



Job Capacity Assessment and Job Capacity Account Services Submission by National Disability Services

February 2008

NDS welcomes this opportunity to provide views on the Job Capacity Assessment (JCA) program and the Job Capacity Account and how they can better meet the needs of people with barriers to work, service providers and the Australian community. This submission will specifically address how program barriers and limitations affect people with disability.

NDS is conscious that the operation of the JCAs is affected by policy parameters set for other parts of the 'welfare to work system'. Therefore this submission repeats parts of, and should be considered in conjunction with, NDS's February 2008 submission to the Minister for Employment Participation, 'Improving Employment Services'.

Giving priority in the provision of employment assistance to job seekers deemed 'most likely to benefit' currently underpins the provision of employment services. This policy commenced with the previous Labor Government's 'Working Nation' and was retained by the Coalition Government for 'Job Network.'¹ Unfortunately the group most likely to be disadvantaged by this policy are people with disability. If the new Government's commitment to social inclusion is to be fully realised, people with significant disability must be given the opportunity and the support they need to secure employment.

The workforce participation rate of people with disability is substantially below people without a disability. During the past two decades, the labour force participation of people with disability has hardly changed and remains almost 30 percentage points below the rate for people without a disability.² People with disability participating in the workforce are more likely to be unemployed than people without a disability.

¹ Commonwealth Parliamentary Library, Research Paper 15, 2007-08, *A Review of Developments in the Job Network*, pg 11.

² AIHW, *Australia's Welfare 2007*, pp 197-198.

The major rationale for any change to arrangements of the Job Capacity Assessment program should be that it will improve the employment prospects of job seekers, and in particular Australians with disability.

Assessment and Referral Barriers

JCA's dual function

Established to streamline assessments and referrals, the Job Capacity Assessment process presents a barrier to some job seekers.

Disability Support Pension (DSP) recipients are not required to look for work, however many would like to work. The problem is that those who seek help from an employment service automatically trigger a review of their DSP entitlement. People on DSP are typically vulnerable and risk-averse. If the uncertain prospect of gaining a job entails risking their income support, many will avoid it. Figures from February 2007 point to a decline in the referrals of DSP recipients to employment programs over the previous 6 months – the period in which the policy requiring automatic review of DSP entitlement was introduced.³

This problem of automatic DSP review is embedded in the dual function of the Job Capacity Assessor, which refers job seekers to employment services at the same time as reporting to Centrelink for the purpose of income support.

Recommendation

Separate the JCA's function to inform income support entitlement from its referral function.

Postpone the review of voluntary job seekers' Disability Support Pension (DSP) entitlement until they secure employment or cease engagement with an employment service.

The 'cap' on specialist disability employment services

Connecting job seekers without delay to the service that can best assist them is essential to the efficiency and effectiveness of the employment services system. At present, only one disability employment program is demand-driven (uncapped). In 2006, the Government implemented a demand-driven DEN program for people with disability assessed as having partial work capacity. The OECD has recently recommended uncapping all disability employment programs as a means of preventing the 'parking' of job seekers on waiting lists and ensuring that job seekers

³ Senate Employment, Workplace Relations & Education Legislation Committee. Supplementary Budget Senate Estimates Hearing, 15 February 2007, Question Number W1070-07, 15 February 2007.

are referred to the service that can best assist them rather than the one which has places available.⁴

A consequence of the 'cap' on the DEN and Business Service programs is the practice of the default referral of job seekers to the Job Network despite their support requirements. Current policy dictates that people with disability, assessed as having a current and future work capacity of less than 8 hours per week (regardless of the job seeker's aspiration) are referred to Job Network services rather than a more appropriate specialist disability employment service.

People with disability are also inappropriately referred to Job Network services when there are no vacancies within the capped programs. Job seekers can choose to wait until a placement is available; however there is no guarantee on how long this will take.

The cap on the Personal Support Program appears to be distorting some JCA decisions. Reports from DEN providers suggest that some job seekers who might benefit most from a PSP referral are being referred to DEN uncapped services because they have places available.

Recommendation

Remove the cap from the 'capped' disability employment programs and the Personal Support Program.

Rapid Connect and Cross-stream referrals

Access to disability employment services for school students with disability seeking transition to employment and not yet eligible for DSP is problematic. Students with disability in receipt of DSP can gain direct access to a DEN service, similar to the Rapid Connect option in Job Network for students/school leavers without disability.

The value of a rapid connect option for students with disability receiving augmented educational support but not in receipt of DSP is recognised at a policy level, however its effective implementation is blocked by technology limitations. Augmented educational support is additional specialist educational support required by students with disability. It may take the form of placement in an Education Support Unit or individual support provided by a teacher's aide within the standard class room. There is a substantial assessment process to establish eligibility for augmented educational support.

