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Senate Education, Employment and Workplace Relations Committee
P O Box 6100
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Canberra ACT 2600

The following submission is made on behalf of The Personnel Group Ltd (TPG). We are a disability employment service.

Introduction and Background

The Personnel Group was set up as Disability Employment demonstration project in 1986. TPG has been working in this field for the last 25 years and has successfully managed the program through its many changes and program iterations. TPG was established, along with all other Disability Employment programs in 1986 with the single focus of improving the quality of life for people with a disability through long term sustainable employment. Through the many changes the focus on jobseekers has dramatically changed. There has been a shift from higher support needs DSP only jobseekers to now jobseekers not on DSP with lower support needs. This has resulted in increasingly more jobseekers with the higher support needs unable to access the service due to the demanding outcome requirements of the current DES contract.

TPG has endeavoured during all these changes to maintain their original strong focus on the quality of life outcomes for its jobseekers. Under the current contract this is not a valued consideration even though DES service providers are required to meet the ISO DSC certification. This requirement remains from the original FACSIA contracts for DES services only. JSA service providers are not required to meet this certification even though they now provide a service for jobseekers with a disability. In response to the terms of reference to the inquiry;

(a) The impact of tendering more than 80% of the current DES on the clients with disability and the employers they support under the current contract

To put 80% of the current DES at risk is to risk losing 25 years of development of a program that is not just an employment program, but a program with a specialised focus on the most vulnerable jobseekers in our community.

Disability Employment Services commenced as a result of The Disability Services Act legislation in 1986. It was set up to secure award wages employment opportunities for people who had never been considered for employment. As such a great deal more support was required than that provided by the CES, the government employment program of the time. As one of those people who was instrumental in trying to change the attitudes in our community to provide award wage employment for jobseekers with an intellectual disability, I can verify the enormous difficulty this presented. As the now CEO of TPG this process still presents incredible challenges. The process not only requires skills in convincing employers to provide an opportunity, but we are also cognisant of our responsibility to ensure the job contributes to the long term welfare of the jobseeker.

Under the current DES contract there is no requirement or value placed on this responsibility, and new players could be forgiven for not seeing this as an element of the program. This is probably already evident with organisations that are relatively new to the field.

Given that the majority of current DES providers operate within the unwritten boundaries of this ethical responsibility, it is likely that putting 80% of these service providers to tender, with the inevitable loss of possibly half these service providers, we are in danger of losing the ethical basis on which the DES program was set up. i.e. The Principles and Objects of the Disability Services Act 1986.

(b) The potential impact of losing experienced staff

The government system of three year contracts in the JSA employment industry has had a very destabilising effect on all staff employed in this industry. The DES industry will be similarly affected with disastrous results to the quality of employment consultants. Though the “care” factor can be dismissed as welfare and having no place in this industry, without the appropriate “care” attitude for these more vulnerable jobseekers, inappropriate employment placement (just to achieve outcomes) can do a lot more long term harm than good. This would have the opposite effect of putting people back onto the DSP, increasing the associated costs, as well as the impact of increased health costs.

Staff with this “care” factor will not stay in the industry if they have to experience not providing fair and appropriate support for their jobseekers. The prospect of going to tender every three years and the associated destabilising impact not only on the staff but also on the jobseekers will be sufficient for the staff to leave the industry.

Losing the “care” factor from staff in this industry will dramatically change the program and lose the focus of the intent of the Disability Services Act 1986.

An ongoing major difficulty for DES providers is finding employment consultant staff that have the capacity to promote jobseekers with a disability to employers. This is a rare skill and difficult to quantify and replicate. To lose these people from the industry will deplete the quality of DES Program

(c) Whether competitive tendering of more than 80% of the market delivers the best value for money and is the most effective way in which to meet the stated objectives of:

(i) Testing the market

What are we testing when currently 50% of the market is meeting the contract criteria after only 18 months of existence? Surely this indicates the flexibility and skilled professionalism of at least 50% of the current service providers. Why put at risk an already skilled DES employment industry. In an environment where the government needs this large cohort, coaxed and re-established in the labour market, why again would you risk losing the very skill base that has the best ability to achieve this.

(ii) Allowing new “players” into the market and

It is appropriate to tender out areas where DES providers are not meeting contract requirements, e.g. 2 Stars and below, to allow new players into the market. However it is questionable whether the current performance framework is the best assessor of quality performing services. E.g. in Kiwa ESA, TPG had a high performing DES service in Albury. To meet demand in adjoining Wodonga, we opened and encouraged Wodonga jobseekers to this service. Because of a lag between registration, job commencement and 26 week outcome, opening this service created a large number of new registrants that could not achieve the required outcomes, to meet the Star ratings date. We were not concerned as we knew we would eventually get them into employment. However, this was before the announcement of the tender requirements of 4 Star and above. We found that by opening this new office to meet jobseeker demand, we had inadvertently now pulled down the capacity to get to a 4 star rating. This was not a performance issue, but a quirk of the system, and timing.

