

# National Disability Employment Framework Issues Paper

Response from Disability Employment Australia

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## About Disability Employment Australia

Disability Employment Australia is the peak industry body for Australia's Disability Employment Services.

We are recognised internationally as the preeminent organisation representing, supporting and resourcing the disability employment sector throughout Australia.

As a membership organisation, we exist to represent the interests of Disability Employment Services at a national level to government and a range of other stakeholders, such as consumer and employer groups.

Disability Employment Australia supports the Australian Government to deliver high quality employment support to people with disability in Australia.

We have a unique responsibility to foster innovation and flexibility of service within the Disability Employment Services program.

We support our members to achieve best practice service provision in their role to find employment outcomes for people with disability.

We advise, advocate, train, inform and undertake events to strengthen and promote the sector.

We believe in the right of every member of society to be included fully in the community, and to have control over their own life choices. Participation in the open labour market is a crucial factor in recognising this goal.

We strive to inspire, challenge and celebrate the Disability Employment Services sector.

## Executive summary

The Government is reviewing ‘the current support system and developing a new National Disability Employment Framework’. Its aim is to ‘improve what we are doing to lead to better employment outcomes for people with disability’. Disability Employment Australia supports the Government in this review and is committed to providing the best advice and ideas it can. Our ideas and advice are drawn from our membership base (approx. 80% of DES providers), strong relationships with employer and disability advocacy peaks, as well as other employment service peaks, and national and international evidence.

Our first piece of advice is: be wary of throwing the baby out with the bathwater. The DES programme has been in operation for over two decades. It has grown and matured substantially in that time. Many current providers have been in operations through that journey. They have developed best practice assistance models as well as operating with robust business governance.

The outcome rate of the DEN/DES programme is comparable to (and better) than other jurisdictions, with similar policy settings, around the world.

As argued in this submission, root problems associated with the current program stem, we believe, from systemic bureaucratic compliance and performance drivers. These drivers have redirected the programme’s origins in a strengths-based approach responding to the *Disability Services Act 1986* and its corresponding service standards, into a labour market programme rewarding throughput. Providers are forced to place as much emphasis on managing a contract as they do supporting individuals into meaningful, sustainable employment. This review is an opportunity to refocus the programme’s original intent, which aligns with the NDIS and the principles outlined in the Issues Paper.

This review will hopefully refresh the sector’s drive and bring forth an infrastructure to build on the best of innovative and best practice supports for people with disability and employers. This review should also be mindful of the policies in other jurisdictions around the world to respect the rights of people with disability and increase workforce participation.

The Netherlands, for example, has introduced the Participation Act (2015) with an agreement between municipalities, unions and the government for substantial additional jobs created (20% of target created by government) for people with disability over next five years. This Act and agreement includes a proviso that in two years, if the creation of jobs is not on schedule, a quota or other formal requirements may be introduced.

In the USA the Workforce Innovation and Opportunity Act (WIOA) was passed into legislation last year. The Act includes, among other improvements for people with disability seeking employment, the requirement that an individual under the age of twenty-four first job placement cannot be in a job paying less than minimum wage and prohibits schools from contracting with sub-minimum wage providers.

The NDIS is Australia’s most significant reform to disability supports in our history. That Government seeks to align NDIS principles with other disability supports (whether the support programs reside within the NDIS or not) is a very encouraging sign. Disability employment will benefit from that alignment. Disability Employment Australia will take an active role to ensure the National Disability Employment Framework improves on what is already an excellent programme.

## Introduction

Disability Employment Australia (DEA) welcomes the opportunity to provide feedback on the Government's Disability Employment Issues Paper. To discuss its themes and directions, in May and June 2015, DEA hosted consultations attended by over one hundred people representing nearly fifty Disability Employment Services (DES) providers in Adelaide, Perth, Brisbane, Sydney and Melbourne. As a result, DEA confirms the sector accepts the need for reform, notes that the Issues Paper acknowledges core issues and broadly supports the principles for change.