Currently the linkages between service streams are weak and the pathways difficult to negotiate. Better linkages and more permeable interfaces between the suite of DEEWR employment services would increase employment outcomes. It would enable job seekers to access a range of services which responded to their needs during any stage of employment support. Currently services are unable to directly

⁴ OECD, *Sickness Disability and Work: Breaking the Barriers*, Vol 2, 2007, page 22

refer between streams when a job seeker has been placed in an inappropriate service stream.

Examples of inappropriate referrals to DEN services include job seekers who have complex non-vocational and non-disability-related barriers to employment (such as drug and alcohol problems). These job seekers are more likely suited to PSP. Job seekers on temporary medical certificates are also at times referred to DEN services, even though they are prohibited from working (or engaging in work-related activities). At times, clients with mental health issues have been referred to a generalist service when a more appropriate specialist service is available.

To rectify an inappropriate referral the job seeker has to be referred back through a Job Capacity Assessor which is time consuming and unnecessary. Improved linkages between service streams would not require dissolving the differences among programs.

Recommendation

Review the streaming and the cross referrals rules and strengthen linkages and pathways between programs and service streams to ensure that job seekers reach the service that can best secure them employment in the most efficient manner.

Time pressures

The timeframe within which assessments are conducted is sometimes insufficient to develop an adequate understanding of a job seeker's personal situation or the extent of the barriers they face. This is particularly pertinent for people with mental health issues and those with a less obvious disability (who may be reluctant to disclose) and those experiencing complex social and economic disadvantage.

An assessor may have insufficient time to source the evidence required to ensure the most appropriate referral decision, resulting in inappropriate 'default' referrals of 'difficult to place' job seekers to Job Network.⁵

Despite changes to program guidelines designed to address 'restrictive timeframes' and allowing assessors more time to collect supporting evidence, hastily completed assessments continue to undermine effective referrals.

Recommendation

The JCA performance management framework and payment structure should be modified to ensure that they allow sufficient time to perform quality assessments.

⁵ Commonwealth Parliamentary Library, Research Paper 15, 2007-08, *A Review of Developments in the Job Network*, pg 18.

Potential Conflict of Interest

Some JCA providers are also employment service providers, presenting a risk that conflict of interest will bias referral decisions. Some providers have managed this risk well, but feedback from the NDS membership suggests that others have not.

Recommendation

Measures are required to ensure that organisations providing both employment and referral services manage the potential conflict of interest.

The 'Provider Pathway'

There have been a number of service access referral systems developed for DEN services over their twenty plus years of operation. Despite the strengths and weaknesses of the various mechanisms one access pathway which has stood the 'test of time' has been the 'provider pathway'. This mechanism aligns closest with consumer choice and the natural market. Although the provider pathway still exists, it has been weakened since the inception of the JCAs.

Recommendation

Strengthen access to DEN services through the provider pathway.

Awareness and understanding of referral options

DEN providers report that assessors rarely refer university graduates with disability to DEN services despite the specialist assistance they can provide through workplace modification and other employment support systems. This may reflect assessors' lack of awareness of the services available through specialist employment providers.

Business Services consistently receive very few (less than 1%) of all referrals. While changes have been made to JCA Guidelines elevating the status of Business Services, awareness of their particular role in employing people with disability is still low among many JCAs.

Recommendation

Extend JCA training to increase awareness of the support requirements of graduates with disability and the role of Business Services

JCA Quality Assurance System

JCA service providers are subject to a Quality Assurance (QA) system that audits assessment practices and reporting. This quality mechanism is limited so far to examining paperwork and the evidence supporting referral decisions. Including feedback from clients, employment providers and other stakeholders would provide the current QA system with more robustness and generate continuous improvement activities to better serve both job seekers and employment service providers.

Recommendation

Include input from stakeholders such as employment service providers and job seekers to inform the JCA QA process

Job Capacity Account Services

Unlike Job Network clients, DEN clients are ineligible to receive assistance from the Job Capacity Account services; nor are they able to receive assistance through the DEEWR managed 'Job Seeker Account'. This limits their flexibility to respond to the diverse needs of clients.

The utilisation rate of Job Capacity Account interventions has been less than expected. Access to a flexible Account would assist and enhance employment outcomes for job seekers with disability.

Recommendation

Extend access to the Job Capacity Account to assist job seekers referred to disability employment services.

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About National Disability Services

National Disability Services is the peak industry body for non-government disability services. Its purpose is to promote and advance services for people with disability. Its membership includes more than 600 not-for-profit organisations, which collectively support people with all forms of disability. NDS's members range in size from small support groups to large multi-service organisations, and are located in every State and Territory across Australia.