Response to Employment Services 2012 Consultation

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On 1 March 2010 a new contracting model was introduced into the Disability Employment Service. This contract represented a major departure from previous contracts, aligning administrative systems more closely with those used in mainstream employment services – Job Services Australia (JSA). At the time of data collection (Oct-Dec 2010), agencies had been working with the new contract for 8 or 9 months. Interview and focus group discussions with 27 DES agencies across Australia (see Tables 1 and 2) were designed to elicit information on the impact of the new contract on agencies and job seekers. During interviews, important information also emerged on impact on employers.

Table 1: Agency Location and Type

<table>
<thead>
<tr>
<th>Location</th>
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<tr>
<td>Australian Capital Territory</td>
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<tr>
<td>New South Wales</td>
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<tr>
<td>Queensland</td>
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</tr>
<tr>
<td>South Australia</td>
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<td>Victoria</td>
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<td>Western Australia</td>
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</tr>
<tr>
<td>Inner Metropolitan</td>
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<tr>
<td>Specialist</td>
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<tr>
<td>Generalist</td>
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Table 2: Staff

<table>
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<td>CEO</td>
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<td>Senior Management</td>
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<tr>
<td>Frontline Staff</td>
<td>67</td>
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Policy refinements needed to ensure services remain focused on assisting job seekers with a disability gain and keep ongoing and sustainable employment

The employment search/consolidation model that underpins current agency contractual arrangements assumes job seekers are on a linear path where barriers to employment are progressively and permanently overcome. This linear path may fit
some job seekers (for example, those with a physical disability whose barriers to employment can be overcome by modification of the work site), but does not fit job seekers with an intellectual disability or job seekers with mental health issues. The latter group is a growing proportion of the DES client population since the uncapping of the program, raising new challenges for providers. The experience of job seekers with an intellectual disability and those with mental health issues is more episodic than linear. For example, staff who work with job seekers with an intellectual disability commented that,

> with our guys it is never fixed…it just doesn’t go away. At best you are managing it, at worst you are not.

Staff also noted the difficulties job seekers with an intellectual disability have in separating their work and non-work lives.

> If something bad happens at home, something bad is going to happen at work, so you have to keep over the top of all that and there is no funding for that…If we don’t pay attention to home issues, they won’t be at work for much longer because they will say [something inappropriate] or do [something inappropriate] or just stop going.

Similarly, staff with experience of job seekers with mental health issues talk about “the 12 week cycle” where clients gain employment, but around 12 weeks experience an episode where more intensive support is needed before the client’s situation stabilizes once again.

More flexibility in administrative requirements (see recommendations 5 – 9) and the payment structure will make it easier for agencies to tailor support to the needs of each individual client which would produce sustainable outcomes as opposed to short-term placements. The benefits of this individualised and flexible approach have been recognised in the international literature (well cited articles in this area are Hirst et al 2006; IPPR 2008; Meadows 2008; Walker and Greenberg 2005) as have the benefits of a more holistic (or joined up) approach, particularly for those who have multiple barriers to employment such as homelessness, drug and alcohol abuse as well as mental health issues or learning difficulties (Lightman et al 2010)

Changes to the payment structure which would make it easier for agencies to tailor services to the needs of the individual client include:

- A rebalancing of service fees and outcome payments;
• Outcome payments linked to the achievement of current not future benchmarks; and
• Agencies being able to claim an outcome payment when the period of employment covers more than one work site.

Recommendation 1  Rebalancing service fees and outcome payments
A rebalancing of the money provided to agencies as up-front service fees and outcome payments tied to 13 and 26 week periods of employment would increase agencies’ capacity to provide assistance when needed to clients who experience episodes where more intensive support is needed.

Recommendation 2  Outcome payments linked to the achievement of current not future benchmarks
The linking of outcome payments to the achievement of future benchmarks rather than current benchmarks means, in effect, that the future benchmark (work capacity with intervention) is being treated as current capacity. Staff are very much aware that, in many cases, intervention is not as simple as merely modifying the workplace. Capacity building can take months or years and, in the meantime, staff have to choose between pushing a client to take on more hours than they are presently capable of sustaining and getting an outcome payment, or working with the client to slowly increase capacity but not getting paid for that work because the hours are less than the client’s designated future benchmark. Professional norms mean staff are reluctant to “set clients up to fail”, but financial pressures are hard to resist. Job seekers are also critical of a system that pushes them into a job which is beyond current capacity.

The system needs to be more user friendly so that [you] feel more adequate. It makes you feel incompetent if you are put in a job you are not ready for.

