

Workbridge Productivity Commission Submission – More Effective Social Services Issues Paper

Background

1. Introduction

- a) Workbridge is the largest New Zealand owned employment agency for disabled people with a disability, injury or illness. Established in 1990, Workbridge has arranged thousands of jobs every year for disabled New Zealanders so they can contribute to our economy and gain economic independence. We support disabled jobseekers, employers and workplaces across New Zealand, with 102 employment consultants in 22 locations.
- b) Many of the issues that are raised in this submission have also been highlighted by Inclusive NZ (VASS) which we are a member of. Inclusive NZ also represents many other supported employment agencies and vocational services in the disability sector. The Disability Employment Forum also supports these submissions. This forum is made up of Disabled Persons Organisations (DPOs) and providers working in the disability employment space.
- c) A key challenge highlighted by the More Effective Social Services Issues Paper is the difference in how the community sector and the present government view social services and the role each play in the social services system.
- d) The language of the market that is used in the paper illustrates the fundamental difference in view between the community sector and the current government. It indicates a top down approach where government views itself as a market leader and a view of social services as a commodity. The language also indicates a medical model approach, focused on interventions, cure and programmes. It might be easier to view purchasing from this point of view, but it does not address the complexity of supporting disabled people, whanau and communities and will not lead to greater clarity about what works or achieve the long-term outcomes that are required.
- e) For disabled people the 'medical model approach' that is evidenced in the Issues Paper is out of step with the 'social model of disability', which is outlined in the NZ Disability Strategy and underpinned by our commitment to the UN Convention on the Rights of People with Disabilities. The social model sees society as the 'disabling' agent in people's lives, rather than people requiring programmes to 'fix' them. Supports, therefore, need to be focused on inclusion and participation of disabled people and changing societal attitudes that prevent disabled people having employment.
- f) We believe that improving outcomes for disabled people requires a fundamental shift in thinking from Government. The Government and its Ministries need to work more in partnership with the community social

services sector. The Government and its ministries don't always know what's best for the community and the innovation in the community is often overlooked. More of a partnership with the community would achieve better outcomes for disabled people.

- g) The Government and its ministries need to view disabled people as active participants rather than passive recipients of service. The large majority of disabled people want to work and contribute to our economy and to have the same choices and opportunities as everyone else. As Napoleon once said – ability is nothing without opportunity.
- h) There are significant economic benefits from increasing employment for disabled people.

A 2011 Australia Deloitte report ⁱ estimated that closing the gap between labour market participation and unemployment rates for people with and without disabilities by one-third would result in a cumulative \$43 billion increase in Australia's GDP over the next decade. This would only require a 10% increase in the participation rate for disabled people.

This report also found thatⁱⁱ the costs of recruiting disabled employees was generally lower, productivity was either equal or greater in the vast majority of cases and most disabled workers had better attendance and lower health and safety issues than non-disabled staff.

- i) Workbridge sees relevance to New Zealand in the findings of the Australian National Disability Service's Policy Research Unit paper on the Economic Benefits of Disability Employment.

In summary the findings are: ⁱⁱⁱ

- The most pressing concern of public economics in Australia today is the development of strategies to deal with the challenge of an ageing population. This is a pressing issue for most developed economies.
- The implications of an ageing population is increased reliance on services funded by Government (health and aged care services), generally lower contribution to tax revenue, public expenditure per capita rises as the population ages, the number of persons employed as a proportion of the total population falls and the pool of taxpayers to fund the extra expenditure declines.
- Without policy adjustment, rising expenditure from a declining tax base over time will lead to a growing fiscal deficit or fiscal gap, which by 2050 will be 2.75% of GDP.
- Disability rates increase with age and can drive up the cost of aged care support if Disability Employment Policy is not part of the solution for the 'fiscal gap'.
- The most direct way to reduce the impact of an ageing population is to increase labour force participation of those currently outside the workforce, including disabled people.

- This will reduce the cost of income support as more disabled people gain employment income thus reducing pension payments and there will be some increment to the tax base from this additional employment.
- This can be achieved by focusing on ways to facilitate employer take up of potential new labour force entrants; enabling disability employment programmes to operate with greater flexibility and reducing the disincentives arising from the interaction of income support and paid employment.
- This paper states that 24-26.8% of disabled people, aged 15-64 in Australian households who were outside the labour market, had the capacity to work under the right conditions. The annual cost of the Disability Support Pension (DSP) in Australia for 45,000 disabled people was \$784 million or \$17,442 per person in 2011.
- Using these Australian calculations New Zealand could save around \$1 billion in welfare spending by getting approximately a quarter of currently unemployed disabled people into work.

