current employment climate is leading towards this becoming the reality for DES. Already, half of Anglicare clients are referred based on mandated requirements, rather than on specific need in relation to disabilities. An original focus on assisting people towards social inclusion and active economic participation has become a focus on short-term employment placements. These circumstances raise the likelihood that DES will need to move un-work-ready clients on from their service, and between services, in order to meet funding objectives (what Neville and Lohmann 2011 call 'gaming behaviour'), out of necessity. All of these changes have ramifications for jobseekers seeking assistance from DES.

Due to imminent changes in disability policy, we expect to see increasing demand by compulsory clients, especially when Disability Support Pension (DSP) guidelines start to take effect. It is likely that more involuntary jobseekers with higher benchmarks and lower employability ratings will need to access DES as a result of these changes. Significant policy changes to the DSP, along with policy developments in the National Disability Insurance Scheme (NDIS), means much uncertainty for the sector at present. These contextual changes will affect the DES sector in various ways, including in ways that will not be clear until imminent reforms are fully implemented.

The timing of the proposed tendering process is in the midst of these reforms. Our experiences of DES reforms in 2010 demonstrated that during sector upheaval, there is a considerable period of confusion and frustration experienced by the DES jobseekers. Even if changes are managed well at the service level, sector upheaval inevitably leads to jobseekers becoming frustrated, even disgruntled. Some choose to stay away from services during times of change and instability. At any given time, jobseekers must manage accommodation, finances, transport and communication needs (amongst other needs), in order for them to be able to participate in DES programs. With sector instability, including staff under stress, less support, and stricter timelines, people are more likely to disengage from services, leading to poorer outcomes at least in the short-term. Our belief is that a likely outcome of large-scale tendering is that, due to sector insecurity, some voluntary jobseekers will opt out of looking for work.

As a result of the tendering process, with new allocation of contracts, some jobseekers may experience the loss of their provider, adding extra challenge to their aspirations of achieving employment – they will be required meet new people, find new locations, perhaps drop part-completed Employment Pathway activities, negotiate new Employment Pathway Plans, and establish of new relationships. Again, movement towards employment outcomes are stalled by such processes.

Instability in the DES sector will be felt by employers, who may become more reluctant to engage in the DES sector as a source of employees. DES providers dedicate a large proportion of staff resources to building collaborative relationships with employers, which is at times a 'shifting' employer base. Due to the time taken to establish these strong relationships, many of these employers will support DES providers in a tender process. However this extra demand placed on employers as well as service providers again diverts resources from direct service delivery, including employment support.

Administration already takes up a significant portion of staff time within DES services. This tendering process adds an additional burden on services already working to full capacity to support the needs and increase outcomes for job seekers. The Government has undertaken significant reform of both general and DES in recent years. Given this context of change and reform, now is not the time to embark on a widespread competitive tendering process.

The DES sector is still settling and embedding the reforms made in 2010. Refinements in policies and procedures in line with established Performance Frameworks are still being established. The sector is at a point of needing some stability before a new set of improvements and innovations can take place. Anglicare suggests the timing is not right for large-scale tendering process.

5. Conclusions

For a sector still 'finding its feet' after adapting to recent reforms, tendering of 80 per cent of services will have unhelpful ramifications. The proposed tender process will increase sector insecurity, and place extra pressure on existing services, with inevitable negative consequences for service users. We suggest that steps taken by the Australian Government to increase sector security will have far greater positive impacts for service users, services and employers than adding extra 'hurdles'.

DES agencies are already working hard to deliver sustainable employment outcomes for people living with disability, with performance already under close scrutiny. We believe that based on

assessment within the current Performance Framework, under-performing services are already known to the DEEWR. We suggest that this provides a ready-made source of information for decision-making relating to funding.

Potential loss of staff, and increases in administrative requirements (associated with tendering), will mean agencies are forced to focus on 'short-term employment placements' rather than longer-term secure and sustainable employment outcomes for people living with disability.

Towards greater sector stability, and increased employment outcomes, Anglicare requests that the DEEWR extend existing service contracts from three years to five years. Anglicare believes the promotion of workforce participation must be addressed alongside health and wellbeing aims for people living with disabilities. Service performance measures should include identification of health and wellbeing outcomes alongside 'employment' outcomes. Employment outcomes must be assessed according to both 'suitability' and 'sustainability' of the placement.

Instead of resourcing a new tender process, we request that the Australian Government channel 'tendering' funds and resources into raising DES employer incentives to match those of Job Services Australia. Many employers need incentives to provide employment placements for people living with disabilities. Currently, DES are at a disadvantage in attempting to secure employment placements, because employers are being offered higher incentives by mainstream employment services. This places DES at a distinct disadvantage in terms of employment outcomes. Towards greater employment outcomes for people engaged in DES, this step alone would make a great difference to DES outcomes and therefore would be money well spent.

Within a tight fiscal environment, the Australian Government is required to make difficult decisions about spending and saving. We believe contract rollover should be put in place for the vast majority of DES, based on existing performance, and that if necessary, DES with one star rating be invited to 'state their case' for recurrent funding. We request that DEEWR consider refining current performance measures to include greater emphasis on 'quality', alongside aims of suitable and sustainable employment outcomes for individuals. 'Quality' should be given equal weight to an emphasis on quantity of services outcomes (within the star rating system). We suggest that quality measures need to be included in the DES Performance Framework (including in future tender evaluation criteria).

We request that the Australian Government hold DEEWR accountable for contract management, including addressing issues of underperformance and 'poor performance' in a timely manner, via a fair process - with grounds for 'poorly performing' DES to state their case, based on their own assessment of their socio-cultural and employment environment.

In conclusion, we request that the Australian Government acknowledge the specialised nature and aims of DES, including the role DES play in promoting social inclusion and 'rights to employment' for people with disabilities. We request that current and future DES funding contracts are congruent with the long-term relationship-based nature of delivering effective DES services. In addition, request that performance measures take into account the way in which DES are embedded in local communities, including the support they give and receive from employers, and the special support they offer to people with disability , in addition to employment outcomes.

Anglicare believes that money spent on DES employer incentives will be money well spent, compared with money spent on a tender process that will add administrative work, stress and sector instability to already high-pressured services. We request that DEEWR support stabilisation of the DES sector rather than another era of upheaval and change. We suggest stabilisation existing DES will lead to better outcomes for people living with disabilities who are seeking employment. For these reasons, we request that the Government does not proceed with the proposed tendering process.

6. References

Neville, A and Lohmann, R 2011 "*It is like they just don't trust us*": *Balancing trust and control in the provision of DES*. The Australian National University, Canberra.

Social Inclusion Board 2011, *Social Inclusion Principles*, Department of Education, Employment and Workplace Relations, Canberra, viewed Sept 2011, <<http://www.socialinclusion.gov.au/>

United Nations 1948, *Universal Declaration of Human Rights*, viewed September 2011, <<http://www.un.org/en/documents/udhr/>