

**Senator The Hon Joe Ludwig**  
Minister for Human Services  
Parliament House  
Canberra

Re: Review of the Job Capacity Assessment program

Dear Senator Ludwig,

Thank you for the opportunity to provide feedback on the current Job Capacity Assessment (JCA) program. The following views are presented on behalf of our 260 nonprofit employment service provider members who directly have a stake in the effectiveness of the JCA process through their work with disadvantaged unemployed people.

Jobs Australia acknowledges the enormity of the Department of Human Services (DHS) achievement in establishing the JCA program and managing the purchasing and contracting-out arrangements in such a short period of time. It is apparent that DHS has made every conceivable effort to address the teething and bedding-down issues to be expected of a new program. Even so, there remains significant scope to improve the JCA process particularly in relation to *inappropriate referrals* which are discussed in the attached submission.

Job Capacity Assessors' decisions are tightly constrained by the legislation, regulations and guidelines for the Commonwealth's provision of employment services and income support. These instruments limit the options open to assessors and can result in referrals to programs which are unable to offer support appropriate to the unemployed person's needs. The rules of the whole system require further scrutiny to ensure they fairly and compassionately accommodate the nature of the disabilities and barriers of the unemployed people they are intended to assist.

The announced *Mental Health and Disability Employment Strategy (MHDES)* provides an opportunity to review the parts of the system which impact on people with disabilities. It is highly likely the consultation leading to the development of the *MHDES* will identify issues which also have repercussions for the design of the income support and employment service system. These issues will need to be addressed through a coordinated cross-departmental approach if real improvements for disadvantaged people are to be realised and social inclusion objectives are to be met.

As I have suggested in my response to Minister O'Connor, the purchasing imperatives driving the current Employment Service and JCA review do not allow for as thorough a review of the whole social security and employment services system as is required. It is timely and necessary to conduct a comprehensive review and examination of the interdependencies of the whole system.

I am happy to discuss these issues in further detail at your convenience.

Yours sincerely,



David Thompson, AM  
CEO Jobs Australia

● **Job Capacity Assessment Guidelines, particularly as they relate to assessment and referral practices;**

Employment service providers continue to report their concern about the numbers of unemployed people that have been referred to them by JCAs inappropriately. It is generally agreed that these *inappropriate referrals* are the results of the lack of evidence available to the assessor at the time of the assessment.

This has been a problematic area since the introduction of the JCAs and DHS's commitment to ensuring income support claimants get the best possible result from the JCA process is noted. Efforts have been made to ensure employment service providers equip income support claimants with the necessary information to obtain evidence in relation to their disability, and in some cases provide accompanying supporting documentation and advocacy of their own.

Even so there remain a significant number of instances where the income support claimant does not obtain documentation, or where the condition remains undiagnosed or undisclosed, and the claimant presents at the JCA with manifest indications of a disability or illness whether psychiatric, cognitive or substance related.

Under the current guidelines, JCAs have insufficient discretion to exercise their professional judgment. This inflexibility is a consequence of the extent to which JCA decision making is dependent on the conditions set out in social security law and DEEWR's service eligibility criteria. This results in the JCA fitting the person's needs to the system's rules, rather than the alternative which would enable services to be somewhat more tailored for each individual's needs.

Along with their counterparts in the employment services, the guidelines for the JCA program are constantly being updated as the system encounters situations it has not anticipated. Consequently the guidelines have become overly complex and difficult to administer.

To overcome this problem a more flexible set of eligibility criteria for each of the employment service programs needs to be developed which gives assessors discretion to decide which program of employment support the income support claimant is most likely to benefit from.

Another immediate fix for the problem of inappropriate referrals is to introduce provisions which would give assessors greater freedom to defer an assessment pending further investigation. The nature of these investigations might include the option to obtain information from another service provider with whom the income support claimant is linked; comprehensive functional assessment; referral to a drug & alcohol agency; referral to a mental health service; and/or engagement of an advocacy service.