In this response, we outline design directions that we believe will assist Government to realise the benefits of the principles for change outlined for a National Disability Employment Framework. In doing so, we address elements of the current system that should be retained and others that may work against those principles. We note the Issues Paper represents the first phase of consultations and look forward to providing a detailed response to the resultant Discussion Paper.

## Human rights framework

The *Disability Services Act 1986* provides 'a coordinated approach to assisting people with disability gain and maintain employment' [1]. Its particular focus on increasing service options, disability service standards accreditation for quality services and transitions from segregated settings are relevant to the future of disability employment.

In 2008 Australia ratified the United Nations Convention on the Rights of People with Disabilities (UNCRPD) – it emphasises the rights of people to have a say in how services are delivered. It stresses the need for states to take measures to improve the capacity of individuals to fully participate in society on an equal basis with others. Article 26, habilitation and rehabilitation<sup>i</sup> and Article 27, work and employment<sup>ii</sup> are relevant to any review of assistance [2].

The National Disability Strategy (NDS), 2010 – 2020 established by the Council of Australian Governments (COAG) to further the rights and inclusion of people with disability in Australian community and economic life points to [3]:

*A sustainable disability support system which is person-centred and self-directed, and which maximises opportunities for independence and participation in the economic, social and cultural life of the community.*

## Disability and employment in Australia

The right to work and the mechanisms to assist are well established. However, it is argued that Australia can improve its responses. For example, it ranks poorly in the OECD for workforce participation of people with disability [4].

Pathways to work for people with disability are complicated by a legacy of lower educational attainment, low skills development, negative stereotypes, negative stigma; a lack of disposable income, low expectations, fewer opportunities and an increasingly-skilled service-based labour market.

Problems associated with unemployment can be compounded for people with disability. A Melbourne University quantitative study in 2014 compared mental health and employment status of 2,379 people with disability and 11,417 without. The researchers concluded [5]:

*Unemployment and economic inactivity are associated with worse mental health than being in employment. Our results suggest that the magnitude of the effect sizes was greater among those with disabilities than among those without disabilities.*

## National Disability Insurance Scheme

The introduction of the National Disability Insurance Scheme (NDIS) brings a paradigm shift in social policy. Based on self-determination, and recognising that people are best placed to make decisions about their own lives, the NDIS is a significant move towards a system that is person-centred and self-directed.

DEA strongly supports the NDIS and also believes it is appropriate that the principles underlining reform of employment assistance aligns with the NDIS' principles.

DEA has previously argued that open employment assistance (DES) is more appropriately situated outside the NDIS. DEA supports a National Disability Employment Framework operating alongside the NDIS, but argues for a redesign to ensure principles, objectives and outcomes are not at odds with each other.

For its success the NDIS is reliant on increased economic participation, and this is inextricably linked to employment supports.

DEA recommends service users of the future National Disability Employment Framework merit the same person-centred approach taken by the NDIS and NDIA, where services can be unbundled and personalised by individuals.

## The biopsychosocial model of disability applied to work

Professor Sir Mansel Aylward<sup>iii</sup> has detailed high-quality research evidence on work and returns to work using the biopsychosocial conceptual framework. The findings and recommendations of the body of research presented are relevant to this review [6]:

- The psychosocial dimension emphasises that how people think and feel about their health conditions determines their impact and how they are dealt with;
- Extensive clinical evidence confirms that beliefs aggravate and perpetuate illness and disability. Beliefs influence perceptions and expectations, emotions and coping strategies, motivation and uncertainty;
- Strong evidence confirms work is generally good for physical health, wellbeing and mental health – it can reverse the adverse health effects of unemployment. However, its beneficial effects are dependent on the nature and quality of work and its social context;
- The BPS model puts the health condition or disability into the personal and social contexts and allows for interactions between the person and their environment;
- Barriers to work are primarily psychological, social, personal and cultural: not medical issues as might be expected;
- Social and psychological factors are a bigger barrier to work than impaired function. Some of these factors include low self-efficacy, motivation, resilience and goals;
- The pursuit of objectivity in the assessment of work capacity is frustrated. A better balance needs to be struck between medical evidence and self-reported evidence; and
- If the principle barrier to return to work is the adverse social context then only dealing with barriers posed by the health condition and psychological elements to achieve outcomes is a forlorn hope.

