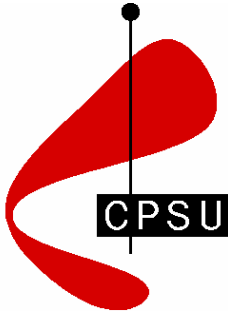


**CPSU (PSU Group)  
submission to the:**

**The Future of Disability  
Employment Services  
in Australia**

**A Discussion Paper**

**January 2009**



**Community and Public Sector Union**  
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Dear Sir/Madam,

**The Future of Disability Employment Services in Australia**  
*A Discussion Paper*

Please find attached a submission from the Community and Public Sector Union (PSU Group) to the Government's Review of Disability Employment Services.

The contact person for this submission is Dr Kristin van Barneveld, Director of Policy and Research CPSU on (02) 8204 6930.

Yours sincerely

Mark Gepp  
CPSU Acting National Secretary

***Community and Public Sector Union Submission to:***

**The Future of Disability Employment  
Services in Australia**

**A Discussion Paper**

The CPSU welcomes the release of the Future of Disability Employment Services in Australia discussion paper. People with a disability need access to high quality and appropriate employment services and this must be a top priority for the government. Supporting the staff and agencies who deliver these services is also vital if quality provision of an essential public service is to be achieved.

**Introduction**

Overall, the changes to the current disability employment programs proposed in the Discussion Paper reflect the recommendations made by the CPSU and CPSU members in response to the first round of consultations. The simplification of the existing programs, the increase in outcome payments and the reduction of red tape are all positive outcomes for both clients and staff.

However there are some outstanding issues raised in the Discussion Paper which require further consideration. These Discussion Points are detailed below.

Further, two key issues that are not addressed in the Discussion Paper which are central to the success of any new Disability Employment Services model are, funding levels, and a government commitment to having a public agency permanently delivering these essential services. It is the CPSU's view that Disability Employment Services is an area in which government agencies should always be involved in delivery, to ensure that the most vulnerable in our community are properly assisted in finding meaningful work. However this cannot be achieved without adequate funding.

CRS Australia is uniquely placed to deliver high quality services to people with a disability or mental illness. It is an agency with a highly diverse and highly qualified staff of allied health professionals. Yet CRS Australia has been forced to compete with the private sector to deliver services to clients with a disability or mental illness. The pressures of this competition, the funding models and the different service standards and service levels between CRS Australia and the private providers have placed immeasurable pressures on CRS Australia and impacted the skill and experience level of staff that CRS Australia can attract and retain.

Given its history as a public sector agency, it is not surprising that the service provided by CRS Australia is more comprehensive than that delivered under private sector contracts. This level of service is essential to ensure that people with a disability or mental illness have the best chances of succeeding in the labour market. However this level of service cannot continue while CRS Australia is subject to funding pressures which constrain both the level of service it can provide and the calibre of skilled staff it can attract and retain.

The current state of disability employment services is clearly evidence of market failure, providing numerous examples as to why basic labour market services that assist people with a disability or mental illness to participate should not be outsourced to the private sector where the level and quality of service extends only as far as the profit margin permits.

These fundamental funding and staffing issues must be addressed before the Future of Disability Employment Services in Australia can be properly reviewed and changes successfully implemented.

## **Summary of CPSU Recommendations**

- The new IT funding assessment tool should be developed in consultation with staff to ensure it meets the operational needs of staff and assists them in managing their caseloads.
- The case manager or rehabilitation consultant should be able to approve a job seekers extension in a program, movement between programs or temporary exemption from a program.
- There must be a review of the outsourcing of Job Capacity Assessments to the private sector.
- Employer incentives for the employment of people with a disability or mental illness must be brought in line with other employment service programs.
- The proposed service fees must be increased to redress previous under-funding and should be increased annually in line with inflation.
- The proposed remote area loading must be increased and there must be a review of the definition of remote areas with a view to extending the coverage of this loading.
- The proposed weighting on employment outcomes must be reduced.
- Education, training, casual work, volunteer work and seasonal work must be considered as an outcome for payment purposes.
- Appropriate, recognised training must be provided to staff to facilitate the transition to the new program.
- Comprehensive information is provided to job seekers around the new model.
- To demonstrate their commitment to this labour market initiative, Commonwealth, State and Territory governments must develop and

implement programs to employ more people with a disability or mental illness.

## Discussion Points

### Discussion Point 1: IT based funding level assessment tool

*What additional issues or characteristics should the reference group consider when developing advice on the new IT based funding assessment tool?*

The current IT systems do not fully meet the needs of staff and job seekers. The current system is focused around recording and tracking information for administration and monitoring purposes and does not reflect what is needed by staff to effectively and efficiently manage their caseloads. Greater emphasis on usability and streamlined processes is needed in any future IT tools.

