



Representing Australia's open employment services for people with a disability

Senator Gary Humphries  
Chair  
Senate Community Affairs Legislation Committee  
Via email to: [community.affairs.sen@aph.gov.au](mailto:community.affairs.sen@aph.gov.au)

Dear Senator Humphries

***Inquiry into the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 and the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005***

The Association of Competitive Employment (ACE) is the peak industry body representing agencies that provide Open Employment assistance to people with disabilities across Australia. ACE was formed in the early 1990s and represents over 180 organisations across Australia.

ACE members receive funding from the Department of Employment and Workplace Relations to deliver Open Employment assistance across almost every region in every state and territory in the country. Services have in common the desire to see an effective and streamlined service system for people with disabilities wanting open employment opportunities and a fair system of contract management for service providers.

Key roles for ACE are to represent the views of members to government and to provide information and resources to its members. ACE is routinely consulted on issues affecting service provision and invited to sit on government reference and working groups.

We thank the Committee for this opportunity to make a brief submission to the Inquiry.

Our submission will focus on key aspects of the *Welfare to Work Bill* as they relate to jobseekers with disability, particularly those engaged in employment assistance programs through Open Employment Services.

Given the short time frames for the Inquiry, this submission is not as comprehensive as we would have liked. We welcome the opportunity to discuss our comments further with the Committee and plan to do so in Albury on November 17<sup>th</sup>.

For further information about this submission, please contact our Executive Officer, Lucy Macali on 0425725137.

Yours sincerely

Mick Veitch

**Chairman**

# ACE Response to Welfare to Work Bill 2005

November 2005

## **Introduction**

One of Government's key goals with this bill –*“to increase work force participation by those receiving working age income support”* – is also a key goal for ACE.

ACE welcomes the increased attention on employment assistance for people with disability that the Bill provides. Open Employment Services assist approximately 48,000 jobseekers with disability each year and have, over the past 20 years, seen the significant benefits that work can bring to jobseekers with disability and their families – increased self esteem, income, enhanced social networks and a generally enhanced quality of life.

There is no doubt, given the right mix of resources and policy responses, that Open Employment Services are extremely well placed to assist Government in its efforts to increase workforce participation rates for jobseekers with a disability.

The Welfare to Work Bill sets the scene for a major overhaul of the social security system as it affects people with disability of working age. ACE wishes to draw the Committee's attention to a number of critical issues identified in the Bill that are considered 'barriers' to increased participation rather than 'enablers', should the Bill be introduced with no further amendments.

## **Key Points**

1. ACE welcomes the inclusion of Open Employment Services into the Government's broader employment services framework.
2. ACE welcomes the Australian Government's ongoing recognition of the highly valuable contribution made by Open Employment Services nationally.
3. ACE is committed to the intent, guiding principles and Standards as outlined in the Disability Services Act 1986.
4. ACE is committed to assisting Government in the development of fair and effective 'welfare to work' policies that form part of a broader and comprehensive disability employment policy.
5. ACE calls for consideration of the disincentives to participation for people with disability that are inherent in the design of the Welfare to Work Bill.
6. ACE calls for consideration to be given to determining registration with a Disability Open Employment Service as meeting a person's participation requirements and that the 8 weeks suspension arrangement be reduced for people with disability.

## Specific Responses to the Bill

### *Involuntary Participation in Employment Programs*

- Jobseekers who engage with Open Employment Services currently do so on a voluntary basis – this is considered a key success factor by providers nationally.
- ACE does not believe that an adequate case has been made to date which justifies the introduction of involuntary participation for jobseekers with disability.

*The recent Job Network Disability Support Pension Pilot conducted by DEWR also confirmed that people with disability do not need to be compelled to look for work, for, once people with disability were aware of what assistance and support was available to them, they willingly 'signed up' for employment assistance (see attached briefing on the DSP Pilot and associated learnings)*

- Open Employment Services have generally not been required to work with 'involuntary' jobseekers. This move is likely to have major ramifications for the sector, which was built on the principles of voluntary participation and choice, as outlined in the Disability Service Standards.

### *Compliance*

- The Bill states that people with partial work capacity will be required to apply for a set number of jobs on a regular and ongoing basis in order to maintain their income support payments. This expectation will create 'tension' between Government's expectations and current operating procedures for disability employment specialists around the country.

*The Disability Service Standards require that Open Employment Services provide individualised employment assistance to jobseekers with disability. Services complete an 'Individual Employment Plan' in conjunction with jobseekers which outlines mutually agreed vocational goals and expectations, including planned approaches to jobsearch.*

*Good 'job-matching' is a key success factor in securing long term employment for people with disability. This practice is based on having a sound awareness of the jobseeker's strengths, interests and capacities. This practice also aids in developing strong links with employers, who are in turn introduced to prospective employees who are motivated and very likely to meet job selection criteria. Most Open Employment Services do not engage in 'blanket canvassing' for job vacancies. That is, they do not secure vacancies without having some sense of which jobseeker they intend to match the job to.*

*Open Employment Services are also increasingly required to meet high levels of service performance which includes securing high levels of employment outcomes for jobseekers. Services that fail to meet employment outcome targets are unlikely to maintain ongoing Commonwealth funding.*

*Requiring people with disability to look for jobs that may or may not match their planned approach to jobsearch is considered unnecessary at this time, given the focus on performance for providers, their 'modus operandi' and the highly individualised employment plans of jobseekers.*

- In this context, registration with a Disability Open Employment Service should be seen as meeting a person's participation requirements.
- Furthermore, the 8 weeks suspension arrangement is considered unnecessary and should be substantially reduced or withdrawn all together for people with disability.

