



...creating an inclusive world
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Inquiry into the Administration and Purchasing of Disability Employment Services in Australia

Submission to the Senate Education, Employment and Workplace Relations Committee by WorkAbility, a division of The Disability Trust.

Introduction

As a long term open employment service, WorkAbility shares the Government's belief of ensuring that employment services for people with disability should be of the highest standard and provide value for money. However, we believe that the proposed competitive tendering of 80 percent of the contracts does not guarantee any improvement in quality service provision; it does however do the opposite.

After operating under the current DES contract for the past 18 months we have experienced as a service the struggle between being pushed towards a Job Services Australia style of servicing, as opposed to working to a core model of work, based on the Disability Service Standards and Service Act. Throughout the term of the current contract we have struggled with the pressure of meeting star ratings. In prior contracts there was greater provision for servicing of clients with complex needs which arise in the world of disability. As a service with long standing history in the disability sector we know that best practice is to ensure that we do not rush processes so as to best serve our clients. We need to understand our client's strengths and needs, and create an environment which fosters development and successful long term placements with a focus on career development and progression. This model is a far cry from what is reflected in the current contract with the emphasis being on placement followed by independence, rather than acceptance of disability and the long term impacts and supports which are required by a minority group.

A star rating threshold of 3 stars is historically used by DEEWR to determine an automatic extension of contracts and there is no reason why it should not be used in this instance. Tendering contracts for providers with one or two stars will achieve the Government's aim of 'testing the market', allowing for competitive entry and removing underperformers.

WorkAbility agrees with the stance taken by its peak body Disability Employment Australia and submit our own paper in support of their submission.

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Our Patron is Junee Waites - author of "Smiling at Shadows"

Response to Terms of Reference

(a) The impact of tendering more than 80 percent of the current DES on the clients with disability and employers they support under the current contracts

It is our belief that tendering more than 80% of the current DES contract will have a long lasting, negative effect on clients and employers alike. Historically DES providers have been applauded for having a personalized approach to both its client and employers; as we create long lasting relationships that in turn create successes for people with a disability. As a small local service provider we have a reputation of being “different” from our JSA counterparts, as we are “grass roots”, part of our community and never place an individual in a job for the sake of an “outcome”.

Opening up the tendering process will potentially strip this positive reputation from the industry and jeopardize current and future jobs for people with a disability.

CASE STUDY

C is a middle aged woman with learning difficulties, mental health issues and behavioral issues.

C had been a client of mainstream services for over 10 years, and had never been (in her life) successful in gaining paid employment. She was placed through the Work for the Dole program, Intensive Assistance program and finally moved into volunteer work as her benchmark of 30hours was not achieved. C came to our service asking if we could help her get a job as she felt she was not getting the service she needed from her current JSA provider; of course we agreed to assist. After completing a comprehensive needs assessment, we were able to identify the issues which were preventing C from securing any form of paid employment. We linked her to specialists, paid for medical assessments and developed behavior support plans to help C reach her goal of having a paid job. This process took over 12months. Through this time C was confronted with the reality of a formal diagnosis and what that meant for her. It took time, encouragement and mentoring to work her through this realization. As C began to demonstrate the signs of work readiness her consultant began discussing with one of our local employers the possibility of hiring C. With C's permission she spoke of C's challenges, the interventions we as a service had provided and the support we would provide C both on and off the job if she was offered a position. Due to our long term relationship with this employer, they were willing to provide an opportunity as they knew the job was matched and that we prided ourselves in serving our clients and our employers.

C has now successfully been in her job for 5months, and whilst she has had some challenges in her work, with a unified approach from WorkAbility and the employer she is working through these difficulties and looking towards developing a long term career with her current employer.

Placements such as C's will be placed at risk through the tendering process, as the understanding and relationships which have been built over time, could quickly end due to changes in providers. The potential impact this could have on C, as never having paid employment until meeting our service, is something which needs to be reflected upon by the Government.

We submit that there will be widespread disruption and job losses across the sector if the proposed tendering of 80 percent of all DES-ESS contracts goes ahead.

(b) The potential impact of losing experienced staff

At present WorkAbility has developed a strong pool of workers, who have the skills and innovation to work with clients with complex needs. Our staff have an understanding of disability and the importance of ongoing post placement support and how to implement this support effectively. Over the past two years we have made a large investment in our staff, providing training in Mental Health Cert IV, Advance Diploma in Community Sector Management, and Diploma in Disabilities; as well as re-inducting all staff to ensure individualized, person centered practices across the organization.

WorkAbility acknowledges that all our staff have a strong values base which motivates them to work in the industry of Disability Employment. They give so much in supporting their clients with little financial return. To open up the tender process as the government is currently suggesting devalues the quality service provision we currently provide, and presents the disability employment sector with the risk of massive staff exodus, as statistics take precedence over human service delivery.