Recommendation 3  Agencies being able to claim an outcome payment when the period of employment covers more than one workplace
While the rationale behind the restructuring of outcome payments under this contract so that periods of employment in different workplaces cannot be accumulated in order to gain an outcome payment is clear, once again, this inability to tailor employment
pathways to suit individual need causes tension between professional notions of best practice and financial imperatives. For example, while older job seekers value sustained periods of employment with the one employer, for younger job seekers making the transition from school to paid employment, the ability to ‘taste and see’, to try out a number of different types of work, is equally valuable.

There are occasions where we would love to put someone in another job, so we have this big debate about whether we move this person across, or do we keep them where they are because we need to get the 26 week outcome. It becomes an ethical dilemma. It really does.

**Purchasing process that will improve the access of job seekers and employers to high performing DES providers**

From interviews with job seekers it was clear that high performing agencies quickly gain a reputation among job seekers as an agency that is able to find you a job. Agency staff also commented that a good experience with one job seeker will lead to “repeat business” from that employer, and word of mouth meant that news of the good experience spread amongst other employers, making it easier to persuade them to employ DES clients. The challenge for the funding body is twofold; that is,

- to ensure administrative and funding mechanisms are sufficiently flexible to allow high performing agencies to continue to provide a high level of service over the life of each contract period; and
- the criteria against which decisions on future funding are made recognise high quality performance as defined by job seekers and employers.

All DES agencies are currently required to meet the National Disability Standards and are audited against these standards. Given work being done to develop a National Quality Framework for Disability Services, part of which involves quality requirements applicable across the whole country, an annual audit of each agency against these nationally agreed quality requirements should provide the government with information on the overall quality of service delivery as well as any areas which need improvement.
Recommendation 4  Agencies audited against nationally agreed quality requirements
Agencies which meet these nationally agreed quality requirements (or have taken action to bring any areas of concern up to standard within the life of the contract) should be allowed to continue to operate without having to tender. In addition, the restrictions on agencies taking clients from outside their ESA should be removed. In other words, let market mechanisms rather than administrative regulation determine the flow of clients into a particular agency.

Initiatives which will reduce administrative requirements while maintaining appropriate accountability and performance information
Opinions vary as to what constitutes an “appropriate” level of accountability and performance information. I would argue that an appropriate level of accountability and performance information provides the funding body with information that the service provider is meeting national standards (as is the case in other human services areas such as nursing homes) and administration requirements do not undermine the delivery of quality services and outcomes.

What is of concern under the current contract is the extent to which the level of information required by the funding body is making it hard for agencies to continue to provide a high quality service, as well as having a negative impact on clients and employers.

The contract introduced on 1 March 2010 was supposed to cut red tape. Instead all agencies report that the contract has brought a significant increase in time devoted to meeting administration and compliance requirements because of:
  - its complexity;
  - its lack of flexibility; and
  - the lack of fit between the underlying model and the nature of the client population.

Employment Consultants who retain responsibility for entering and monitoring information on ESS estimate that at least 50 per cent of their time is now taken up
with administrative tasks. Consequently staff with caseloads of 30-35 clients (common in larger agencies or those operating in capital cities) no longer have time to do more than the bare minimum for their clients.

We used to be able to get to know our clients on a different level. Now they are just—and it is horrible to have to say—but they are just like cows that are waiting—“next”, “next”. You don’t have time to get to know them and what motivates them.

Job seekers who have been in the system for a number of years or who have re-entered the system after being in the workforce, commented on changes in administrative procedures, noting that now “there are more rules” and less individualised service. Some queried the value of turning up every two weeks just to look for jobs in the paper—“I can do that by myself at home”.

Job seekers were also critical of the need for constant assessments and re-assessments;

This is regressive what they are doing. They need a flexible support system that allows support to go up and down. This is just creating more work, more paperwork. I think they have to trust the employment consultants…that they are providing appropriate assistance.

as were agency staff who noted that the requirement for yearly on-going support assessments (OSA) by outsiders can have negative impacts on clients, to the extent that some clients find the whole process so stressful that they would rather exit the program than have to go through another OSA.

I had a client drop out of the program. He didn’t want to drop out but was afraid of the questions the OSA might ask [about very personal issues he had been working through with his EC]…The on-going support assessment terrified this bloke. But he had no option to refuse it [and stay in the program.] How is that respecting his rights?

Staff commented that clients who leave the program because they do not want to undergo another OSA usually end up failing to sustain their employment because post-placement support is no longer available.