Any new systems need to include: facilities for greater information sharing between providers about job seekers after they move programs; quick and easy ways of recording information about clients; and, the ability to record and track medical information. Overall, the system needs to be simpler – for example, the current system requires excessive amounts of data input to record simple events such as a face-to-face meeting. This excessive administration requirement detracts from the amount of time a case worker can spend with a client.

Any IT new system must be developed in consultation with staff to ensure that it is a workable tool that assists staff in managing their caseloads and helps them maximise their time with clients in order for them to achieve the high standard of service.

### Discussion Point 2: Program Support

*The disability employment service providers will be given flexibility to determine the frequency of their contacts and other activities in accordance with the needs of the job seeker. However, to ensure a reasonable level of service, providers will be expected to meet regularly with job seekers and this will be reflected in the job seeker's EPP. What contact minimum requirements should be set?*

*The new model includes the options of extending the 18 month program for an additional six months for job seekers who are close to achieving an employment outcome.*

*Should an independent assessment be made for access to the additional six months?*

*If not independently assessed, what evidence should be required to support the decision to extend a program for the additional six months?*

The feedback received by the CPSU in the initial consultation with CPSU members in CRS Australia was that the current fortnightly contact requirement for face-to face client contact implemented by Department of Employment and Workplace Relations (DEWR) now Department of Education, Employment and Workplace Relations (DEEWR) was unnecessarily burdensome and impeded on the ability of staff to do their work and achieve the best outcomes for their clients.

The CPSU welcomes the Discussion Paper's recommendation that minimum contact be monthly and the suggestion that the contact could be made either by phone or at a face-to-face meeting, with the case manager having the discretion to decide which form of contact is most appropriate for individual clients. CPSU members reported that this change would allow them a greater level of flexibility when dealing with clients and would also greatly improve their ability to manage their workloads and achieve the best outcomes possible for their clients.

However, members raised a concern that this change in meeting requirements would translate into even greater workloads for staff. For staff, reducing the requirement to monthly meetings will only be a positive change if it allows staff more time to work with clients and manage their existing caseloads.

Further to this is the issue of extensions and exemptions. The proposed extension option of six months is one that the CPSU welcomes with caution. The feedback from CPSU members is that the decision regarding whether a client should be granted an extension should not necessarily be made by a Job Capacity Assessment (JCA) or another type of independent assessment. Rather, it should be at the discretion of the case manager as they are best placed to understand the situation, and the ability and prospects of their clients.

The case manager is also best placed to grant temporary exemptions during times of relapse or treatment, rather than requiring the client to have another assessment. This would minimise the disruption to a client and ensure that appropriately skilled staff can monitor the situation and provide support.

#### **Discussion Point 4: Assessments**

*One weakness of any assessment is the propensity of people to demonstrate their strengths rather than their support needs. How could this new independent assessment prevent individuals losing access to the support they need because they were assessed 'on a good day'?*

*What weightings should apply to the discussion with providers and evidence of support provided?*

*What skills, experience and qualifications should be required of the new workplace assessors?*

CPSU members raised a range of concerns about the Job Capacity Assessment (JCA) process and its ability to accurately assess job seekers and refer them to service that will best suit their needs. In the current programs, and also in the proposed programs, the JCA process is the determining process by which people with a disability or mental illness enter the Disability Employment Programs. Further, in the proposed system, a JCA would also determine if a client would be able to extend their time in a program.

Beyond this Review, there is a separate review of the JCA process underway which the CPSU and its members welcome. Many Job Capacity Assessors have large workloads which mean that they are often unable to perform more than a standard assessment. Unfortunately this can result in the complex nature of many disabilities and mental illnesses not being fully understood and assessed. This is why the CPSU is recommending that the case manager who has an established relationship with the job seeker be able to approve an extension and movement between programs.

The response we received from CPSU members in relation to the Discussion Paper was that the JCA process as a referral mechanism can be successful if the assessor has the appropriate qualifications and training. Greater emphasis needs to be placed on ensuring that assessors receive detailed training and that they are not placed in the situation of assessing medical conditions beyond their qualifications. Also the JCA process needs to be more flexible and allow qualified health professionals (like those who work at CRS Australia) to be able to give their opinion on a client's capacity to work in conjunction with Medical Practitioners diagnosis notes. This would simplify the process and allow the qualified professionals who work for CRS Australia to be involved in the process if they have a history with a job seeker.