To improve employment outcomes, in this view, the disability employment framework must be flexible enough to address adverse social contexts. Beliefs, perceptions and personal responses of participants are central to making it work.

Any reform should place a high value on a strengths-based approach, a National Disability Employment Framework should build confidence, modulate expectations and include measures of subjective wellbeing. Supports and services that encourage behaviour change, support physical and emotional wellbeing, and coping with fatigue/pain are central.

The National Disability Employment Framework should be person-centred and focus on resilience and capacity to manage obstacles to a life in work.

## Progress is frustrated by complexity

Improving employment outcomes for people with disability is a wicked<sup>iv</sup> (complex) problem. A problem that cannot be solved through traditional policy responses due to social complexity as the Public Service Commission (PSC) has noted [7].

When narrow, or reductionist, policy approaches are taken to complex problems it has been argued that unintended consequences will arise and the performance of the system will decline [8]. DEA believes this is the case in the DES system.<sup>v</sup>

Indicators that measure the proportion of people securing employment are clearly relevant. However, it could be argued that the indicators that drive the calculation of star ratings, and funding, are far narrower and more specific than the objectives of DES. The PSC has noted pre-set narrow measures can distort or constrict services delivered and even undermine the responsiveness of the system [7].

In an academic investigation of the DES model researchers Nevile and Lohmann uncovered some disconcerting attributes of the programme [9]:

- The overwhelming focus on payable outcomes appeared to come at the expense of servicing the needs of all participants; and
- Skilled consultants have left the industry because of pressures to divert time and resources away from those less likely to meet the requirements of a payable outcome.

When unintended consequences arise, the response from the bureaucratic system has been another layer of scrutiny and regulation. Instead, we should consider the involvement, commitment and coordination of multiple stakeholders. Complex problems require co-produced solutions.

DEA believes that it is critical that the National Disability Employment Framework is designed to deal with complexity, particularly the adverse social context.

This has implications for future design:

- People must be as involved as possible in developing solutions;
- Objectives and performance indicators must be flexible to adapt to changing circumstances and emerging learning; and
- Achievement of shared long-term goals will need to be prioritised over achievement of short-term, narrowly defined outputs.



## Individual funding based on needs and aspirations

DEA believes giving people a greater say in delivery will increase accountability. It is widely recognised that using goals that are meaningful and important to the individual can have a motivating effect in terms of encouraging participation. Person-centred services also tend to raise peoples' self-esteem and confidence. Participants in self-directed services report greater satisfaction with those services, with life in general, and make greater use of mainstream services [10] [11].

While current DES services are designed to be individualised, the degree of service user control is highly restrained.

- A provider may only be selected if has not reach market share tolerance;
- Choice of services outside of an ESA is muted, notably specialist services;
- The services offered by providers are limited through funding and administrative measures, competition for star ratings and financial pressures;
- Service users have little control over resources; and
- A third party defines success.

The PC points out that DES currently has individual (case-based) funding, but lacks real consumer power as discussed above. Four elements of self-directed support are identified [10]:

*Resource allocation based on the individual's needs and aspirations*

*Capacity for informed and genuine choice*

*Access to their own individual budget*

*Power for the person to tailor the mixture and type of services (including from whom services are received), subject only to their overall budget and reasonable administrative constraints*

### Start with a self-assessment

Services could be more personalised by starting with a self-assessment that includes the identification of goals. The concept of entitlement to a core package of services and a budget, developed through an individual plan, would support a culture of co-produced outcomes.

In considering person-centred design an influential principle is 'no wrong door' suggesting people could choose from a range of accredited organisations, with the skill set and resources to provide the service.

An individual funding system would give participants control over the service as well as provider(s). It would stimulate organic competition between providers to attract participants to services. This means any National Disability Employment Framework must provide job seekers with sufficient transparency to compare and select providers they find suitable.