A further example of unhelpful guidelines are those which direct NewStart recipients with a future work capacity of 30 hours plus to DEN capped, even though they are activity tested and are more suited to the uncapped stream. Another guideline requiring attention is that which directs unemployed people with a work capacity of less than 8 hours to the Job Network, where no resources are available to assist them because they are not fully Job Network eligible. Surely people with higher support needs would be better serviced by DEN capped providers.

The bandwidths for current and future work capacity also have a problematic impact on JCA decision making regarding income support determination and employment assistance streaming. The JCA is obliged to nominate a future work capacity on the assumption the chosen intervention will indeed result in the expected improved work capacity. This leaves JCAs in the invidious position of having to predict the future.

Abandoning the provisions for current and future work capacity assessment by giving assessors the professional discretion to match unemployed people to the program they believe has the best prospect of assisting them find employment would provide some relief in this area. Centrelink should base income support entitlement on current work capacity with the option for this to be reviewed again by an assessor at a future point if it is likely to change.

There have been calls for an absolute uncoupling of the JCA's role in informing income support determinations. This is largely as a result of concerns about the disincentive the income support eligibility review has on Disability Support Pensioners' (DSP) willingness to participate.

However, if measures are introduced to safeguard the pension eligibility of DSPs then it is reasonable that the function of the JCA in determining work capacity be used to inform Centrelink's ultimate decision regarding income support eligibility against the criteria set out in social security law.

As a further point in relation to specific JCA guidelines, VRS and DEN providers report many DSP claimants who commence in the service following a JCA, do not continue in the program once they are granted DSP. This is a waste of resources for providers who have already expended significant effort in commencing these unemployed people in their program. Income support claimants whose DSP entitlement is pending a Centrelink decision should not be required to commence in an employment service until the decision has been finalised.

**• *the appropriateness and range of the qualifications necessary for Job Capacity Assessors to undertake assessments of people with different disabilities, including those with a mental illness;***

There is no compelling reason for the current qualification requirement for JCAs to change. Naturally JCAs with a background in a specific allied health discipline will have a professional bias of the impact of disability on work capacity and the appropriate choice of intervention. The routes to improved social functioning are many and each discipline has a claim to credibility of approach inherent in its own professional rigour.

However, a limitation on assessors' capacities to make appropriate assessment and referral decisions has been the serious restrictions and deterrents to them seeking professional advice and support while reaching their assessments. Despite the strenuous efforts of Centrelink officers and employment service providers, in many cases diagnostic evidence has not been provided and the assessor has, knowingly or not, been obliged to reach a decision regarding the assessment and referral. There are many instances where assessors would make different decisions if there was more initial scope to obtain more diagnostic information or to exercise more discretion.

As with many other allied health occupations, the tight labour market and skills shortages mean JCA providers have faced difficulties recruiting suitable staff. Subsequently, providers have reported further problems with staff retention because of the extent to which their assessors' professional autonomy is eroded by the stifling nature of the JCA guidelines.

The introduction of some flexibility in decision making would benefit both the JCA assessors as professionals, and go some way towards addressing the recruitment and retention issues the program has experienced.

Staff shortages have also resulted in an acknowledged unacceptable number of telephone assessments in rural and remote areas. Some income support recipients

reside in isolated areas due to their low cost and sadly for some because of negative experiences with Government service providers and other authorities. They have become adept at avoiding detection and diagnosis of mental health and other issues that are preventing them from participating in the mainstream. The risk for these individuals in remote areas who undergo assessments by telephone is they are more easily able to disguise barriers to participation and hence the assessment results in inappropriate income support and service decisions.

A key reason for JCA providers to conduct telephone assessments is because of the timeliness Key Performance Indicator (KPI). This effectiveness of this KPI should be reviewed, especially as it relates to servicing issues in rural and remote areas, or where there are transport difficulties.

**• *the quality of information recorded during the assessment process, including whether this is sufficient to assist agencies making decisions on income support and/or employment assistance;***

Employment service providers report there have been overall improvements in the quality of assessor reports since the commencement of the program. The information available to providers is useful in so far as it relates to the work or functional capacity of the job seeker. Providers sometimes lament not being privy to more personal information that may have been disclosed during the JCA, however it is entirely appropriate that it this is not available to them.

