

Implications of the restructuring of employment assistance for people with psychiatric disabilities

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Abstract

In 1996, the Federal Government announced significant reductions to expenditure on labour market program assistance for job seekers. At the same time it foreshadowed extensive restructuring of employment assistance delivery arrangements and its intention to move towards a competitive employment placement market based on 'price-based tendering'. The new arrangements have implications for community-based service providers and job seekers.

This paper will outline the new arrangements for the provision of employment assistance to job seekers, and examine the implications for people with psychiatric disabilities in terms of their access to assistance and opportunities to participate in training and other support programs which are high quality.

Introduction

The Brotherhood has a long history as a Victorian based welfare agency providing aged care, family and income support services to disadvantaged people in our community. Since the early 1980's, we have also been involved in providing a wide range of employment services - including government funded services, but also experimenting and developing new and innovative programs which help us to understand what works best for disadvantaged job seekers and why. Our research, evaluation, policy development and advocacy activities also help us in this endeavour. It is the lessons from our service delivery experience which we have translated into policy and program proposals through research and evaluation in order to inform government policy developments.

In 1996 the Brotherhood provided two main types of employment services for people with disabilities. These were the:

- Disability Access Support Service (DASS) - a federally funded program which supports and encourages SkillShare staff in their work assisting people with disabilities. In that program we

supported 47 SkillShare projects which assisted 1,800 participants with disabilities around Melbourne.

- Open Employment Unit - which aims to train, place and provide intensive on-going support to people with disabilities. Funded by the Department of Health and Family Services, the program has a holistic approach in working with clients, particularly those with a psychiatric disability. In that program, in 1996, assistance was provided to a total of 126 people with 40 jobs being located.

Today, I want to outline for you the extensive restructuring which is occurring in the employment services area and identify the implications of this for job seekers with psychiatric disabilities and service providers.

The new arrangements for job seekers

The first Coalition government budget in 1996/97 severely reduced labour market program spending - roughly halved in fact. This means that employment assistance will have to be strictly rationed. ACOSS (1997) estimates that 'only about one in four long-term unemployed people will receive substantial employment assistance in any given year'. It also means that eligible job seekers will have fewer resources available for appropriate training and support which is high quality.

With about 800,000 people unemployed in June 1997, and about one-third of these job seekers unemployed for 12 months or more (ABS 6203.0), these expenditure reductions are not only premature but are going in the wrong direction.

The funding cuts have been accompanied by extensive restructuring of employment and training assistance delivery arrangements and dismantling of the previous Government's *Working Nation* strategy. In addition to abandoning the Job Compact commitment of a work experience and training place for all those who are long-term unemployed, the Government proposes moving towards a competitive employment placement market based on 'price-based tendering'.

The main features of the Governments changes include:

- Establishment of the Commonwealth Service Delivery Agency (CSDA) from a merger of the existing network of Department of Social Security and Commonwealth Employment Service

Offices to provide, among other services, registration of job seekers, assessment of employment assistance, self-help facilities for job search, and referrals of eligible job seekers to providers (DEETYA 1997). It commenced operation in July this year.

- Abolition of most labour market programs and ‘cashing out’ funds to provide a single main pool of resources available for buying employment assistance services for eligible job seekers.
- Employment Placement Enterprises (private and community-based agencies) and the Public Employment Placement Enterprise (the incorporated public provider) will tender to deliver assistance to eligible job seekers.

The Senate debated but did not pass the Government’s employment services bills as recently as late in June. Because of this, the Government is currently revising the intended arrangements for job seekers in terms of the types of services the Department (DEETYA) will purchase from providers.

In July, the Government’s revised arrangements for the employment services market, dubbed ‘Flexible labour exchange services’, included the following five service types.

FLEX 1 - provides labour exchange services: canvassing employers for jobs and placing eligible job seekers in those jobs. All contracted FLEX providers will have to provide labour exchange services. Eligible job seekers will be able to access labour exchange services on registration as unemployed at the CSDA.

FLEX 2 - links labour exchange services with an up-front fee to providers to assist eligible job seekers to improve their job search techniques (previously known as job search assistance). Targeted to eligible job seekers, usually after six months unemployment, who are generally ready for work but face barriers to successful job search.