In addition, getting more disabled people in to work would also reduce the demand for government-funded support services. For example, the Ministry of Social Development (MSD) currently spends about \$89 million per year on Employment, Participation and Inclusion services for disabled people.

- j) Employment is a key priority for both the Government and disabled people. Workbridge has arranged 36,857 jobs for disabled people in the past decade; averaging around 10 a day. We are specialists in advising and educating employers to build confidence around employing disabled people, as well as providing any necessary workplace supports.

Workbridge is succeeding in assisting disabled people into work. Last financial year (2013/14) we arranged 3,414 jobs that met the requirements of our contract with the Ministry of Social Development (MSD), a 28% increase compared to the previous year.

Unfortunately, our ability to get disabled people into work is limited by our financial position. We operate under an Employment Placement Contract with MSD, and our funding for arranging employment has been largely static for the last decade, with only one increase of 3.5%.

The cost we incur per placement now exceeds the amount we receive per placement. In 2002, the fee we received per placement was \$2,032. This was increased to the current rate of \$2,199 per placement, which represents an increase of 8.22%. Based on Reserve Bank figures we estimated in 2013 that the inflation-adjusted rate over this decade would be \$2,770 per placement, an increase of 30.72%. Therefore, our funding has decreased if we consider the CPI increases that have occurred over this period.

We are covering this loss from our reserves but this is unsustainable. The increase in cost per placement is largely due to increasing personnel costs, which we have to meet to ensure we have the suitably qualified staff we need to deliver on our contract. Our other expenses have remained constant or decreased over the past decade.

In 2013/14, we had a deficit of \$860,000. For 2014/15, we have a budgeted deficit of \$1.3 million. If this continues our future commitments will exceed our reserves within two years.

This would place the future of Workbridge in jeopardy and have a significant impact on employment for disabled people in New Zealand.

This lack of funding over the past 10 years and the fact that we are using our reserves to provide services, also means that we cannot accommodate client-directed budgets and outcome-based contracts without an increase in core or baseline funding.

Workbridge certainly can't manage paying forward our infrastructure and human resource costs. The funding of an outcome-based approach is fundamentally flawed because of this. We support in principle a performance based environment but the funding of contracts within it is problematic and complex.

We suggest instead that organisations continue to be paid up front but when outcome based contract measures are not achieved by organisations they are required to return the unearned funds.

CHAPTER 3: THE SOCIAL SERVICES LANDSCAPE

Question 1: What are the most important social, economic and demographic trends that will change the social services landscape in New Zealand?

For disabled people the key trends are:

- a) New Zealand's commitment to the UN Convention on the Rights of Persons with Disabilities, places an emphasis on self-determination and changes the relationship between disabled people and support services.
- b) We have an Ageing Population and disability increases with age. New Zealand is missing out on the skills and capabilities of a hidden talent pool of disabled people, and this will have a significant economic impact if we don't do something about it.
- c) There are about 300,000 disabled people of working age in New Zealand who are not employed. Workbridge can help put this hidden talent pool to work, to the benefit of New Zealand. There are tangible economic benefits in increasing the employment of disabled people. We estimate potential savings for New Zealand of an estimated \$1 billion from moving a quarter of currently unemployed disabled people into work.

- d) We encourage the Government to set an ambitious target of increasing the employment rate of disabled people to the same level as the general population. This will assist the Government to manage the increasing welfare cost of an ageing population.
- e) The 2013 Census Social and Economic Outcomes^{iv} shows that:
- 24% of New Zealanders identified themselves as disabled; reporting a disability, injury or illness lasting six months or more.
 - The number of disabled people has increased from 17% in 2006, partly due to the ageing population.
 - There are about 232,830 disabled people of working age 15 to 64 years in New Zealand, who are not employed.
 - Disabled people have lower incomes. 64% of disabled adults have an annual gross income of \$30,000 or lower, compared with 45% of non-disabled adults. In contrast, only 18% of disabled adults received an annual income higher than \$50,000 compared with 33% of non-disabled adults.
 - 72% of disabled working age people hold a school or tertiary qualification, which is quite comparable to 87% of non-disabled working age adults.
- f) Workbridge is concerned that the 2013 Census Social and Economic Outcomes^v shows that outcomes for disabled people are still well behind those for non-disabled people, especially in the areas of employment and income.