The CPSU also recommends that the outsourcing of assessments be reviewed as it has not always proven to be successful. As one CPSU member explained:

*Outsourcing these assessments to the private sector has been a disaster in my eyes. The reports are useless and often inaccurate as the assessor is under pressure to do the report quickly and does not follow up on medical info. Therefore they [job seeker] are referred for another JCA once we have followed up the medical information, a waste of time and money, 2 JCAs instead of one good one.*

Additionally, the CPSU urges the government to continue in its commitment to review and evaluate the JCA process to ensure that it becomes more accurate, flexible and sympathetic to the complex nature of disability and mental illness.

### **Discussion Point 5: Employer Incentives**

*What rules should apply to individual job seekers claiming funds for workplace modifications or assistive technology?*

Employer incentives are an important part of the current system and the feedback from CPSU members is that it is important that employer incentives remain a part of any new system. These incentives provide an excellent tool for staff to use to encourage employers who may not have considered employing an individual with a disability or mental illness to do so.

Along funding for workplace modifications, CPSU members would like to see ongoing funding for the Wage Subsidy Program. This program has proven to be a success in encouraging employers to employ staff with a disability or mental illness and should be continued. The aim of the new model should not be to push aside programs that have successfully worked in the past. Rather, the CPSU strongly encourages the government to maintain the elements of the current system that work and have been proven over time.

In addition, the CPSU recommends that the government brings any employer incentives offered as part of Disability Employment Services in line with incentives offered by other programs. The situation now is that employers can receive more in incentives or subsidies from mainstream employment programs. This does not create a level playing field for all job seekers and places those with a disability or mental illness at even more of a disadvantage.

### **Discussion Point 6: Service Fees**

*The proposed fee model streamlines service fees and will reduce administration for providers by replacing monthly service fees and the requirement to claim and acquit payments for each job seeker with quarterly service fees paid in advance.*

*Are there any further improvements that can be suggested to derive and pay service fees?*

*How should we balance the need to ensure a job seeker receives assistance appropriate to their needs with the provider's responsibility to manage costs across their case load?*

*How should fees be shaped to discourage parking or under-servicing harder to help job seekers?*

The proposed changes to the service fees for Disability Employment Programs overall, do not represent a significant improvement from the current arrangement. This proposal, in the view of the majority of CPSU members employed in this field, is inadequate.

The service fees for VRS in the current agreement have remained static since July 2006, despite considerable additional costs being imposed on providers since that time (rents, salaries, electricity, petrol, etc). Under the current

funding model, service fees paid for the first six months of program were set at \$4,174.50 in July 2006 and have not been increased since.

What this means is that CRS revenue has been reducing in real terms every year for the last few years. This in turn has placed pressure on staff (and managers), who have had to work harder to earn the same revenue. This has resulted in average caseloads increasing considerably.

In order for Disability Employment Services and programs to be successful in assisting people with a disability or mental illness to transition into meaningful employment, the service fees made available to providers must be at a level that allow for these organisations to operate effectively and employ trained professionals to assist clients. The CPSU recommends that the service fees be increased to redress the historical downgrading of funding and subsequently should be increased in line with inflation.

There must be formal recognition of the importance of maintaining a government agency to deliver these services. CRS Australia needs to be adequately funded to deliver the high quality of service that its professional staff has traditionally provided. Without proper funding there is a risk that staff will leave the organisation and it will be unable to deliver the same level of service – a service which is much more comprehensive than that provided by the private sector.

Another issue to consider when reviewing service fees is that they be set at a level that ensures that clients in regional areas are not further disadvantaged. While the proposed program does offer an increased loading for clients in remote areas, this will only benefit a small number of clients and is simply not enough to overcome remote access barriers. The proposed remote area loading should be increased and made available to a wider pool of clients living in non-metropolitan areas and even to those in outlying areas of major cities/centres who face difficulty accessing public transport. As one CPSU member explained:

*I think the definition of "remote" needs to be broadened. As a rural worker... we are geographically isolated (3hrs drive... to the nearest city...), with town size of less than 7,000 people and few employment options. We have not been classified previously as remote. Our clients with disabilities (and especially mental health issues) are POOR, and without their own transport they are discriminated against when job seeking in rural areas with no or extremely limited public transport.*

#### **Discussion Point 7: Outcome Fees**

*What limits, if any, should be placed on allowable breaks when calculating an employment outcome?*

*Currently in DEN, the equivalent of a job placement fee is paid once a job seeker has been in employment for four weeks. In VRS, a job placement fee is paid as soon as a job seeker has been placed in employment. At what point*

*should a job placement fee be payable?*

*As many job seekers try more than one job before settling into employment, how many job placement fees should an individual job seeker attract?*

Many people who have a disability or mental illness often have to take breaks from the workforce or from looking for work. Under the current system, there is limited flexibility available to case managers to structure their employment plan accordingly. A greater level of flexibility and the ability for staff to make independent judgements would greatly improve the long term prospects for employment outcomes.

