

# **Inquiry into the administration and purchasing of Disability Employment Services in Australia**

## **Submission to the Senate Education, Employment and Workplace Relations Committee by Outlook Employment**

Outlook employment has identified a number of issues with the current procurement decision that have negative impacts on jobseekers with a disability, employers, government expenditure and existing quality service provision within DES. Here are the salient points that we wish to make to the Senate enquiry:

### **1. Impact of the 80%+ Tender requirement**

Requirements for all three star & below DES providers to tender will have significant detrimental impact on both clients and staff currently involved in the DES program. 80% of the DES providers being required to tender has the potential impact on over 500 DES contracts. Our service currently works with over 230 jobseekers with a disability. The individually focused program that we operate involves building up effective working relationships with jobseekers to maximise their potential to find paid employment. Any tender process that involves average (3 star providers) such as Outlook Employment will cause enormous disruption. Why should a service already performing at an average level with quality outcomes be subject to this impost?

As a former five-star agency under the DEN contract we have faced an increase in size of over 130% in one year. To respond to this growth we have doubled our staff numbers and provided effective sector focused training. The net effect of this growth was a reduction in the short term in our performance to a three star level. We are currently turning this around with substantial growth within the three star band width. I do not believe that proactive agencies that are achieving average and above average outcomes within the three star band width should be subject to this tender. The period for data collection is still too short to allow for the significant changes that providers were subject to since the commencement of the DES contract.

This tender should only be for providers with below average performance e.g. one and two star agencies. If three star providers were removed from the tender requirement there would also be a substantial cost saving to government with reduced impact to jobseekers & employers.

## **2. The current DES contract and quality of placements**

The current DES contract focuses on purely quantitative outcomes rather than the quality of placement. Providers in this field have a history of ensuring that jobseekers are given career pathways in line with the disability service standards and the choice available for other members of society. The focus on 13 and 26 week outcomes does not acknowledge career development that often occurs particularly within the ongoing support phase. This is a shortfall of the star rating system that needs to be rectified. There is definitely a need to provide value for government funds by ensuring considerable numbers of job outcomes however the quality of these outcomes has a long term impact on the lives of people with a disability. Providers should be rewarded for this work and acknowledgements made within the performance framework for the quality of outcomes.

***See Appendix One for testimonials highlighting the diversity and quality of employment placements***

## **3. Disability Services Act 1986 – - the backbone of the sector**

Social inclusion of people with disabilities is a central tenet of the Disability Services Act 1986 and the subsequent Disability Service Standards. The current DEEWR model does not reflect this. The current program emphasis is primarily on moving people with disabilities from welfare payments into employment. The long-term benefits of placement followed by training and career development are significant in ensuring that people with disabilities are not excluded in our society and have long lasting careers. The focus purely on moving people with disabilities off benefits is a model that was developed for mainstream employment services and fails to value the important work done to promote the social inclusion of people with disabilities. Many providers have a long history of ensuring the inclusion of people with disabilities in their local communities by providing appropriate levels of support often over many years. This has flow on savings for society that come from a person feeling their worth as a valued and productive member of society & reductions in cost to government. The DES program needs to be aligned more closely with the intent of the disability services act 1986 if it is to provide the maximum positive impact both for people with disability and society in general.

## **4. Reduced services due to impact of tender process**

The cost of tendering is substantial particularly for smaller providers. It takes staff away from their core business of finding sustainable employment for people with disabilities. This process risks the service quality of many providers who are already working at the average or above average level. The Federal budget 2011 indicated that there was an emphasis on supporting more people with a disability into employment. The size of this tender process will not aid in that positive goal. The current procurement process also provides advantage to the national and international providers that have substantial resources to focus on the tendering process. DES Providers at average or above performance should not be spending tax payer funding on this tender.

## **5. Sector Stability and potential impact of tender on staff**

There have been substantial changes for jobseekers, employers, staff and service providers since the commencement of the DES contract in March 2010. There has also been a bedding in process of this contract with its significant changes from the previous DEN contract. Further change will impact negatively on jobseekers who have had less than two years on this program. The relationships that have built, particularly with those jobseekers that have anxiety disorders and other mental health conditions, will be jeopardised through the tender process and the potential relocation of job seekers to new service providers.

Employer relationships are critical to the effective placement of people with disabilities by DES services. Relationships are built on trust and stability. The substantial nature of this tender is a threat to this is stability as services focus on their resources on the procurement process.

To build effective teams of employment consultants with the necessary skills to engage people with disabilities and effectively promote them in the labour market takes considerable time and training. DES providers need to maintain the career certainty for their staff. This tender will result in uncertainty and may result in the loss of skilled staff from this sector.

## **6. What does government want for the future of DES?**

As a sector we require clear indications of where the government wishes DES to sit within the suite of employment services. Why was it decided that over 80% of services are required to tender? This does not appear to be a performance based decision as it includes average providers. Are we to become a Job Services Australia type service or do we maintain our adherence to the disability service standards and deliver effective outcomes both in terms of financial efficiency and social inclusion? Since the advent of disability service act in 1986 service providers in the DES field have modelled service provision around inclusion and choice. This is not reflected in the current DES contract. If DES is to stay aligned to the disability service standards, those standards should be included in the performance process used to establish appropriate standards of service delivery.