We are particularly concerned at the waste of talent and skills represented by the disabled people of working age who are not working. This hidden talent pool could help to resolve the skill shortages we face as a country and help to reduce increasing welfare costs of an aging population.

Question 2: How important are volunteers to the provision of social services?

- a) MSD funded Vocational Services for disabled people have not had a significant funding increase for over 10 years. Therefore the use of volunteers is widespread.
- b) However, while volunteers are important to many community organisations, they should not be seen as a replacement for paid staff, especially in situations where people are dependent on specialised support for their personal care and support.
- c) It requires significant investment in resource to manage and provide training to volunteers, but this is often not recognised or supported by government funders.

Question 4: What contribution do social enterprises make to providing social services and improving social outcomes in NZ?

- a) In the disability community most of these social enterprises have been created for the purpose of providing employment opportunities for disabled people. This would not be financially viable without support from government, which mainly comes via contracts for service with MSD.
- b) We need to make sure that we create effective pathways so disabled people can move from social enterprises into open employment, where this is possible.
- e) Government has been largely absent from the discussion about social enterprise. It appears that direct support for the development of social enterprise has only happened in a minor way.
- f) There are a number of opportunities that the NZ Government could explore to improve the contribution of social enterprises in countries such as the UK. The Inclusive NZ submission highlights these examples.

Question 5: What are the opportunities for, or barriers to, social-services partnerships between private business, not-for-profit social service providers and government?

- a) Individual community organisations have developed partnerships with private businesses and local government based on their own initiatives. Some of these are long-running relationships and others are short term.
- b) One of the barriers is that social services require long-term commitment to achieving social outcomes, while private businesses are most likely to commit support while it suits their own strategic goals.
- c) We are working with a range of large employers to get more and a broader range of jobs for disabled people. These include companies like Vodafone, OCS, ANZ, City Councils, etc. This may in the future provide an opportunity for these types of partnerships.

Question 6: What scope is there for increased private investment to fund social services? What approaches would encourage more private investment?

- a) Tax incentives for private businesses that invest in and support social services may increase investment.
- b) This could also be used to encourage employers to employ more disabled people.
- c) Large employers and the State Sector could also be assisting with the development strategies that lead to disability confident workplaces.

- d) More leadership from the State Sector around the employment of disabled people is required. Some of the worst employers for recruiting disabled people are State Sector organizations.

CHAPTER FOUR: NEW APPROACHES TO COMMISSIONING AND PURCHASING

Question 8: Why are private for-profit providers significantly involved in providing some types of social services and not others?

- a) We need to be mindful that Private for profit providers are interested in social services that offer the ability to make a profit. They may view their clients as the government agency that purchases social services, rather than the people and communities they serve.
- b) In the area of disability and employment large overseas insurance based companies like APM are interested in the New Zealand market. There is a risk that to increase profits they reduce levels of service for the sake of efficiency in ways that not-for-profit community organisations would not consider to be effective practice. We are also concerned that they often have a 'medical model philosophy' which is regarded as outdated and not addressing the attitudinal barriers within workplaces that prevent disabled people gaining employment.
- c) The Think Differently Campaign, Exploring New Zealand Employers' Attitudes Towards Employing Disabled People Research Project (2012) showed that:
- Most employers thought that attitudes towards disabled people were the key barrier to employment of disabled people.
 - Some employers were concerned about the hassle of employing disabled people and thought disabled staff would have lower productivity, higher absentee rates and additional costs. Some felt that their staff and customers would not be comfortable working alongside or dealing with disabled people.

The same research also found that:

- 52% of employers had disabled people working in their organisation.
- 97% felt that disabled people deserved a fair go.
- Employers said they needed more information about disability, financial support for workplace support and training for staff.

International research backs up our own experience at Workbridge that many disabled people have excellent problem solving skills, low absenteeism, are loyal for longer periods and cost similar amounts to employ to those without disabilities.

Overall, relatively small numbers of disabled people need equipment, modifications, a job coach or communication services. Workbridge and other Supported Employment Agencies are able to arrange these workplace supports and funding.

- d) We are also aware of examples where not-for-profit community organisations have decided not to take on government contracts because they do not consider that they can be effectively delivered for the funding on offer. Workbridge made this decision with the ACC Vocational Contract Tenders in 2013.