### Individual funding for disability employment in the Netherlands

The Netherlands experience of 'Individual Re-integration Plans' is relevant to this review. First piloted in 1998 for people with disability, the plans were introduced in 2004 to all job seekers due to their success. The plans are approved by a public authority and appear to have been well-received, with 70% opting to use them, reporting increased satisfaction and better employment outcomes [4].

An academic analysis of this approach to disability employment was conducted in 2007 that highlighted concerns about moving to individualised funding similar to those raised in DEA consultations [12].

- Service users lack of insight into their own competencies and the needs of the labour market;

- Service users (alleged) lack of skills to deal with (commercial) service providers; and
- The risk of abuse of the budget for non-employment purposes.

The study provides several relevant insights for the Australian context. Contrary to expectations, a large proportion of people could design and successfully implement their own plans, but most showed it was neither possible nor feasible to do it in isolation and they valued assistance; infrastructure was required to facilitate informed choice and effective consumption; and the implementation took time [12].

*After eight years, clients, government, programme administrators and service providers are only now starting to learn how to deal with the possibilities and weaknesses of this voucher programme.*

DEA supports individualised funding in principle but seeks clarity over market stewardship and funding logic. Furthermore, DEA proposes a graduated transition process from the current model to the next, in anticipation of the steep learning curve all parties will have to navigate.

## Market-based service provision

DEA considers moving from a quasi-market to a truly market-based approach will offer increased choice to job seekers, more responsive services for businesses and increased accountability for providers. The current system of competitive tendering is not well suited to the long-term relationship focus of the programme [13]. Our members are cautiously supportive about the transition to a fully market-based model, DEA recommends it takes a phased approach within a learning culture.

A phased approach will offer increased opportunities to innovate and experiment with different service strategies. Government has a role selecting and supporting pilots and disseminating findings of what does/does not work. More innovative feedback mechanisms for service users are needed and the National Disability Employment Framework should be more responsive to those needs.

DEA welcomes Senator the Hon Mitch Fifield's comments regarding market stewardship in April 2015, citing the Harper review of competition policy [14].

*Governments should retain a stewardship function, separating the interests of policy, including funding, regulation and service delivery.*

Rather than relying on market forces, the current system concentrates too much power within one Department. The bureaucratic system takes a burdensome approach to managing risk by specifying administrative requirements in great detail and continuous surveillance of compliance.

The level of innovation in a sector is indicative of its vitality and effectiveness. Continual adaptation and innovation are needed to ensure that outcomes improve. Providers are strategically placed – given their proximities to local communities – to test the application of new policies. However they report that in the current system the room for innovation is mainly around administrative efficiency.

DEA considers a separation of responsibility between the policy and administration functions of any future system would increase its responsiveness and better encourage innovation.

As flagged in the Harper review of competition policy, Government is more likely to achieve benefits of market-based service provision through the careful commissioning of services.

Given the long-term relationship focus of the programme, DEA recommends Government explores the concept of licensing and its related legal structures in step with NDIS regulatory parameters, and performance and quality standards.

This approach should include (but not be limited to) credible threats to exit the market, opportunities for new services to enter and baseline expectations of performance and quality standards.

DEA supports a graduated transition to a market-based service delivery, arguing a need for funding from Government to assist with sector development.

## Performance and quality standards

The star ratings make a comparative assessment of a providers' relative performance against explicit, narrowly defined outputs. While thirteen and twenty-six weeks of work are indicative of employability, *they are not the same as it*. The fact that many will find themselves underemployed, in jobs with no career path, in jobs that do not use their skills – or that they may find themselves back on income support – are all fundamental problems if the objective is sustainable employment and increased participation.

In a market-based model driven by consumer preferences the star ratings system would appear anachronistic. Along with other expert commentators in this area [15], Nevile and Lohmann propose that,

rather than emphasising rigid, quantifiable outcomes, complex programs like DES should be based on setting initial goals and then constantly revisiting these in the light of efforts to achieve them [9].