## 7. Suggested Solutions

The government's objectives of increasing the participation rate of people with disabilities can be met without substantial levels of disruption to jobseekers with a disability, employers and services that are already meeting contract obligations (by performing at an average to above average levels). If the tender was aimed at underperforming providers (1 and 2 star) this would address participation rates of people with disabilities. A substantial cost savings to government would be achieved in administering a smaller procurement process. The addition of quality measures within the performance framework will ensure a balanced approach when measuring outcomes.

### Recommendations

- **The DES tender in 2012 should apply only to one and two star providers.** Those providers performing at an average to above average (3 – 5 star) against the DES contract should have their contracts rolled over as they are providing effective employment placement services.
- **The quality of service delivery needs to be included in the performance framework.** The disability service standards are a sound basis for commencing the upgrading of the performance framework
- Disability employment service is a long-term community-based program. Many stakeholders are involved in ensuring that people with disabilities are supported into long-term employment placements. **Any procurement process needs to acknowledge the nature of DES services as unique from other employment services.**
- Providers performing at one and two star level should be provided with appropriate levels of support to improve their performance in the short term. Ultimately if there is no improvement in this performance those providers should be exited from the DES program.

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Manager

Outlook Employment

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## **appendix 1 - testimonials on quality long-term placements**

### Testimonial to Outlook

I arrived in Outlook's office last year having spent four months after finishing university trying to find work in the middle of the 2009 Global Financial Crisis. I had just about given up trying to find work in the profession that I spend the previous 8 years studying for; and still had no luck trying to find work in industries that I was overqualified for. I was at risk having a nervous breakdown from the frustration of receiving job rejection after job rejection with no help from any of my previous job-search providers I had been registered with. My self-confidence from these job-rejections had shot my confidence to pieces to say the least.

Outlook were able to give a realistic evaluation of not only what my weaknesses were, but also my strengths. Instead of going for the easy fix by trying to place me into an industry that I would be overqualified for which would have had disastrous repercussions, they used their networking system to find me some work experience in a firm of my chosen vocation. This vocation led to part time work while Outlook encouraged me to pursue my post-graduate qualifications. Outlook provided the encouragement and support to help me get through some tough times during this period.

During those months, my self-confidence grew to the stage where I was able to use my own initiative to seek work unassisted. The staff at Outlook were there to assist me when I asked for advice to improve my job prospects as I saw them as experts in finding work. They encouraged me to keep the positive "can-do" attitude as again I received numerous job rejections. However, after a month, after applying for 87 jobs, I had found my dream job. Ever since that moment I have not looked back as my career has grown from strength the strength. My disability does not exist while I am doing something I like doing such as working in my vocational field.

I still keep in contact with Outlook as they had contributed probably more than any other person or body to develop my vocational skills to not only become employed, but to stay employed. I have recommended them to people I know who have disabilities and want to do something with their lives.

*A Quite Content Professional*



A successful business is built on a relationship of trust and reputation. This takes time to establish. We were attracted to Outlook Employment by the strong belief they have in their candidates.

Because of Outlook's willingness to back us up and the faith they have in their job seekers, we ended up signing two happy kitchen staff who are still currently employed with us - thanks to the ongoing support of Outlook.

The Outlook team has now earned our trust. They have been consistent in their work ethics and professional manner.

Outlook has helped us to save time and reduce recruitment costs

I am now looking to employ another job seeker from Outlook.

Kind Regards

James V Lao

Director

### **Ashley working at Berwick Secondary College**

Ashley has worked in three different jobs during his 6 years with Outlook Employment. He worked as a Process worker & then a Trolley Collector before securing his current position at Berwick Secondary College in April 2009. Ashley is employed as a Groundsman/ Maintenance worker. His job involves helping the painting of guard rails, general ground maintenance, collecting litter and assisting the Landscape Gardener. Ashley finds his job very interesting as he learns new skills each day. Ashley lives in Pakenham & finds it easy to now see his Employment Consultant at the new Outlook Employment office in Cook Drive. Outlook Employment staff are able to discuss with Ashley and his employer any issues that arise at work & this support as ensured that Ashley has maintained continuous paid employment since November 2005.

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### **Sally working in Aged care**

Sally is over the moon! Last month she started work a local aged care facility as a part time receptionist. Joining Outlook Employment as a job seeker in July 2010 Sally was pleased to have secured employment so quickly. The Outlook Employment staff ensured that Sally was put forward job vacancies that suited her skills and had actively marketed her potential to employers.

As Sally lives in Pakenham it is very convenient for her to meet with her Employment Consultant regularly. This lead to a close working relationship that resulted in job interviews for the first time in years of registration with other employment services. From this came the great position she now has & Sally can't stop smiling!!