Question 9: How successful have recent government initiatives been in improving commissioning and purchasing of social services? What have been the drivers for success, or the barriers to success, of these initiatives?

- a) We are not aware of any evaluation of recent government initiatives that would provide the evidence required to adequately answer this question. For example, there is no evidence yet that the Welfare Investment Approach will deliver better employment outcomes for disabled people.
- b) There is a risk that simplistic measures, such as how many people have moved off benefit, do not tell the whole story. With the employment of disabled people we need to focus on the economic development of the disability community.
- c) Disabled people want employment that is long-term, sustainable, is available for disabled people with a range of support needs and that includes career progression.
- d) In the area of employment for disabled people we are confusing welfare strategy with employment strategy. The focus is on retaining a job for 6 and 12 months which are welfare thresholds.

If we want to get more disabled people into employment we need to focus on stair-casing disabled people from the Supported Living Payments. If we do this well, this will lead to more employment for disabled people.

Too much focus on welfare strategy and thresholds such as 6 and 12 months and the immediate focus on getting more people off benefits, may in fact reduce the potential number of disabled people that we could get into employment in the longer-term. Instead, we need to have a longer-term Government Strategy for the employment of disabled people.

- e) Competitive tendering processes can also be an expensive exercise and require resources to be moved from frontline delivery. Because of the lack of funding that has gone into the social service sector in the past 10 years, many organisations are struggling financially to make ends meet, this is not an efficient or effective use of resources.

Also because of the lack of funding over the past 10 years many non for-profit providers will find it difficult to compete against large private for-profit providers who won't necessarily get better long-term outcomes for disabled people.

Question 11: What other international examples of innovative approaches to social service commissioning and provision are worth examining to draw lessons for NZ?

- a) In the disability employment space initiatives in Washington State in the United States are often regarded as leading edge.
- b) It is particularly interesting to note that contributing factors have been Government leadership through a specific Employment Strategy led by President Obama, large companies such as Microsoft taking more responsibility for employing more disabled people and community led initiatives involving families and disabled people rather than driven by officials.
- c) In Australia there have been some really effective initiatives to develop 'Disability Confident Workplaces'. This includes the Job Access Website - <http://www.jobaccess.gov.au/> and workplace education involving disabled people to assist with changing attitudes.
- d) With contract outcomes there is also more focus on the employer outcomes, rather than jobseeker outcomes as we see with the current Work and Income contracts.

Question 12: What are the barriers to learning from international experience in social services commissioning? What are the barriers and risks in applying the lessons in NZ?

- a) There are risks to applying international examples out of context, and without consideration of any unintended consequences and the impact of our size, geography, values, Treaty obligations, etc.
- b) We also believe that much of the innovation that occurs in the disability community employment space, occurs in the community.

CHAPTER FIVE: ISSUES FOR THE INQUIRY

Question 14: What needs to happen for further attempts at service integration to be credible with providers?

- a) It is not possible to achieve integration if government agencies are still thinking and funding in silos and developing policy without a real partnership with each other and the community.
- b) There is also no transparency about contracts, what funding is available in different areas and who receives this funding. This makes it difficult to get a sense of the market we are working in and to plan for the future.
- c) Government officials often think they know best when in the disability sector they often don't and the real innovation which is in the community is either lost or not funded through the Government initiatives that Officials develop

- d) In the disability community we often see initiatives developed under the guise of community development where the community has little control over the initiatives and the officials set the agenda from afar. This means the Ministries agenda is met, but not necessarily the community or disabled people involved.
- e) We have seen aspects of this with Enabling Good Lives and the Lead School Transition Project. Communities need to have more control of these initiatives if they are to be more successful.
- f) There is a real risk that integration leads to a one-size fits all approach.

Question 15: What are the benefits of client-directed budgets?

As stated in the Inclusive NZ submission:

- a) We are concerned about the statement in the paper that 'some clients may have medical conditions or disabilities that limit their ability to make informed choices'... Services can be designed to allow choices to be made on their behalf.
- b) Disability support providers have worked hard to ensure that people using their services are able to make informed choices. People are often able to make their preferences known when they are communicated with in the correct way, and a range of good practices, such as Circles of Support, have been developed. There is a risk that designing new services to make choices for people will create another layer of bureaucracy and reduce the amount of funding directly available to the person through their personalised budget.
- c) While we acknowledge that there is a place for client-directed budgets international experience has shown that it is not the right option for everybody. It is important to acknowledge that the current system is working well for some people.

