



**Mission Australia's
Response to the
Administration and
Purchasing of Disability
Employment Services in
Australia Inquiry Terms of
Reference**



Mission Australia

**Employment
Solutions**

The administration and purchasing of Disability Employment Services (DES) in Australia, with particular reference to the Government's 2011-12 budget announcement to undertake a competitive tender of the Disability Employment Services – Employment Support Services program for contracts with a performance rating of 3 stars and below under the Department of Education, Employment and Workplace Relations' DES Performance Framework, including:

(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;

Employment is a cornerstone of social inclusion for people with a disability. Access to strongly performing Employment Services providers will provide effective identification and support in addressing barriers to employment. On the whole, current arrangements for the delivery of Disability Employment Services – Employment Support Services (DES-ESS) have failed to adequately support many people with permanent disability and ongoing workplace support needs to move into meaningful and sustainable employment.

The proposed tender for DES-ESS in May 2012 is an important opportunity to test the market for the delivery of a program that has not been openly procured previously. There have been many changes to Government's approach to the procurement of employment-related services since ESS and its predecessor programs began and the approach to contracting for ESS must be considered in this context. The proposed approach to procurement provides an opportunity for new providers with strong experience in the successful delivery of employment and disability-related programs to demonstrate their claims and potentially enter the market, while also guaranteeing that the best of the current providers are recognised and offered stability. The offer of a contract extension to four and five star rated providers provides assurance that the highest performing providers will be retained and rewarded with a contract extension. The tender is likely to lead to improvements in program efficiency and effectiveness, resulting in better support for people with permanent disability and ongoing workplace support needs to move into meaningful and sustainable employment.

Mission Australia has a long history of working with the most marginalised, disadvantaged and disconnected people in Australia, and has been delivering support services to disadvantaged people since 1859. Currently Mission Australia is assisting 6,900 job seekers with disability through Job Services Australia (JSA). This includes a specialist site for job seekers with disability at Berri, South Australia, and an allocation of job seekers with disability at Mt Gravatt in Queensland through a recent business reallocation process. We are also currently delivering Disability Employment Services – Disability Management Services (DES-DMS) to assist 1,300 job seekers to achieve sustainable employment.

Having delivered employment services for over 30 years, Mission Australia understands the critical servicing needs of both job seekers and employees with disability, and their employers. We have a good understanding of employer expectations, and we have a strong track record of working with employers to design job vacancies that are matched to the capabilities of job seekers.

Mission Australia has, in respect of Job Services Australia, advocated for the Government to ensure stability in the marketplace for job seekers, employers and providers by offering longer-term contracts of service and reducing the frequency that programs are put to open tender. However, our views in this area must be balanced by the context that the DES-ESS program has never been tested in the market and is not adequately servicing the needs of job seekers with disability and employers across the board.

We acknowledge that the proposed tender process may mean that some providers divert resources in the short term away from providing services to job seekers and employees with a disability, and their employers, particularly where existing providers 'lose' business as a result of the tender process. The effect of this however can be managed by effective transition arrangements which we discuss below. In the longer term the process will result in renewed certainty that providers are delivering high quality, innovative and effective services that offer best value for money to government and better support to clients with disability and their employers. It is the long term needs of job seekers and employers that must be paramount.

(b) the potential impact of losing experienced staff;

The proposed tender involves a risk of providers losing experienced staff as a result of uncertainty surrounding future contracts. We know from considerable experience of DEEWR's employment services tender cycle, however, that highly skilled staff will often be re-employed within the sector by entering providers.

Mission Australia welcomes DEEWR's intention to implement a Transition Plan to support job seekers and stakeholders affected by the outcomes of the tender process, including the establishment of a Customer Service Line. We support initiatives that would contribute to

- a smooth handover of services between exiting and entering providers
- the development of relationships with clients and employers, and
- a timely transition of highly skilled and experienced staff from exiting providers to new providers where this is desired by all parties.

Transition arrangements could include:

- New providers in an ESA could be offered the business of exiting providers wishing to exit their contracts prior to 4 March 2013, although contract offers to new providers should not be made contingent upon this.
- Job seekers needing to change provider could nominate their preferred provider, which could be facilitated via Australian JobSearch, as with the proposed JSA 2012 Transition process.
- New providers should be given access to the electronic diary prior to 4 March 2013 to book appointments.
- Collaboration between exiting and entering providers to support early and targeted marketing and advertising of vacant positions.

