



Response to the DEWR discussion paper on Disability Open Employment services

February 2005

Background

This submission is the Brotherhood of St Laurence's feedback on the paper 'Next steps for disability open employment services' released by the Department of Employment and Workplace Relations in January 2005.

The Brotherhood of St Laurence (BSL) runs the GAPCo open employment service that assists people with disabilities into work. Our clients with disabilities include graduates and professionals, people from diverse ethnic and cultural backgrounds, including refugees suffering from trauma as a result of torture, and public housing residents in and around Fitzroy. GAPCo assists with job preparation, on-site support, workplace modification and on-going support as well as advocacy for people with a disability. It is funded through the Disability Open Employment (DOE) program now in DEWR. The BSL also provides Job Network employment services through its Job Futures contract in Frankston. This service has worked with some people with disabilities but was not part of the Job Network disability pilots.

Principles

We agree with the contention in the Discussion paper that 'many people with a disability have the capacity to work and should share in the financial, social and personal benefits that employment offers' (p. 2).

We also agree that any changes made to the contractual arrangements for DOE services should 'align arrangements to increase flexibility for job seekers and administrative ease for providers' and that unnecessary change is avoided' (p.2). Our submission is therefore based on ensuring flexibility as far as possible, but limiting change for its own sake.

Comments on aspects of the DEWR paper

1. Disability open employment services will continue as a specialist network of services

1.3 DOE will be a key part of Active Participation Model (APM). APM was introduced in part to ensure that some Job Network services did not ignore the most disadvantaged jobseekers ('parking'). The requirement under APM that services remain in regular contact has been an attempt to overcome parking, but may have been at the expense of the flexibility for providers enshrined in the previous contracts. The UK Employment Zones have been moving towards further devolution and flexibility at the local service level, rather than central specification. It is important that DOE services are not subject to overly tight central prescription since the needs of people with disabilities vary enormously.

2. Proposed disability employment assistance pathways from July 2005

2.2 Job Network members and DOE services will be able to directly register DSP recipients. Many Job Network providers do not have staff with this degree of knowledge about disabilities. What processes will be in place to ensure that specialist assessment such as that carried out at Centrelink by Disability Support Officers, vocational psychologists or social workers will still be available?

3. There is a need to strengthen linkages between all employment services

We agree that better integration between different types of employment services is necessary, but that this also applies to a range of other services (housing, health, personal support) which some jobseekers require.

3.3 Early intervention pilots.

We support the aim that people with disabilities get access to employment support as soon as possible. There are some important issues around eligibility and timing of assistance which need to be taken into account. Eligibility for DSP is based on the incapacity to work for more than 30 hours per week, and there have been recent moves to reduce this to 15 hours per week. However, the hours limit itself sends the message that someone in receipt of DSP cannot work, and that working may jeopardise eligibility. In the BSL's experience, many people on DSP are already concerned about the impact that employment could have on their eligibility for DSP and may be hesitant to undertake paid employment. At the same time, it is important to recognise the barriers to employment which people with disability experience, and the additional costs they incur, whether or not they are employed.

As part of an overall reform strategy, the DSP could be replaced with two new payments. One would be an income support payment available to those without paid employment, and possibly with graduated activity test requirements reflecting a person's barriers to employment. This might overcome the all or nothing activity tests which currently operate for people on Newstart Allowance and DSP. Capacity to work a certain number of hours would not form part of the eligibility criteria, except perhaps full-time workers being ineligible, but could be part of the basis for a limited activity test (for example attending an interview to discuss employment options). Eligibility could be based on the degree to which the disability made employment more difficult.

The second component would be a cost of disability payment which reflects the additional costs borne (in terms of transport, personal care, etc) by people with disabilities. This could act like Rent Assistance, as a top-up payment. For people with severe disabilities, or high costs, the income test could be set such that the reduction in payments only started at a fairly high rate of income (perhaps similar to Family Tax Benefit) so that only those with significant incomes did not receive the payment. This would help alleviate the anxiety that many people feel about losing eligibility for concession cards as part of DSP when they start working.

The second issue to be addressed in the pilots is at what stage of the assessment process the issue of employment and referral is raised. Discussing this with people who are waiting for the results of medical assessments, or of determination of eligibility for benefits is likely to be counter-productive. At this point, most people will be concerned primarily with their immediate income from benefits or pensions. Also, unless the hours of work eligibility requirements are changed, many applicants are likely to regard showing an interest or capacity for employment as damaging for their chances of receiving DSP. Once the assessment and eligibility process is completed, it may be easier for some to turn their minds to employment (this seemed to be the case in the work-focussed interviews for people applying for Incapacity Benefit in the UK).