Question 16: Which social services do not lend themselves to client-directed budgets? What risks do client-directed budgets create? How could these risks be managed?

- a) Some people have the necessary capacity to manage their own budget and support, including employing their own support staff, and other people do not want to do this. The social service system needs to be able to accommodate both needs.
- b) Competition is viewed as positive by government and in this Issues Paper, but this is not necessarily so in this social service sector. Competition does not create the necessary trusting environment for collaboration and the sharing of effective practice. Competition also comes at a cost, with organisations having to spend more of their operational budgets on publicity and communication tools, which effectively reduces their frontline capability.

- c) Currently MSD is asking providers to collaborate more in a very competitive tender environment, which makes this difficult in the disability employment space.
- d) For example, a MSD transition tender process a few years ago had 3 weeks notice period and targeted individual organizations, which discouraged collaboration.
- e) With client-directed budgets and outcome-based contracts, providers have no guarantee of income. This makes it difficult to plan, ensure that adequate staffing ratios are maintained and that the organisation can run efficiently and sustainably. There is still a need for core or baseline funding.
- f) With the lack of funding increases in the past 10 years for Vocational Services in the disability community many providers are using their reserves to provide services, are close to insolvency within the next 1-2 years and cannot accommodate client-directed budgets and outcome-based contracts without an increase in core or baseline funding.
- g) There is a risk that the government being overly-prescriptive about what client-directed budgets and outcome-based contracts can be used for will cancel out any advantages for the client.

Question 18: How could the views of clients and their families be better included in the design and delivery of social services?

- a) Individual plans to identify jobseeker goals and aspirations are now standard practice in employment and community inclusion services for disabled people and should continue.
- b) Please refer to 14c.
- c) There also needs to be more funding for service evaluation and research projects that enhance the quality of services from the perspective of the service user.
- d) Outcomes based contracts should also require stakeholder evaluations. Often they measure outputs which don't indicate the quality of service.

Question 19: Are there examples of service delivery decisions that are best made locally? Or centrally? What are the consequences of not making decisions at the appropriate level?

- a) Devolved decision making can lead to unlevel playing fields, where providers in different parts of the country are funded at different levels for the same outcomes.
- b) If service delivery decisions are to be made locally then communities need access to good information, and be inclusive of all parts of their communities.

- c) Please refer to 14c.
- d) Currently there is often a real disconnect between National and Regional Work and Income Contracts. There needs to be better integration between these otherwise national provider can be disadvantaged at a regional level. This has been the experience of Workbridge.

Question 20: Are there examples where government contracts restrict the ability of social service providers to innovate? Or where contracts that are too specific result in poor outcomes for clients?

- a) Overly specific contracts, especially those linked to milestone payments, do not allow providers to follow the best interests of the jobseeker.
- b) They are also risky for providers when a milestone cannot be met because the circumstances of the client change, making it impossible for the provider to claim payment despite the work done.
- c) Overly specific contracts linked to outcomes can also cause providers to 'cherry pick', i.e. choose to work with those clients who will achieve outcomes easily rather than those with higher support needs, and are arguably those most in need.
- d) Contracts linked to contributory funding demonstrate a lack of commitment and investment by government in outcomes for that community/population. It is difficult to innovate when constantly having to focus on cash-flow issues and alternate sources to 'top up' funding.
- e) We are also concerned that with the lack of funding over the past 10 years, we are using our reserves already and we cannot accommodate milestone payments. This will limit the services we can provide and the resources we can direct to support our workforce.

Question 22: What is the experience of providers with High Trust Contracts?

- a) Overall High Trust Contracts have made very little difference to us because the reporting that has been taken out includes areas that are good practice such as plans, monitoring our work with employers and jobseekers, etc.
- b) We are concerned that they could lead to bad practice with providers who don't have good systems for monitoring the quality of their services.
- c) We also find that these contracts fail to address the real issue – the lack of MSD funding to provides employment of disabled people over the past 10 years.

- d) In a high trust environment, we were asked to provide additional information about some of our 2013-14 placements. This was largely due to the Work and Income computer systems for clients being inaccurate. This took over 100 hours for us to reconcile this information.

Question 26: What factors should determine whether the government provides a service directly or uses non-government providers?