(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;**

Mission Australia supports the need to test the market for DES-ESS via the proposed open tender for services delivered by providers with a star rating of three or below at the ESA level. As indicated in DEEWR's DES Industry information Paper released in June 2011, "Disability Employment Services – Employment Support Services providers, have never been subject to a competitive tender or open to interest from other potential providers." This is in contrast to the recent full tenders for DES-DMS in 2009 and Job Services Australia (JSA) in 2008. These tenders have contributed to an ongoing renewal of services, by providing openings for the transfer of industry knowledge, skills and expertise into these services by new providers. The tenders have resulted in improvements in efficiency and effectiveness, delivered best value for money, and better outcomes for job seekers. The recent JSA Star Ratings results for the period ending 31 August shows that the average performance across all providers has steadily increased since the commencement of the JSA contract in July 2009.

The proposed DES-ESS tender will reward strongly performing providers and offer good opportunities for new providers to enter the market. We support the mix of contestability and ensuring that high performance is rewarded by offering contract extensions.

The tender will facilitate the exit of consistently poor providers from a sector that needs to help more people with ongoing workplace support needs to achieve sustainable

employment outcomes. Three star providers will have an opportunity to demonstrate how they will deliver services that will achieve better outcomes for DES-ESS clients from March 2013 onwards.

The tender offers opportunities for greater innovation and collaboration, bringing together the best of disability support services with those of experienced and high performing employment service providers with strong employer linkages. Ways in which new providers will be able to better support DES-ESS clients will depend on their specific experience and existing relationships but may include:

- Applying innovation, knowledge and expertise developed by successfully supporting highly disadvantaged job seekers into employment.
- Leveraging established relationships with employers who currently employ disadvantaged job seekers.
- Working with large businesses to help them develop and achieve corporate social responsibility goals such as the sustainable employment of people with permanent disability.
- Integrating the delivery of DES-ESS with other services such as DES-DMS, JSA, NEIS, CDEP and IEP, to reduce duplication and fragmentation of resources, simplify services and achieve better alignment of program goals and outcomes. For example, as a funded provider of multiple services, Mission Australia can facilitate stronger linkages between job seekers, employers, programs and RTOs to support apprentices with disability via Disabled Australian Apprentice Wage Support (DAAWS) and other assistance via AAC, and the Employment Assistance Fund.
- Economies of scale where the providers have larger caseloads and/or a broader range of services which enables more flexible service that meets the needs of both job seekers and employers. They are able to deliver more tailored services such as work site visits, better access to training and more work experience options.
- Utilising linkages with other services delivered internally or externally such as education, training, housing, mental health support, drug and alcohol counselling and youth services.
- Applying experience of delivering NEIS and managing social enterprises to create better opportunities for DES-ESS clients to develop their own businesses or to be employed by businesses that serve the community.
- Partnering with key disability service providers and specialists to ensure that employment services take full account of the needs of people with disability.
- Improvements in consistency of service quality, cost efficiencies and better service to large employers in instances where providers have a larger, national footprint. These providers are often able to leverage large, national employer relationships that smaller, local providers may not have access to.

The following case study demonstrates how Mission Australia is able to work with job seekers with disability and potential employers to create a successful job match and employment outcome.

In mid 2010, Mission Australia in Sydney worked with a 22-year-old migrant job seeker that had suffered restrictive physical injuries in the Balkans conflict. As he had a limited work history and poor English skills he wanted physical, outdoor work. While our employment advisor worked on his vocational and job search skills, our sales team marketed the job seeker to the local distributor of a national pool company. The employer did not feel that the client would be able to complete the work. Not to be deterred, and with the job seeker's motivated attitude, we continued to market the jobseeker to this employer. One of our advisors went to the work site to review the tasks that the current staff were completing. The advisor discovered that, with limited process reengineering, the jobseeker could be a productive member of the business. The employer still had reservations, especially about the attitude of his current staff. Mission Australia advisors spoke to the staff about the challenges faced by jobseekers with disability. During the presentation a current member of the pool company staff suggested changing the duties so our job seeker could be gainfully employed. The employer agreed to the suggestions and the job seeker was given a work trial. The trial was successful and an employment outcome was achieved as a result.