In relation to information flows, there is a concern that not all the evidence on file at Centrelink is made available to the JCA if the appointment was employment service provider initiated. Providers are unable to see if Centrelink already has information on file relating to the income support claimant which results in it not being obtained for the purpose of the JCA. More attention to the efficiency of flows between agencies is required to address this and other information sharing inefficiencies.

**• *the appropriateness of arrangements to ensure attendance at Job Capacity Assessments;***

Even though the JCA program was introduced as a direct response to the findings of the *Early Intervention and Engagement* pilot<sup>1</sup> it has to some extent compounded the complexity of social security and employment service system. Problems with attendance rates at assessments may be attributed to the quality of the experience for people claiming income support which has become even more complicated since the introduction of JCAs. It is now routine for an income support claimant to have at least three appointments or encounters with three different service providers (Centrelink, JCA and employment service provider) before they begin to receive any employment.

The obstacles to obtaining income support and employment assistance can be bewildering for those not familiar with the system and threatening for people who simply seek financial support during difficult times. This has a negative effect on their capacity to engage and participate and may underpin non-attendance, especially for the most at risk such as young people and those with a disability.

Wherever possible the assessment and referral process should be simplified to minimise the number of appointments with different agencies required before income support and employment assistance can begin. Similarly, where a JCA reassessment or review is requested or required and results in minor changes to service eligibility e.g. from DEN/VRS capped to uncapped, or DEN to VRS, the JCA should have discretion to

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<sup>1</sup> <http://www.workplace.gov.au/workplace/Programs/EarlyInterventionandEngagementPilot.htm>

maintain the income support claimants at the service provider with whom they have a prior attachment.

In many cases employment service providers already advocate on behalf the unemployed people with whom they work. This advocacy along with other negotiations with JCA providers regarding the appropriateness of referrals places significant resource pressure on providers which are recognised in their service fees. There is even further resource strain when the assessment results in a referral to another but similar program which leads to the loss of the unemployed person on the caseload of the original provider. Flexibilities in the JCA service streaming rules to allow for continuity of service with the same provider should be introduced especially between DEN capped and uncapped, and VRS fixed and capped.

Some media attention has focused on situations in which the JCAs have required attendance from people with disabilities and illnesses which have proven to be less than compassionate to their circumstances. Inappropriate compliance measures have been imposed in these and other situations where there is evidence to suggest other vulnerabilities such as *lack of insight* or undisclosed substance misuse is present. Centrelink has developed a range of proposals to accommodate these situations which should be revisited by DEEWR, with the aim of introducing flexibilities in activity test requirements for the most at risk.

**• *the role of the Job Capacity Account program, including the effectiveness of the current referral arrangements to the Job Capacity Account and the Job Network; and***

It is recommended the JCA account be extended for the purchase of services for unemployed people referred to DEN, VRS, PSP or JPET. Even further benefits from the JCA account would be derived if it could be accessed after referral to the employment service by the provider who could determine the nature and timing of the intervention to be purchased. This would enable the account to be used in a manner which is more integrated with the employment assistance plan developed by the unemployed person's case-manager.

**• *key strengths of the current arrangements and any lessons for the future, from your knowledge of current and past arrangements in Australia and internationally.***

The key strength of the JCA process in the employment service assessment and referral process is the opportunity for the system to identify and link unemployed people with appropriate interventions to facilitate their employment participation. By international standards, many aspects of the Australian social security and employment service framework including the JCA are innovative.

To maintain the key strengths of the JCA it is important that evidence of the effectiveness of the program is used to inform its ongoing improvement. To date, data on specific outlet and client outcome paths has not been available outside of DEEWR. Such data is required by the DHS and at provider level to inform program evaluation and individual practice improvement.

It is recommended that DHS has access to system collected performance and outcome data to further progress evidence-based practice.

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