### ***General Comments***

- The 'reframing' of some people with disability as 'people with partial work capacity' should not negate the fact that the individuals do indeed have a disability which may continue to provide challenges and barriers, irrespective of their assessed capacity to work.

*The case study provided in the Bill's Explanatory Memorandum on pages 18-19 reflects aspects of the 'get better' model which is sometimes implied in the welfare reform debate – that is, once placed in a job, the person's disability is 'cured' and no longer an issue. Whilst securing a job may be 'the best form of welfare', the system should provide adequate safety nets and flexibilities to respond to the often fluctuating support needs of some jobseekers with disability.*

- Existing DSP recipients should also benefit from the increased attention on disability employment policy at this time and enjoy guaranteed access to employment assistance should they wish to make use of it.

### ***Clarification required***

As indicated previously, the short time frames for responding to the Bill have made it difficult to provide a detailed submission to the Committee. An issue that requires further clarification from an Open Employment Services perspective is how the proposed legislation intends to differentiate jobseekers with disability that will be referred to Open Employment Services from jobseekers with disability that are destined for referral to Job Network Members. The discussion on pages 17-18 of the Bill's Explanatory Memorandum appears ambiguous on this matter.

### ***A call for an integrated approach***

Whilst Australia has been relatively successful in comparison to other countries in employment rates amongst people with more severe disability, much more can be done to further enhance workforce participation of people with disability.

Inaccessible environments, inflexible work practices, insufficient services and discriminatory attitudes all contribute to making it difficult for people with disabilities to gain and retain open employment. In addition to this, a lack of clearly articulated policies over time and low levels of

funding have also contributed to lower job retention rates, lower promotion possibilities, limited scope and variety of jobs offered, under-representation in VET and poor school/post-school pathways for jobseekers with disability.

To rectify this situation, ACE is calling for the development of a **National Disability Employment Strategy** which would provide for better coordination of school to work, welfare to work, education, training and employer awareness initiatives. We believe such a strategy would serve to enhance existing welfare to work policies, tie in the proposed Employer Demand Strategy and provide a platform for future work and projects.

### *Jobseekers with disability able to work 30+ hours per week*

Whilst not specifically referred to in the Welfare to Work Bill, ACE would like to draw the Committee's attention to the following matter.

Jobseekers assessed as having a work capacity of 30+ hours and can become independent within 2 years will be streamed into 'capped' Disability Open Employment Services stream from July 1<sup>st</sup> 2006. Traditionally, this program has been provided on a voluntary basis and from July next year will focus on assisting clients with higher and ongoing support needs, with the exception of the 30hrs+ group. ACE suggests that a more logical referral pathway would be that this group be included in the 'uncapped' Disability Open Employment Services stream, given that their support requirements would be more suitably addressed through this pathway. The only difference between these jobseekers and jobseekers eligible for uncapped places is their assessed capacity for work being 30+ hours rather than 15 to 29 hours.

ACE suggests that consideration be given to the following:

- it is anticipated that the '30+ hours per week independent within 2 years' group of jobseekers would account for a small proportion of uncapped places
- the '30+ hours per week independent within 2 years group' are likely to have more in common with the uncapped stream's target group than they would with the capped stream

The combination of voluntary jobseekers and those with participation requirements may cause considerable program administration issues for some Open Employment Services. As it is expected that 'capped' jobseekers will have higher support needs than 'uncapped' jobseekers, different service approaches may be required in future.

ACE recommends that Government seriously consider referring people with an assessed work capacity of more than 30 hours and deemed to become independent within 2 years to uncapped rather than capped Disability Open Employment places.

## ATTACHMENT A

### *DSP Pilot: background and learnings*

In early 2004, DEWR conducted a Pilot in order to explore ways of increasing the number of DSP recipients using the Job Network's disability specialists (there are 12 providers nationally covering 37 sites).

The pilot confirmed long-standing employment barriers for DSP recipients, several of which were identified in its Interim Evaluation Report:

- The majority of people with a disability *want* to work, but may not be aware of what assistance is available to them
- A major disincentive to looking for work is fear of losing the pension and associated benefits, in addition to a lack of awareness of currently available work incentives
- Under current arrangements, there are insufficient guarantees of a return to pension if the person loses their job
- Many jobseekers have had negative experiences with employers, generating from a lack of employer awareness of disability and discrimination issues (DEWR 2004)