The increased level of compliance required under this contract has shifted the administrative burden onto clients which can have a negative impact on clients with particular forms of mental health conditions who become very anxious or stressed when told that they are required to give their pay slip to agency staff as evidence of hours worked. They do not understand the rationale behind this requirement, interpreting it as another reason to feel paranoid or anxious.
Staff (and job seekers) noted that there is still a reluctance within the community to employ a person with a disability. Higher wage subsidies for other types of job seekers (for example, job seekers who have come to the country as a refugee) make it harder to persuade employers to take on DES clients. Employers know they can employ a job seeker in a different program to do the same job and get a much higher wage subsidy. Staff felt that the government should not expect employers, particularly small, family run businesses which in many areas make up the bulk of DES employers, to employ DES clients “out of the goodness of their hearts”.

Consequently staff have to work hard to cultivate and maintain relationships with local employers. Inflexible contract conditions, such as the requirement for yearly ongoing support assessments, and a payment structure that puts pressure on agencies to push job seekers into jobs that are beyond their current capacity makes it much harder for DES staff to maintain the social infrastructure developed over many years which is so essential to the success of the program.

Using annual audit reports against nationally agreed quality requirements as proof of agency performance and making the following changes would be positive steps towards creating a more appropriate balance between accountability and the flexibility required to achieve high quality outcomes for job seekers and employers.

**Recommendation 5  Removing the requirement to meet clients every fortnight**

Staff commented that the new contract is much more prescriptive than previous contracts, pointing to the requirement to meet with each client every fortnight regardless of their circumstances. Staff felt this requirement meant that at times they were just going through the motions – just “tick all the boxes that DEEWR wants us to tick so…the organisation won’t get rapped over the knuckles”. However, when clients did need more intensive support, there was no time to provide the necessary support. Staff noted that in the past when clients were going well, they had the flexibility to make contact every month or so, but at other times, when job duties changed, or there was a crisis in a client’s personal life which affected their work life, staff had time to provide more intensive support.
**Recommendation 6  Update EPP as necessary**
The requirement to review and update Employment Pathway Plans (EPP) each fortnight is seen as unnecessary. As one EC noted, “a lot can happen in a fortnight, or nothing can happen”. If nothing has happened reviewing an EPP becomes another ‘tick the box’ type exercise, using up time that could be spent more productively.

**Recommendation 7  Improve the Job Capacity Assessment process**
One of the reasons for the increase in time spent on administration under the current contract is the increase in inappropriate assessments which require further administrative work to resolve. The main cause of inappropriate assessments is the mismatch between disability and the professional qualifications of the Job Capacity Assessor. Staff pointed out that it was unrealistic to expect a registered nurse or an occupational therapist to be able to make an informed assessment of a client with mental health issues, even setting aside the difficulties involved in trying to establish a level of rapport in a brief initial meeting such that the job seeker feels sufficiently comfortable to reveal information about their disability and their work capacity.

The consequences of inappropriate assessments are job seekers assessed as being capable of working at a level above their actual capacity, or assigned a level of funding that is insufficient to allow the job seekers to sustain their employment. Faced with inappropriate assessments agencies are able to request a re-referral, but this is time consuming for the agency and stressful for the job seeker, with no guarantee that a higher level of support will be forthcoming.

The significant problems caused by inappropriate assessments will not be overcome simply by using Centrelink staff. Even if Centrelink is able to match the professional qualifications of the Job Capacity Assessor to the type of disability, problems of clients not feeling comfortable enough to reveal all relevant information (assuming they are aware of it) will remain. In order to overcome this problem, job capacity assessments should be treated as a dynamic process with information collected over 3 months or so. Job Capacity Assessors in Centrelink should make the initial
assessment based on available information in the job seeker’s file. No face-to-face interview is required. Employment agencies then provide further information gathered from interaction with the job seeker over the next 3 months. At the end of the 3 month period, the Job Capacity Assessor reviews all information, paying particular attention to information provided by the employment agency, and makes a final decision as to current job capacity. Treating the job capacity assessment process in this way:

- removes the requirement for Job Capacity Assessors to fly all over the country – a considerable saving in time and money;
- removes the requirement for job seekers to meet with Job Capacity Assessors – an experience many find stressful; and
- delivers a more accurate assessment as information revealed over time through interaction of agency staff and job seekers is incorporated into the decision-making process.

**Recommendation 8 Requirement for annual on-going support assessments should be dropped**

As noted earlier, the mandatory requirement to undergo a yearly on-going support assessment which leads some clients to exit the program leads to sub-optimal outcomes for those clients. This problem could be easily avoided by dropping the requirement for yearly on-going support assessments, and instead tying the requirement to when there are significant changes in client circumstances.

**Recommendation 9 Remove requirement for pay slip as evidence of hours worked**

The negative impact on some clients as well as the additional administrative burden placed on agencies would be removed if the requirement to provide payslips as evidence of hours worked was replaced by a statutory declaration by the agency setting out the number of hours for client \( x \) as agreed with the employer.
References