The proposed programs place a significantly larger weighting on outcome payments. However it is the CPSU's position that the proposed weighting on outcomes is too heavy and fails to take into consideration the degree of difficulty associated with achieving employment outcomes for people with a disability or mental illness. The proposed weighting is also problematic because it fails to acknowledge the greater systematic and economic barriers to employment faced by this specific client group.

There is also a concern amongst CPSU members that the heavy weighting on employment outcomes would mean less attention would be paid by private sector providers to job seekers with a lower likelihood of achieving employment outcomes. Since servicing this group will not be as financially attractive. An inevitable consequence is that these high need job seekers will either receive inferior service or be referred only to CRS Australia, placing a greater strain on the agency and impeding its ability to meet its financial and organisation targets.

If the private sector is to continue providing these employment services, there must be a reconsideration of what are considered 'outcomes'. For example, to what degree should training and education outcomes be considered outcomes for payment purposes? However any such change must be accompanied by the funding necessary to ensure that audits are conducted to confirm that high needs clients are receiving education and training which is recognised and that will assist them in finding employment in the long term. In addition to recognising these outcomes, there are other types of work that should be considered as possible outcomes these include volunteer work, seasonal work and casual work.

Furthermore, the transition to the new weighting system must be managed carefully. If providers are unable to maintain the same staffing and caseload levels, then the disadvantage will be felt by all clients and affect the overall employment rates among people with a disability or mental illness.

## Discussion Point 8: Transition Issues

*Based on your experience of providing assistance to people with disability, what are the key issues that you believe will need to be addressed during the transition process?*

*How do you believe those issues could be best addressed?*

Disability Employment Services and Employment Services in general have been subject to a range of changes in recent years and as a result both staff and job seekers have experience coping with and implementing program changes and transitions. However the approach needs to be flexible and gradually phased in to ensure that abrupt changes do not adversely affect staff and clients.

Not all transitions in the past have been smooth for staff and clients. CPSU members stressed the importance of providing face-to-face training on the new programs for staff in ensuring the success of the programs. For example, computer based training has not worked well in the past as one CPSU member recalled:

*The transition from old school CRS programs to the 'welfare to work' program in July 2006 was truly appalling, very poor training, all computer based, quiz questions with wrong answers etc*

In addition to providing staff with information and training, there needs to be comprehensive material and information for job seekers. One CPSU member outlined what they would like to see be made available:

*Would like to see some simple but comprehensive written brochures provided for Jobseekers to explain new processes. These can be used as a basis of discussion. Many of the DEEWR brochures are so simple and information so basic they are useless, or it is so formal and stilted it's a joke. It is an embarrassment to provide it to real live people.*

## Other Issues:

### Staff Health

One issue not specifically covered by the Discussion Paper but of concern to CPSU members at CRS Australia was staff health and how the proposed changes to Disability Employment Services would affect this.

The feedback the CPSU received from members at CRS Australia was that staff are already under strain from large caseloads and the changes have the potential to increase caseloads. This would be detrimental not only to the service staff can provide, but also to the mental and physical health of staff. Ensuring that caseloads do not increase dramatically by setting a limit on the amount of cases an individual can take on is one of the possible ways to combat this problem.

The other area for concern regarding for CPSU members' health was the current IT system. Many CPSU members mentioned that use of the system had resulted in overuse injuries. This must be addressed and the CPSU strongly encourages the government to review the administration requirements to rectify the problem.

### **Government Employment**

Commonwealth, State and Territory governments should be leading the way in the employment of people with a disability or mental illness. Many CPSU members felt that the government was not doing enough to encourage Departments to employ people with a disability or mental illness. To demonstrate the commitment of governments to the employment of people with a disability or mental illness and to provide an increased number of employment opportunities, the employment of this group by the public sector must be made a priority.

### **Labour Markets**

One final issue raised by CPSU members was the lack of recognition of labour market constraints in the proposed program. CPSU members working in rural and regional areas expressed a concern that due to their depressed local labour markets, they will not be able to meet the employment outcome targets.

This difference in employment opportunities needs to be considered by this Review before the finalisation of the new program, to ensure that job seekers in regional areas are not disadvantaged.

### **Conclusion**

This submission contains some specific recommendations in response to the Discussion Paper. It also draws the attention of the Review Committee to several areas that remain unresolved. Most important of these is reconsideration of the role of government in providing a quality service that is essential to ensure that people with a disability or mental illness have every opportunity to participate in the labour market. Evidence provided by CPSU members suggests that the market is failing to provide the level of service that the Australian public are entitled to expect.