

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

7<sup>th</sup> September 2011

The following submission is made on behalf of NOVA Employment and Training Program Inc. A New South Wales based Disability Employment Service. This document is a second submission in response to the call for submissions to the Senate Inquiry into the administration and purchasing of Disability Employment Services in Australia.

### **Introduction and Background**

In brief, the following lists the organisations experience in relation to the employment of people who have significant disability.

In 1990 by the NSW State Government's Department of Industrial Relations, to open what was then referred to as a Competitive Employment Training and Placement Program and shortly thereafter NOVA Employment was born.

The next 6 years marked an exciting period of development for NOVA and within Australia's Disability Employment programs. Information on best practice was freely shared and, at least in the case of this organisation, significant interest came from overseas agencies interested in supporting the integration of people who have a disability

What evolved was a network of people and organisations dedicated to developing and sharing best practice in the delivery of employment services to people (the majority of whom were young Australians aged between 18 and 25) who had genuine disability that prevented them from independently accessing employment in award wage community settings.

---

*Working with Ability*

A change in policy in 1996 was coupled with a general reduction in the level of funds to support job seekers. At the same time the number of people that disability employment programs were expected to support began to increase.

Previous distinctions between 2 models; Competitive Employment, Training and Placement (CETP) programs and those based around Individual Supported Jobs (ISJ) became blurred. In response to an expectation of continually increasing outcomes from the then funding body.

1997 - 2006 saw a general rising of the ability levels of job seekers as programs sought applicants with greater levels of ability in order to achieve numerical targets. This was twinned with the introduction of 'competition' between service providers

In 2006 the then Department of Employment and Workplace Relation's introduction of an 'uncapped' program introduced more people into the care of disability employment programs. This group presented with a range of 'disability' issues and included people who were work resistant. At an industry level there was a dilution of the level of professional skill required to assist job seekers

In response to the terms of reference to the inquiry we offer the following:

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

The realities of service delivery within disability employment services is that 10% is too much - 1% has the potential to cause tragedy, that such a process is being considered could be considered to demonstrate a complete misunderstanding of the fundamentals of supported employment.

Here's the underlying issue: the relationships developed with people who have developmental disability and those with chronic illness are real, deep and have led to mutual understanding of the needs and realities of open employment for 10's of thousands of job seekers.

My organisation still provides support to our first registrants – in the time they have been in our care they have all passed through several jobs – supported in their progress by experience gained working with them over decades.

The dislocation for skilled workers (yes, even amongst single 'starred' services has consistently seen talented and committed workers leave employment programs, tendering disability services will again see a flight of experience that will significantly reduce the ability of what replaces existing programs

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

I offer you a post from my blog: "The 3 Cheese makers"  
[http://www.novaemployment.com.au/ceo/Time-Off\\_583/](http://www.novaemployment.com.au/ceo/Time-Off_583/)

This is the reality of the tendering process.

There are so many 'Lorraine's' in Disability Services. Many of the very best workers have simply given up or been driven from their work by the nightmarish bureaucracy associated with the present funding body and their micro management of trivia.

There is not 'potential' to lose experienced staff it is the reality of the present environment coupled with a Damoclean purchasing process that has absolutely no reference to the needs, wishes or preference of service users and has a history of repeatedly consigning first class programs to the scrapheap.

**(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;**

**ci** What is the market being tested for? If this is the ability of a new player to outperform the old, surely removing 80% of the present programs prevent comparison? This stated objective is not clear in its construction?

**cii** 'Allowing new players into the market' sounds noble and could potentially bring innovation and new methods of supporting people who have a disability.

During 2010-2011 I have visited the United Kingdom, The United States and Denmark – lecturing, listening and attempting to benchmark Australian practice against the world's best. At the same time my organisation has brought the world's leading experts and exponents of service provision to Australia to train staff and support us in program evaluation.

There is room to up skill staff, there is room for program development and there are no new technological or operational practices that will revolutionise the daily reality of finding employment and supporting people who have a disability to keep their work – it's a bit of a grind, and in a possibly contracting economy service users are better served by established relationships and programs.

Ciii This depends upon acquiring an accurate description for 'poor'. As clearly demonstrated through my first submission the present 'Star' ratings have been repeatedly rorted to produce virtually meaningless results.

It would not be possible to form the opinion that any decision to retender Disability Employment Services on the basis of the corrupt and misleading data presently used to construct 'Stars' is a construct and a manipulation designed to achieve other aims

A better indication of program adherence to the principles, aims and objectives of the Disability Services Act might be obtained by recasting program results, excluding all employment of less than 15 hours per week.

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

In their present format absolutely not.

An industry and environment has been created that causes employment programs to either risk their existence while sticking to the principles and objectives of the 1986 Disability Services Act or engage in a grubby 'race to the bottom' practicing what is referred amongst industry observers as 'skimming', 'creaming' and the breaking of full time employment into multiple part time positions.

This organisation believes that professional manipulation of the measurement system (Stars) has led to distorted and meaningless ratings that do not reflect a desire to *"assist persons with disabilities to achieve positive outcomes, such as increased independence, employment opportunities and integration in the community"* (Disability Services Act)

Programs are unlikely to *"assist persons with disabilities to integrate in the community, and complement services available generally to persons in the community"* or *"encourage innovation in the provision of services for persons with disabilities"* when contracts are short term and create adversarial competitive relationships.

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

The recognition of the relationships that exist between services users and the service provider in this question clearly indicates the appropriate response – 3 year contracts are inappropriate.

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

Again, the answer should be clear – this is not an appropriate time to introduce uncertainty and upheaval. and the government should ask DEEWR to reconsider their administration of disability employment services and come back with a 'better way' that might include:

- Licensing Disability Employment Services and removing the artificial operating barriers of the present ESA based rules.
- Rather than selecting a service provider on a random distribution basis, allow job seekers to register with as many programs as they either may wish, or are available.
- Adjusting remuneration provided to Disability Employment Services on a sliding scale to reflect the savings provided to the Commonwealth through a reduction in welfare dependency.
- Allowing service providers to self select areas of speciality and develop programs tailored to individuals without censure.

In conclusion we thank the Senators for their consideration of the issues discussed above and hope that their inquiry will lead to the realignment of disability employment services within Australia that brings these closer to the original aims and objectives for which such programs were created.

Martin Wren  
Chief Executive Officer  
NOVA Employment & Training