FLEX 3 - links labour exchange services with incentive payments to assist eligible job seekers who are most disadvantaged in the labour market and require intensive assistance and support to obtain and hold a job (previously known as employment assistance or intensive employment assistance). There are three levels of assistance depending on the level of job seekers disadvantage (assessed by the CSDA). Targeted to eligible job seekers who are either long-term unemployed or assessed as being at risk of becoming so.

Entry level Training Support Services - to provide an integrated support service for employers, apprentices and trainees. All apprentices, trainees and their employers are eligible.

New Enterprise Incentive Scheme - to assist eligible job seekers to establish viable small businesses.

Timelines

The employment services market is now expected to commence in May 1998 (previously it was December 1997, then March 1998). The Government expects to issue Request for Tenders on 4 August, and tenders will close on September 16.

Issues

What does all this mean for job seekers who are disadvantaged in the labour market, particularly those who have psychiatric disabilities, and service providers? There are a number of concerns which I want to raise in relation to access, availability and the quality of service available.

As I suggested earlier, *access to assistance will be strictly rationed because of the large reductions in funding now available to assist people who are looking for work*. Even if job seekers, including people receiving Disability Support Pension, are assessed as being eligible for assistance, there will be extended waiting periods.

Job seekers assessed by the CSDA as being unable to work more than 8 hours per week are unlikely to be referred to employment assistance. It is likely that this also means that they will not receive FLEX 3 assistance. If they do not, people who require smaller amounts of work experience in order to progress toward larger amounts of work will not get access to the level of support they may need in order to become job ready.

Providers may target special groups of job seekers in their tenders, such as people with disabilities, however, providers must also assist any job seeker who is referred to them. This clearly has ramifications for organisations with expertise in assisting particular types of job seekers. Furthermore, it is likely that the funding arrangements and the limited availability of funds will increase the pressure on agencies to become generalist providers in order to participate in the employment services market.

The length of employment assistance, and probably FLEX 3 services, available to job seekers has been limited to 18 months for those with the greatest needs, and 12 months for others. Clearly, this will disadvantage those job seekers who require longer periods of assistance to overcome their barriers to employment or maintain their attachment to the labour market. People with psychiatric disabilities are likely to be adversely effected by this restriction.

Once assisted, and if job seekers are not successful in gaining employment after 12 to 18 months, it is unlikely that they will be eligible for further assistance.

It now seems that in the new arrangements, *access to DEETYA subsidies, such as Jobstart wage subsidies, are no longer available to individuals being supported by employment services which are funded by the Department of Health and Family Services.* This will remove the opportunity for providers to offer access to work experience places at the same time as providing additional on-the-job support for people with moderate to severe disabilities.

The list of concerns in the new employment services market for job seekers with psychiatric disabilities could go on. For example, *it remains unclear how much choice job seekers will have in the new competitive market.* In order to get the assistance they need, which is tailored to individual circumstances, job seekers will need to make informed choices about who will assist them. Their choices will be influenced by the diversity of providers available (large/small, community-based/ for profit/public), the availability of providers, the information which is made available to them, and their position in the new market as service users.

There is almost no detail at this time about the new Community Support Program which was announced in response to concerns about the proposed 'capacity to benefit' test. It is expected that the program is likely to provide assistance to a small number of job seekers who require assistance to overcome drug and alcohol dependency, other personal difficulties or to maintain stable housing. Assessment is by a 'Special Needs Assessment' by specialist officers in the CSDA or by contracted agencies. A common classification process for job seekers with a disability for eligibility to either DEETYA or Department of Health and Family Services funded assistance is also being explored. It does appear though that the \$45m which has been set aside over 4 years for 25,500 places (about \$2,000 per participant) in the Community Support Program will be insufficient to provide the

personal and vocational assistance that some people require in order to become job ready and to undertake employment.

Conclusion

There are some welcome aspects of the new arrangements such as the focus on the needs of individuals and a case management approach which emphasises employment outcomes for job seekers. However, there are significant problems and dilemmas for community sector providers posed by the Government's reforms. In practice, job seeker employment outcomes will be determined by the extent of resourcing and whether providers are able to respond to the diversity of need or are driven to lower quality responses and lower quality service.