(iii) Removing poor performers from the market

Currently poor performers would be those identified as 2 Stars and below and clearly have been unable to address the requirements of the new contract, so should expect to have their business tested in the market place. But once again caution should be taken with being too quick to equate poor performance with the Performance Framework.

(d) Whether the DES Performance Framework provides the best means of assessing a provider's ability to deliver services which meet the stated objectives of the Disability Service Act 1986 such as enabling services that are flexible and responsible to the needs and aspirations of people with disabilities, and encourage innovation in the provision of such services;

The DES performance framework is not aligned with the Principles and Objects of the Disability Services Act and the Government's Disability Service Standards. The performance framework has been based on the JSA performance framework and does not measure quality and the need to support jobseekers through long term sustainable employment. Indeed many of our jobseekers will always need support particularly if they are required to move in and out of employment regularly. They do not lose their disability, they have it for life.

For example two TPG clients have been with the one company for 25 years. One has an intellectual disability and the other MS. Though in the main they are independent TPG maintains constant contact to be available to the employer should any assistance be required. In the event that both of them lost their jobs, they would need the same level of support to secure and maintain new employment as they did for their first job 25 years ago.

The employer also expects and rightly so that TPG will be readily available should either employee need any retraining, up skilling or support related to their disability. This relationship with both employer and client has been essential to the long term employment outcomes for both these young men. As a result of this employment and support both enjoy a quality of life that they could not have achieved without employment.

The performance framework also encourages creative manipulation of outcomes to achieve higher Star Ratings. For unscrupulous service providers there are many and varied ways to achieve this within the rules, however they are often not in the best interest of the jobseekers.

The performance framework could avoid this manipulation by changing from a short term throughput based methodology to one that recognises the importance of enduring jobseeker and employer relationships for DES employment outcomes.

(e) The congruency of 3 years contracting periods with long-term relationship based nature of Disability Employment Services – Employment Support Services program, and the impact of moving to 5 year contract periods as recommended in the 2009 Education, Employment and Workplace Relations Reference Committee report, DEEWR tender process to award employment services contract.

Five year contract periods support the importance of longer term sustainable relationships with employers and jobseekers.

The importance of the development of the employer relationship with a DES cannot be underestimated. Employers have many and varied experiences with employment services, many not good. TPG has often had to compete against being ‘tarred with the same brush’ by employers. Our good name is critical to TPG in being able to secure quality jobs for our jobseekers. In taking on a jobseeker with a disability the employer is taking a perceived risk and is often fearful of having to terminate an employee with a disability if required. This makes the need for the relationship between the DES provider and employer to have a stronger element of trust. To sure up the confidence of the employer the DES provider must provide a higher level of service support, than a JSA provider. This support can easily be brought undone by an experience with a new less committed provider, or for example, a new provider.

Jobseekers and families are also taking risks they are not used to by taking on employment, the established relationship and trust in the DES provider is important to gaining this commitment from jobseekers with a disability

A 5 year contract also provides the service provider with time to become proficient in understanding and developing processes to competently operate the contract, thereby providing the government with a better skilled and professional program.

(f) The timing of the tender process given the role of DES providers in implementing the Government’s changes to the disability support pension

Any changes to the Disability Support Pension create a climate of fear amongst recipients. In previous times when this has occurred DES providers have been the channels through which many people have come to understand and clarify their concerns. Many people who will now have to be activity tested will experience fearfulness of losing what they see as a safety net, and security. This is very frightening to people who cannot see that the employment market would accept them.

Experienced DES providers and indeed those providers who see their role as more than just an employment service are the best conduit for the government to implement their program to have these vulnerable people move into employment. New providers in the market would most likely be outcome driven under the current DES contract, and not see their role to provide the level of support, that still exists with those providers who are committed to the principles of the Disability Services Act 1986.

In conclusion I thank the Senators for this timely re evaluation of a program that was innovative and possibly a world leader in the employment of people with a disability.

The program has lost its way over the years, and in its present iteration is in danger of becoming a subset of the JSA model.

It was set up as vastly different, but over time and with the movement from the more disability focused FACHSIA to the employment outcome focused DEEWR, the notion of The Disability Services Act legislation under which the program was created has almost disappeared. There are still many CEO's managing services that were part of the initial creation of this idealistic program in 1986, clinging steadfastly to the ethical stance of the DSA.

It would be in the interests of many Australian jobseekers with a disability, if the principles of original intent of the DES program could be re instated.

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