- a) We suggest that this is best done on a case by case basis rather than creating a set of rules, which could lead to the wrong decisions being made that don't meet the needs of the community.
- b) There is a conflict of interest currently where our funder (Work and Income) is also a competitor. While we understand that Work and Incomes needs to build its staff capability with disabled people, we can't understand why Work and Income staff are also placing disabled people into employment when they fund \$89 million for community based vocational services. This seems like a duplication of funding and services.
- c) Work and Income is not clear about what they provide and what they purchase. An example of this is Work and Income offices, who have a role in finding and placing people in work, and Work and Income Contracted Employment agencies who are contracted by Work and Income to support disabled people into work. Workbridge and other contracted agencies have specialised skills in working with disabled people and with employers to ensure that an employment placement will be successful and sustainable.
- d) Work and Income staff are frequently unaware that there is a community organisation contracted for this purpose which can lead to people not being referred and not receiving the appropriate support. It can also damage relationships with employers, and lead to poor experiences for both the jobseeker and the employer.
- e) The investment approach has created an environment where it seems that Work and Income case managers are now in competition with contracted disability employment agencies such as ourselves, as both are required to meet targets for placing people in work.
- f) The Think Differently Campaign, Exploring New Zealand Employers' Attitudes Towards Employing Disabled People Research Project (2012)^{vi} showed that this creates confusion amount employers and we need to overcome this.

Questions 27 – 35: Contestability

- a) We question whether contestability will improve employment outcomes for disabled people.

- b) Contestability is highly likely to be detrimental to social services for disabled people where trust and being known and understood by a service provider is essential. This trust can be compromised if a trusted service provider loses a contract through contestability. There is also a risk that existing employer relationships are lost through contestability. The cheapest price for services does not always guarantee service quality.
- c) Contestability can also erode collaboration and innovation that has been developed over a number of years. Providers may be unwilling to share in professional conversations about practice because they might need to rely on this to win a tender process.
- d) Local and/or smaller community organisations may be disadvantaged in a contestable environment. They tend to have less resources and capacity to compete against larger and/or overseas for-profit providers who have experience and funds to invest in tender bids.
- e) There is also the risk that tender processes are awarded on the strength of a tender document and do not take into account an organisation's relationship with its community and its knowledge of local labour market trends.

Questions 41 – 44: Contract design and measures of performance

- a) Most social services deal with complex social issues. Outcomes often take time to achieve, and require the contribution of a range of services that are often funded by a range of government agencies.
- b) The lack of funding increases for Workbridge and other vocational services in the disability community over the past decade has had a significant impact on achieving outcomes.

For example, to break even in 2012-13, we reduced our number of Employment Consultants by 25%. This resulted in an 18% decrease in the number of jobs we arranged, compared to 2011-12.

The only reason we had a significant increase in jobs we arranged in 2013-14 was because our Board was prepared to use reserves to employ more Employment Consultants.

We decided that this decrease in Employment Consultants and jobs in 2011-12 was not acceptable. However, this is not sustainable with current Work and Income base funding levels.

- c) The questions in this section focus on contracts, when in actual fact it is about the way services or supports are designed. This should be the starting point and contracts should be tailored accordingly.

In the disability employment space, Employment Placement and Supported Employment Contracts currently focus on the jobseeker, which is a welfare response.

Instead, we need to design contracts outcomes that encourage employers to take on more disabled staff and measure a provider's progress with implementing these employer outcomes and assisting disabled people to get long-term sustainable jobs with career development. This is why we need a Government Strategy for the Employment of Disabled People to create the right environment for employers to take on more disabled staff.

- d) Focusing on the effectiveness of 'programmes' will not provide government with any greater understanding of the outcomes it is achieving. This requires a commitment to long-term strategies and an understanding of how the components of these strategies interact to achieve outcomes.
- e) Government agencies need to be aware that community organisations have limited resources to dedicate to IT systems for the purposes of data collection, and that introducing new systems will require supporting infrastructure, training and implementation.

Question 45: What have been the benefits of government initiatives to streamline purchasing processes across agencies? Where could government make further improvements?

- a) Overall High Trust Contracts have made very little difference to us because the reporting that has been taken out includes areas that are good practice such as plans, monitoring our work with employers and jobseekers, etc.
- b) We are concerned that they could lead to bad practice with providers who don't have good systems for monitoring the quality of their services.

Question 46: Is there sufficient learning within the social services system? Is the information gathered reliable and correctly interpreted? Are the resulting changes timely and appropriate?