The emphasis, in this view, should be on diagnostic information and efforts to improve, rather than on fixed benchmarks. Fixing on any set of indicators (e.g. 26 or 52 week outcomes) is bound to generate unintended consequences and therefore prompt government to introduce new prescriptions to address these. An approach based on diagnosis and learning would facilitate increased and improved collaboration.

DEA considers shared long-term goals would include hours/wages growth, lower unemployment rates, higher participation rates, increased satisfaction, skills utilisation and career advancement.

DEA proposes that the definition of outcomes for the assessment of provider performance (and the payment model) be expanded so that they holistically reflect the National Disability Employment Framework's key objectives and the needs and aspirations of people with disability.

### A skilled and engaged workforce

In 2011, social policy researchers found that the narrow indicators of the DES system work against the traditional competencies required for individualised service [16, p. 313].

*The processes used to achieve successful employment outcomes are lost in the drive to meet unrealistic performance targets. The demand for service, expressed in terms of large caseloads, works against the possibility of establishing ongoing rapport and tailored, individualized service delivery for clients. In short, the competencies of traditional human service case management are not conducive to the output imperative demands of the system.*

Too many resources are being diverted away from participants and employers towards compliance. DEA surveyed the DES sector in 2010 (n=894) and 2013 (n=963) and its key findings are relevant to the review [17]:

- There was nearly ten-fold increase in those identifying contractual compliance as their primary job function, from 1% in 2010 to 9% in 2013;
- Those identifying working with participants as their primary job function fell from 60% to 50%;
- Those working in compliance earned an average of \$10,000 more than those working with participants;
- Half of those surveyed in 2013 had been in their job for less than two years;
- The biggest training need identified by DES organisations (68%) in the survey was working with unmotivated/unwilling participants; and
- 66% of consultants identified contractual compliance as their biggest training need.

Employment consultants need excellent skills to engage people who may be reluctant, disheartened or hostile. DEA believes the BPS model provides an appropriate conceptual framework to do this. Time, skills and a person-centred approach are needed to listen to peoples' needs, to affirm their strengths and to build their confidence and capacity.

In a recent study of Australian frontline employment services staff, the quality of the relationship between the consultant and the job seeker was the highest predictor of employment outcome success [18]. Neville and Lohmann's research showed that the problems of administrative load, a lack of capacity to spend enough time with participants and pressure to achieve inflexible key performance indicators were all placing pressure on staff, making it harder for them to be retained [9].

*The lack of indexation* on payments also contributes to the attrition of skilled workers. This lack represents a key constraint on the capacity to pay improved wages to attract and retain skilled staff. Demand for skilled workers will increase substantially as the NDIS rolls out. The PC states this will need to be addressed by higher wages (amongst other things) [10, p. 693].

While the skills of consultants are essential, they are not on their own enough to facilitate good working relationships. The design of the system is equally important [19, p. 210].

*A highly skilled worker who is a committed and strategic advocate for service users can learn to 'work the system', but their effectiveness as a worker depends on the institutional design into which their work fits [...] if such institutional design does not invite and support them in working effectively and democratically with a service user [...] they cannot make up for this deficit by their own dedication and skills.*

DEA recommends future design is shaped by the need to maximise time spent working with participants and employers.

## Long-term career planning and capacity building

DEA recommends a long-term capability approach that aims to support transitions, is person-centred and improves self-efficacy. A capability approach recognises that the causes of unemployment are multidimensional – personal, social and structural.

At present, DES does not address underemployment or underutilisation. As it is based on Job Services Australia (JSA), it is transactional and rewards twenty-six week throughput instead of long-term capacity building. It also operates under the assumption that participation and outcome achievement in DES will significantly reduce the likelihood of a return to service.

### Most are in casual jobs

However, of those participants who secure an outcome, three in five are in casual jobs and two in five want to work more hours [20]. These results suggest that the nature of employment secured may not be conducive to further skills development, or provide significant quality of life improvements. ACTU research shows casual workers are less likely to receive training from their employers [21]. People with disabilities are less likely to move from casual work to more secure forms of employment and are more likely to lose their jobs if changes occur [22].