3.4 DOE services will use the DEWR IT system from July 2005 onwards. This is a sensible change, but will apply an extra administrative and training load onto agencies in the short-term. It would therefore make sense to minimise other changes to be introduced at the same time.

4. Current Budget allocations for open employment will be maintained

4.2 We note that the discussion paper has been developed on the 'assumption of current Budget funding allocations' for DOE services reflected in forward estimates, and including increases announced in recent budgets, but does not guarantee that this funding will be maintained.

Improving the opportunity of people with disabilities to gain employment depends critically on expanding access to specialist disability employment services, as well as to other generalist services such as Job Network, and this will require that funding increases announced previously are adhered to. Failure to maintain this funding would send mixed messages to both people with disabilities and to the DOE service network about the Government's intent.

5. Case based funding will be implemented in all disability open employment services from July 2005

While some DOE services have moved to case based funding (CBF) already, GAPCo is due to implement this in July 2005. This will mean extra short-term administrative load, and will require some time for the agency to get used to the new funding system. GAPCo has participated in a trial of CBF with a small number of clients.

6. Possible changes to the case based funding core fee model

6.3 'The challenge is to align, operational arrangements to facilitate service linkages and cross-referrals' and possibility of introducing a Job Seeker Account (JSKA).

We agree that such linkages are important, but at the same time, the different nature of the clientele and service models require different approaches. The JSKA was introduced in Job Network because there was some concern that a number of providers were focussing mainly on clients who had the greatest chance of gaining employment (creaming) and ignoring others, especially the most disadvantaged jobseekers. This phenomenon does not occur to our knowledge in DOE services, and services already have the flexibility to spend money directly on clients. Since funds provided to DOE services must be acquitted against the program, and cannot be used for other purposes within the organisation, it is not possible to divert funding away from jobseekers as may have occurred in Job Network.

Since there are already several changes which will take effect in July 2005, we believe changing the CBF to include a JSKA would add more administrative complexity and require even more time to implement. In light on significant uncertainty about whether this would lead to an improved service we do not support the introduction of a JSKA. However, it might be useful to examine what costs providers are currently covering from existing funding, and views about the adequacy of current arrangements.

The other proposed change to the CBF model is a reduction in fees paid for assessment up front. In our experience, this is an extremely important phase, and requires substantial time to be done properly. Moving funding away from this function could have the effect of reducing the time spent by providers on assessment.

We believe the current CBF framework should be introduced rather than the amended version outlined in the paper.

7. Support for services

The change to the DEWR IT system will require a significant investment of staff time and additional costs. We will need training in the new IT system. Our present database system, GEMMA, is not able to be transferred over to the new system and we will have to employ someone to manually download all this information and transfer it to the new database. Assisting services affected in this way with some additional financing would help ensure a smooth transition.

Attachment: Principles guiding reform

The Brotherhood of St Laurence is a member of the Job Futures consortium, and we support the four principles outlined in the Job Futures submission.

1. We agree that support be provided to people in receipt of DSP to participate in employment as long as this participation is voluntary.

Implications: Emphasis should be on offers of support, information on relevant services and referral on a voluntary basis. Obligations for job search and other aspects of the Newstart activity test would be misplaced. As mentioned above, a broader issue to be resolved is that eligibility for DSP is framed in terms of inability to work more than a certain number of hours – this in itself sends the message that DSP is only for people who cannot work, and that working may jeopardise eligibility.

2. We support the development of a performance measurement system which allows comparison of providers' performance, so long as this system is sensitive to the needs of people with disabilities.

Implications: A new performance rating system will be necessary. The Job Network star rating system may not be good measure of outcomes for this group, as time period to gain employment is longer, and it does not reflect level of disadvantage or barriers to employment faced by people with disabilities.

3. There should be more emphasis on funding service inputs in disability services (compared with Job Network) since service outcomes (such as gaining long-term employment) take much longer to achieve,

Implications: People for whom employment is distant may need a greater investment of resources (for example in self-esteem building, skills development or work trials). Some providers may hesitate to invest if success is long way off or uncertain, resulting in under-investment.

4. People with disabilities should have a choice of service type and provider.

Implications: There is a need for specialised programs for people with disabilities, but some may find Job Network more relevant, or prefer not to identify themselves as having a disability. This means potential clients need good information about services and what they offer. However, it is often difficult to gauge the appropriateness of a service until trying it which means that people may need to 'try before they buy' several times before they find a service which fits them. The system should ensure that people are not discouraged or prevented from changing services if they desire, but at the same time, it will be important to ensure that there are disincentives for services to move on those hardest to help, unless the person wishes.