- a) Our experience would indicate that some government agencies do not have the capacity or capability in the area of disability. For example, Work and Income are taking various steps at the moment to build this but in doing so they are replicating specialist service delivery rather than facilitating better outcomes through appropriate referrals.
- b) As a result, a lot of the time we feel like we are educating these staff associated with policy development and there is a risk that they are making fundamental decision about disabled people that they don't really understand. That is why an effective partnership between Government officials and the disability community is essential and still required. We will achieve better outcomes with more of an equal partnership between the Government, the Ministries and the disability community.
- c) Each quarter we provide reports to Work and Income and very rarely receive any feedback about these reports.

- d) Changes made to contracts are more often driven by the desire to reduce spending, political ideology and election cycles than in response to information about what is or is not working.

Question 48: Would an investment approach to social services spending lead to a better allocation of resources and better social outcomes? What are the current data gaps in taking such an approach? How might these be addressed?

- a) We would agree with Chapple's criticism of the investment approach to welfare. (Page 61).
- b) International evidence from Washington State in the USA indicates that better employment outcomes, particularly for disabled people, are achieved by committing to specific employment strategies that are not linked to welfare reduction.
- c) We are concerned that the investment approach to getting people off benefits will not achieve client centred employment outcomes. We are told that referrals will be controlled by Work and Income and that jobseekers will be compelled to attend our service. This could lead to a lack of choice, an adversarial relationship between jobseekers and providers and the implementation of short-term employment outcomes that get people off benefits but don't necessarily meet their needs.

CHAPTER 6: CASE STUDIES

Employment Services

- a) We provide employment placement services for disabled people through a Work and Income Employment Placement Contract. It is difficult to comment on contracting processes as we are currently waiting to hear about contracting changes for the coming financial year and forward.
- b) In a parallel process, Work and Income is developing an outcomes framework for employment services for disabled people.
- c) We have not seen any real evidence that the investment approach to welfare is achieving better employment outcomes for disabled people.
- d) We agree that there needs to be more emphasis on getting disabled people into employment and we would like to see employment for disabled people higher up the priority list.
- e) We are concerned that by Work and Income prioritising which jobseekers to work with, they are effectively picking winners and losers and that some disabled people who want to work will not be supported to do so.
- f) Young People and Sole Parents seem to be a higher priority even though there are more disabled people on benefits.

Enabling Good Lives/Individualised Funding:

- a) The disability community is generally supportive of the principles of Enabling Good Lives and individualised funding packages. However, there are various concerns about the implementation process in the community and some inherent risks for providers with funding as outlined in earlier sections.
- b) The existing system is inherently one dominated by the interests of funders and contracts rather than clients. The new system is centred around people and their goals and aspirations. While this has been acknowledged in EGL's principles, the implementation is struggling to devolve power, co-design and release resources to clients. Power and control still rests with central government and the officials setting the agenda from afar.

Concluding Comments

Overall, disability support providers are struggling to understand the future contract environment and how changes will impact on their organisation.

This has created a climate of uncertainty, which is compounded by the fact that like many providers:

- We have not had a significant funding increase in 10 years
- We are using our reserves to provide services, and
- We will be insolvent within two years if additional funding is not forthcoming.

Workbridge has a successful history over a number of years of assisting thousands of disabled people into work.

Our ability to get more disabled people into employment is increasingly limited by our financial position.

This is reaching a critical point.

We would value the opportunity to meet with the Commission to discuss this submission.



Grant Cleland
Chief Executive
Workbridge

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ⁱ Deloitte Report (2011). The economic benefits of increasing employment for people with disability. Commissioned by the Australian Network on Disability.p.ii.

ⁱⁱ Deloitte Report (2011). The economic benefits of increasing employment for people with disability. Commissioned by the Australian Network on Disability.pgs.1-5.

ⁱⁱⁱ Australian National Disability Services: Policy Research Unit (2011). The Economics Benefits of Disability Employment. Pgs. 2, 6, 7, 17.

^{iv} http://www.stats.govt.nz/browse_for_stats/health/disabilities/social-economic-outcomes-13.aspx

^v http://www.stats.govt.nz/browse_for_stats/health/disabilities/social-economic-outcomes-13.aspx

^{vi} The Think Differently Campaign, Exploring New Zealand Employers' Attitudes Towards Employing Disabled People Research Project (2012).