### Many return to service

The return to service rate of independent workers is three times higher in DES than it was the previous Disability Employment Network (DEN) iteration [23]. While DEN had short-term thirteen and twenty-six week outcomes, it also had incentives for hours and wages growth.

### Career services are likely to succeed

DEA strongly supports the long-term career planning and capacity building principle in the Issues Paper. DEA has long argued that assistance should not just be to get one job, but to build capacity to manage transitions between jobs and to support the development and application of skills.

For the Government to fully engage the wider role implicit in this principle, it should endorse the concept of employability, modulate perceptions of capacity/willingness to participate in work as well as strengthening the value of and supporting activities that are meaningful and motivating for the individual on their personal journey to sustainable employment/workforce participation.

In 2013, DEA managed a project through the *National Disability Employment Initiative*<sup>vi</sup> to pilot the provision of career services in the DES programme [24]. The outcomes support an innovative addition to a National Disability Employment Framework: targeted career services. Findings suggest this service could produce improvements in conditions and satisfaction for participants.

The evaluation reported that 75% achieved an identifiable improvement in their employment position (see table below). While many of these were anticipatory, when this ‘increased skills’ category was excluded, 54% had achieved one or more immediate improvements in their work (n=92).

Improvement	% of all participants
Increased skills relevant to future career goals (e.g. through training or secondment)	36%
Increased use of skills and/or qualifications	26%
Increased hours	24%
New (better) job with new employer	11%
Increased pay	10%
Gained permanent employment (after having been casual or temporary)	9%
New (better) job with same employer	9%

Other relevant learnings include:

- Career development services require a different skill set to those used in employment placement services – they are different services, although there are benefits in side by side provision; and
- Career services must meet the participant’s goals and aspirations – in this, career services are aligned to principles underpinning the NDIS.

In any future scheme, funding measures and performance measurements would need to reflect these principles. DEA looks forward to providing more detailed feedback on career services following the Discussion Paper.

DEA recommends a National Disability Employment Framework includes targeted career services.

### A flawed assessment

DEA believes the National Disability Employment Framework should be seen as a capacity building service. The former DEN model incentivised hours and wages growth as a way of capacity building over time; whereas the DES model incentivises the achievement of hours at future work capacity.

A participant’s ‘capacity’ is determined through the highly contentious and in our opinion, deeply flawed assessment stage (generally Employment Services Assessment (ESAt) or a Job Capacity Assessment (JCA)) that sets the participant/provider relationship.

The quality and utility of these assessments was a strong recurring concern raised during our consultations. A small qualitative study of job seekers raised similar issues [25]:

*“[it was] just in and out... [the Assessor was] sitting there and just reading off a sheet [ticking boxes]...didn’t seem like she was interested” (DES participant)*

Extensive criticisms were made regarding:

- Reduced availability of appointments, especially in regional areas;
- Appropriateness of the qualifications of assessors;
- Minimalist tick-and-flick approach to servicing with reduced time spent with people (e.g. twenty minutes);
- Inflexible and prescriptive requirements around documentation;
- A marked increase in telephone assessments;
- Concerns telephone assessments miss critical factors that could be observed face to face; and
- Perceived efficiency decisions to reduce information in assessments.

Article 26 of the UNCRPD emphasises the importance of strengths-based assessments. The NDIA places a high value on participants’ self-assessment and goals. Qualitative interviews (n=80) with DES participants [26] suggested the determination of what and how much work they should do should be a conversation with their case manager, informed by medical evidence.

A better balance needs to be struck between ‘objective’ medical evidence and ‘subjective’ self-reported evidence. DEA recommends third party assessments could be used as a reference point, but in a person-centred framework, the goals and aspirations of the individual should be determinative of a successful outcome.

