



The Disability Employment Services Program: Priority Issues

In response to an NDS survey in October 2010, Disability Employment Service (DES) providers reported that the two aspects of the program that required most urgent attention were: the 'general level of compliance' and 'the funding tool'.

Most respondents reported an increase in the number of referrals, but said that the referrals were often inappropriate. Other matters of concern included: future employment capacity benchmarks; and the frequency of mandatory contact requirements. 41% reported that their financial situation had deteriorated under the new DES contract, with 25% reporting an improvement and 34% reporting no change.

The aspects of the program that providers considered were working best were: the uncapping of the program and direct registration.

Respondents were divided about the IT system, some reporting that it was operating well; others seeing it as inflexible and integral to the added compliance burden.

Review the funding level tool

There appear to be a significant number of cases where the funding level to which a job seeker is allocated does not match their support needs. In the NDS survey, more than 80% of respondents thought that the allocation of job seekers to a funding level at the commencement of the program was inaccurate. DEEWR is currently analyzing the data to gauge if the distribution of clients between levels 1 and 2 is similar to distribution across equivalent funding levels in the previous Disability Employment Network (DEN) program. DEEWR has requested that service providers forward examples of apparent anomalies in the allocation to a funding level.

There is also concern among providers that inappropriate variables are triggering the re-allocation of a job seeker from level 2 to level 1. Changes introduced by DEEWR in September may help rectify this problem.

Allocation of a job seeker to a funding level that is less than their support needs jeopardizes their employment prospects and the financial viability of the DES provider. The funding allocation method should be reviewed and DES providers compensated where anomalies are substantiated.

Use current work capacity as the benchmark

Estimating current work capacity accurately is difficult; estimating future work capacity is highly speculative. In setting future work capacity at a level higher than current work capacity, Job Capacity Assessors may be placing well-intentioned faith in the potential of the job seeker, but they underestimate the intensive investment of resources required to lift job seekers' work capacity and they make performance targets and outcome payments hard for providers to achieve.

The future employment benchmark should reflect the job seeker's current assessed capacity.

Allow accumulation of work episodes to count towards an outcome

Among clients with episodic conditions and DSP recipients whose work participation is voluntary, multiple job placements on the journey to an outcome are common. In this context, the program's emphasis on job continuity is too inflexible and disadvantages both clients and providers. It is common in mainstream employment for people to resign from a job in order to avoid dismissal; yet the program's rules disadvantage workers who resign to avoid dismissal.

The definition of employment continuity should be eased to allow for multiple job placements. A break of up to four weeks between jobs should be allowable, regardless of the reason for leaving a job. Outcomes (13 and 26 weeks) should count if they are achieved within the two-year period of the program.

Reduce face-to-face contact requirements

The current requirement for weekly face-to-face contact is impractical. It constitutes an intrusion for some workers and a compliance burden for DES providers. The time and resources required in travel to meet with clients in rural areas can be quite substantial. And face-to-face contact may not be the most appropriate form of support or intervention to assist a worker. When DES providers were asked in the NDS survey what they considered to be the most suitable minimum level of face-to-face contact, the most common answer was 'monthly'.

The frequency of minimum 'contact' should be lessened and greater discretion given to DES providers in negotiation with their clients to determine the most appropriate form of ongoing support.

Reduce Ongoing Support Assessments (OSAs)

Although DES providers don't perform OSAs for their own clients, they devote considerable time and effort to assisting OSAs through evidence collection and advice.

FaHCSIA has suspended Disability Maintenance Instrument (DMI) assessments for its Supported Employment program (except in cases where the supported employee's circumstances change). The suspension recognizes that the support

needs of most employees don't change because their disability is permanent and stable.

The DES program should discontinue – or at least reduce the frequency of - OSAs beyond the initial assessment, except where circumstances change.

Lessen the impact of inappropriate JCA referrals

Slightly more than half the respondents to the NDS survey disagreed that JCA referrals were generally appropriate – most commonly because the job seekers referred don't have a disability; they are referred to the wrong stream (eg DMS instead of ESS); or they are DSP claimants who lack the motivation to work.

Improving the training of Job Capacity Assessors would assist, but the capacity of DES providers to dispute referrals is also crucial. A significant time gap can occur between the date of referral and the date of commencement when the DES provider first has an opportunity to interview the job seeker. The present time limit on challenging a referral - 28 days from the date of referral - should be amended to 28 days from the date of commencement.

DES providers should be compensated for the cost of assessing and disputing inappropriate referrals.

End the requirement to suspend workers on annual leave

Annual leave is part of the normal cycle of employment and should not require the suspension of support and the payment of the support fee. The requirement to suspend a worker during annual leave reduces ongoing support funding.

Performance and procurement

Asked in the survey whether they expected their outcome rate to change under the new program, more than 60% of DES providers predicted a decrease. There is concern about the combined effect of several factors:

- those aspects of the program that affect performance and require fixing, such as the issues discussed above;
- the time it takes to adjust to the new DES program, which for some providers has involved managing a large and sudden increase in referrals and a marked shift in client profile; and
- access to sound performance data happening too late to allow corrective action.

NDS supports the Capacity Building Project which directs advice and assistance to low performing ESS providers, but interventions have only a short period to prove their effectiveness.

These factors argue against a competitive procurement process for the next contract commencing in 2012.

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National Disability Services is the peak association for disability services representing 700 non-government organisations across Australia. NDS promotes and improves services which support people with disability to participate in all domains of life, including employment.