The second and third cases below show how we are able to utilise opportunities available from complementary programs and services to offer a more integrated service that is more tailored the needs of our clients.

In April 2009 a 40 year old job seeker with MS-like symptoms caused by brain lesions commenced services with Mission Australia in Adelaide. Our employment advisor soon discovered the job seeker's passion for starting her own business, and in August 2009 the job seeker commenced NEIS. As part of the market research component of her Certificate IV training, the job seeker identified a need for an eatery in Adelaide's Modbury Heights that sold affordable, healthy food. With the help of one of our NEIS business mentors, she created a business plan and by December had opened the doors of her business. The business now has one additional employee and is doing a great trade. The job seeker was nominated for the 'NEIS Change' award in the 2010 National NEIS Association Awards. This award recognises the achievements of an individual who has experienced the biggest turnaround in their life thanks to the NEIS program.

Mission Australia understands the complexity of the issues facing people with mental illnesses and their families. Carers and family members can have their employment affected, as well as those directly affected.

In mid 2010, a family of five was referred to Mission Australia's Brighter Futures Community Services in the Nowra region. The mother had suffered from postnatal depression from age 16 and was referred after the NSW Department of Community Services received reports that she was failing to care for her children. During a visit by Mission Australia, the mother said she had recurrent thoughts of harming the baby and that the father had to leave his job as he was concerned that she may seriously harm the child while he was at work. Our case worker developed rapport with the family and took the mother to a psychiatrist's appointment in Wollongong. She was diagnosed with Obsessive Compulsive Disorder and post natal depression. The mother was prescribed a mild dose of anti-anxiety drugs and anti depressants. Mission Australia referred the mother to other support services including Personal Helpers and Mentors and the Anglicare Home Visiting Service. The mother has responded well to medication and support from Mission Australia and other agencies and the father is now back in the work force.

A competitive tender of more than 80 per cent of the market of DES-ESS services will lead to improvements in service quality and outcome rates. It will allow providers to enter the market who understand the needs of job seekers and employees with disability, and their employers, and which can offer a high quality service that delivers sustainable employment outcomes.

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

The DES Performance Framework needs effective qualitative and quantitative measures, to encourage services that treat people with disability with dignity and respect, and to achieve meaningful community participation and employment outcomes.

The DES Performance Framework includes KPI 3 Quality, which is primarily measured by DEEWR according to provider compliance with the Disability Service Standards. The Disability Service Standards are provided for by the Disability Service Act 1986 and clearly outline expectations of service quality. The 12 Disability Service Standards include Standard 2: Individual needs, which encourages tailored, individualised services, and Standard 8: Service management, which requires providers to have quality management and continuous improvement systems in place.

The Disability Service Standards provide a key quality framework for DES providers, where compliance is mandatory, and additional quality frameworks or measures do not need to be built into the Performance Framework.

(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; and

Mission Australia acknowledges the importance for DES-ESS of developing long term relationships with stakeholders, supported by contracts longer than 3 years. This should be offset by processes which allow for the removal of long-term underperforming providers and business reallocation. It is our view that the timing is appropriate to put DES-ESS out to tender in those areas where providers are performing at 3 stars or less. A 'contract extension' provision should be included in all contracts awarded for the period from 1 March 2013 that the Government can activate depending on procurement decisions relating to the employment services system more broadly from 2015.

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

Mission Australia considers that there is sufficient time to plan and prepare for the tender when it is released in May 2012. It is not clear that the role of DES providers in implementing the Government's changes to the DSP will be adversely affected by the timing of the tender process.

Mission Australia is a strong advocate for job seekers having access to services and providers that will assist them to achieve sustainable employment. We support the approach proposed for the procurement of DES-ESS services via tender in 2012 under the arrangements outlined by the Government. We believe that the combined approach of rewarding high performing providers, while taken an open approach to procurement where existing providers are performing at, or below, average, is the best way to ensure that all job seekers with disability have access to high quality, outcome-focused services that will assist them into employment.

Mission Australia would be pleased to have the opportunity to appear before the Committee during its hearings.