### Labour markets are very competitive

Echoing Aylward’s research findings, the PC points to the powerful effect of attitudes, job opportunities and incentives – rather than disability – as a major factor in employment. It confirms increases to the Disability

Support Pension (DSP) do not correlate with an increased prevalence of disability and points to issues within labour markets instead [10, p. 277]:

*[...] a major factor behind high DSP rates is that labour markets have become more 'hostile' to people with disabilities, rather than disability per se.*

Different labour markets have different issues. As the PSC and PC signal, flexible, localised responses are required to address complex challenges through strong local stakeholder engagement [7] [8].

At present, even with optimal job matching, DES participants are significantly disadvantaged when it comes to meeting the needs of labour markets.

- Those looking for work currently outnumber job vacancies five to one, or ten to one if underutilised workers are considered [27]
- Employers receive on average fourteen applications for skilled vacancies [28]
- Jobs are increasingly service based and higher-skilled [28]
- Two of every five jobs in the next five years will require a Bachelor level qualification or higher [29]
- While there is 10% growth forecasted in highly skilled jobs, there is just 4% (or 71,500) expected for jobs at the Certificate 1 or secondary education level [29]

This context highlights the need for innovative approaches to transition students into work and to broaden opportunities for people with disability.

DEA recommends the National Disability Employment Framework supports the development of social firms, social enterprises and other transitional labour market programmes offering award wages.

Given the ageing workforce and relative educational achievement of people with disability, new thinking is required around job design and more inclusive recruitment.

There is extensive evidence supporting customised employment strategies like job carving/job creation [30] [31] [32], yet the reality is employers will recruit for role capability, rather than task capability [33]; in the absence of a trusted long-term relationship.

The key lever, in concert with a National Disability Employment Framework, for the workforce participation rate to increase significantly is a development of community awareness and disability confidence, leading to more positive community attitudes to employing people with disability.



## Understanding of employer needs

There are few jobs without employers. Yet employers face a variety of barriers to working with the system, notably the compliance requirements and associated paperwork.

### Job matching is fundamental

The Australian Human Resources Institute (AHRI) recently published a study titled *Recruiting People with a Disability: An Employer Perspective* and identified three reasons preventing the employment of people with disability. The first reason was negative workplace cultures; the second was lack of employer knowledge and awareness; and the third, was disconnect between the capabilities of DES providers and the expectation of business [33].

*A strong refrain in the findings was the employer disappointment and impatience at having job seekers referred to them where the matching of job seeker to job criteria was inappropriate.*

A report by the Australian Federation of Disability Organisations (AFDO) told of similar frustrations, focussing on the apparent lack of time taken by providers to get to know the needs of business [34].

*Stakeholders AFDO engaged with noted that providers often do not take the time to understand the specific business needs of each employer which can lead to poor job matches and a decrease in employer confidence.*

AHRI and DEA collaborated on the *Employer Liaison Capability Framework*. Members of both organisations (n=378) were surveyed [35]:

- 70% nominated rapport with the employer and a long-term relationship in reporting on skills required to maintain effective employer relationships; and
- 91% of the whole sample group nominated matching candidate skills, aspirations and experience with job requirements in reporting on the main recruiting service.

Commonly held concerns around a function as fundamental as job matching in an employment service are indicative of systemic problems.

DEA considers the way the current system drives efficiencies comes at the expense of the time required for high-quality job matching and discounts the value of collaboration in continuous improvement.

### Collaboration is good for continuous improvement

Collaboration thrives in the context of ‘thick’ networks, where relationships are built over time and across a number of levels and a range of platforms. Collaboration is essential to tackling complex problems. Great ideas come from people, even greater ideas are generated by sharing ideas. Collaboration drives innovation and is good for continuous improvement.

Prior to the introduction of the star ratings system, evidence of substantive collaboration in the DES sector exists. In addition to collaboration through industry bodies, conferences and local forums [36, p. 248]:

*Over 70% of providers were able to name a specific example of collaboration, ranging from the formation of joint companies or establishing cross-over directorships, to more ad hoc and limited collaborations.*

There are excellent examples of employer groups assisting each other to employ people with disability, to debunk negative stereotypes and to promote the benefits of employing people with disability<sup>vii</sup> which correlate with other evidence.