There is no legitimate reason to cause such a disruption to our workforce. To alter the tendering process to only one and two star providers would help renew that faith of workers in the Disability Employment Sector, and minimize the impact on client and employers.

(c) Whether competitive tendering of more than 80 percent 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 believe that to achieve (i) (ii) and (iii), the Government does not need to competitive tender 80 percent of the sector. Tendering contracts for providers with a one or two star rating would achieve the Government's aim of removing poor performers and allow new players to enter the market.

The decision of the Government to choose providers who are currently at 3 stars or below is completely unexpected as it does not align with Government's previous expectations. Under the previous DEN contract when an ITT was being considered, the star rating threshold was set at 3 stars and above. Within previous JSA contracts, the threshold has also been set at 3 stars and above. It is reasonable to expect that DES providers believed that if they achieved a 3 star rating they would be offered an automatic extension of their contracts. In effect by changing this threshold providers are focusing on how to make it through another extensive tender process, pulling valuable resources away from the people that matter: the clients.

(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 current DES Performance Framework was transferred from the JSA contracts and is ill suited to the specific DES environment and is not a suitable basis on which to assess a provider's ability to deliver high quality disability employment services.

WorkAbility has been directly engaged in the delivery of Disability Employment Services (DES) style services for 20 years and has developed solid systems to support the achievement of excellent employment outcomes and consistently achieved rankings as one of the top disability employment service providers nationally.

WorkAbility is also regularly highly commended by DEEWR and our Quality Assurance auditors in relation to our systems, the positive feedback attained from clients and our focus on the achievement of individualized outcomes as a central component of our organizational philosophy.

Organisations such as ours that have clearly demonstrated the ability to provide quality employment services to people with disability now find themselves in a position where their operations are at risk based on a Performance Framework that is clearly incompatible with the Disability Services Act and Disability Standards.

Below are further reasons why we believe that the Performance Framework is not an appropriate basis for the tender evaluation process:

- The framework was designed to meet the objectives of JSA who work with a very different client group.
- The Performance Framework is focused on short-term throughput designed to get job seekers into work as quickly as possible to achieve 100% rate reduction. For the majority of our clients this is an objective that is not achievable due to the effects of permanent disability.
- The core model of work which is systemic to our organisation, and many others, is place and train. “Taste testers” of employment are provided to ensure the best possible job match, training is provided on the job, and ongoing support is provided to ensure career development and progression for people with a disability. This point is not supported by the current performance framework and needs serious consideration.
- The Performance Framework is not encouraging innovation but driving behaviours that are not in the best interests of our clients, for example:
 - (i) Buying short-term jobs through employer incentives and placing clients into enclave businesses may help your KPI’s and star ratings, but have proven to not be in the best interests to the majority of clients.
 - (ii) Screening out clients and only selecting those with a high chance of placement. Clients who will need 12 – 18 months to maybe become job ready (very common with our client group) are not an attractive risk.

(e) The congruency of three year contracting periods with long-term relationship based nature of DES-ESS and the impact of moving to five year contract periods as recommended in the 2009 Education, Employment and Workplace Relations References Committee report, DEEWR tender process to award employment services contract

We consider the proposed three year contracting term will not provide the optimal environment for a provider to achieve high quality client outcomes and employer engagement.

As a provider who operates in some of the most highly disadvantaged regions across the Eurobodalla, Lower South Coast, Cooma Monaro we know the relationships between us and the client can take significant time to develop due to the complex multi-service requirement of DES clients. Specific and common challenges for WorkAbility are:

- Combination of disadvantage and multiple disabilities, both diagnosed and undiagnosed and also drug and alcohol abuse
- Limited or no job specific skills or work experience
- A long history of disjointed, inadequate service provision which often means that barriers to employment have not been addressed in any real or meaningful way prior to commencing with a DES. This is further complicated when the client is Activity Tested.
- Our good reputation in the community and with Centrelink and JCA's means that clients with high and complex needs are being referred to our service in preference to others.

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

There have been two key changes to the DSP and the impact that this will have on DES is uncertain.

Eligibility changes introduced on 3 September 2011 now mean that many DSP applicants will have to prove they cannot work and it is expected that the change in impairment table in January 2012 will result in an increase in clients who will be ineligible for DSP.

Just because a person is assessed as able to work does not mean they have a realistic chance of being offered a job. The 'theoretical' labour market where jobs exist in principle rather than actually available mean that many of these jobs seekers will be set up to fail along with DES provider performance.

While this will affect providers nationwide, we believe that the effect will be unequal. As already stated, our service operates in highly disadvantaged areas and we believe that we will experience more than our fair share of new clients who will be resistant to or unable to realistically find a job in the local labour market.

It is conceivable, that the DES provider will become a testing ground to determine whether a person can or cannot work which will require a huge amount of time and resources which may or may not result in an employment outcome. This is clearly incompatible with the current Performance Framework and as such we believe now is not the time to tender 80 percent of DES-ESS contracts.