## Personal contact changes attitudes

However, even with seemingly widespread articulation of the benefits barriers have not been broken down; access to employment remains a difficult challenge. Sadly, the Australian Public Service (APS) is not a leader in this environment – the employment of people with disability in the APS has declined noticeably over the last decade.

In its 2014 report *The Balancing Act: Creating a Diverse Workforce*, Hays suggests that where one-third of employers are willing and confident to employ people with disability, two-thirds are unwilling or unsure how; two in five standard induction processes are not accessible and one-third cannot accommodate people with disability at all [37].

Research suggests that personal contact (through activities such as mentoring) is most likely to influence decisions to hire people with disability [11]. When employers receive assistance through DES to hire people with disability they rate it highly, particularly the availability of ongoing support [39]. The supports available through the Employment Assistance and Other Services Programme (EAOS) and the National Disability Recruitment Coordinator (NDRC) should continue in the National Disability Employment Framework.

DEA recommends the National Disability Employment Framework promotes mentoring opportunities for people with disability as they have been proven effective in changing attitudes [38]. DEA also supports industry based campaigns or public campaigns.

## Preventing unemployment

An important tenet of the NDIS is early intervention. Job in Jeopardy (JiJ) assistance currently provides early intervention through three-way partnerships, but has limited reach (0.1% of the DES caseload) and restrictive parameters, notwithstanding its 50% success rate (over 70% in DES-ESS) [23].

Evidence from DEEWR confirms employers are more likely to retain an employee with a mental illness than recruit one [40]. Evidence cited by the Mental Health Commission suggests [41]:

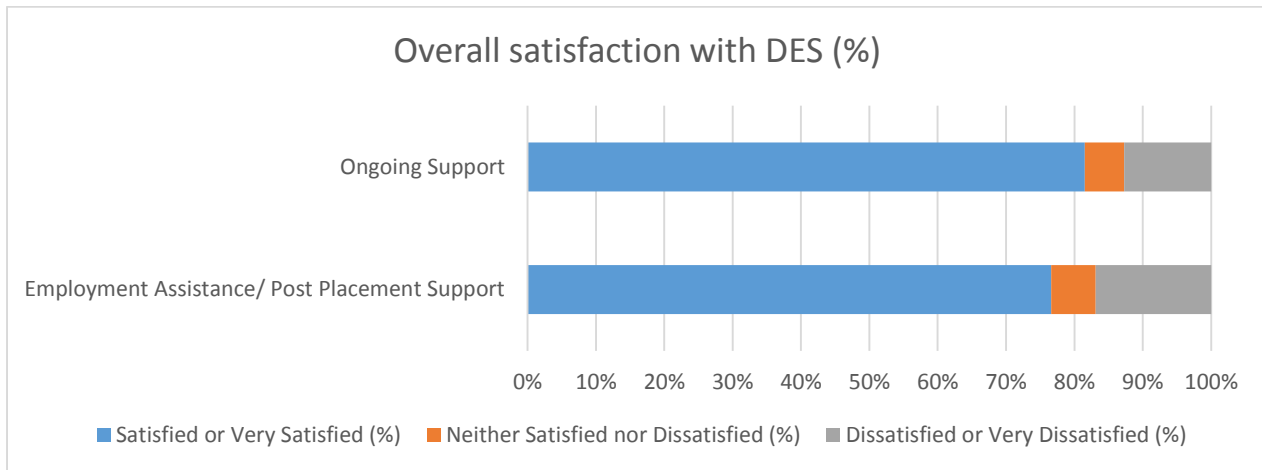
- Businesses are losing \$6.5 billion per year by failing to provide early intervention and support;
- That stress related workers compensation claims have doubled; and
- That 60% of people will not seek help due to stigma.

Increased linkages to assistance could be achieved through the new JobAccess Gateway and by relaxing restrictive entry requirements – this could, in turn, result in fewer people applying for the Disability Support Pension (DSP).

DEA recommends JiJ assistance is rebuilt and rebadged in a National Disability Employment Framework. It is a fundamental assistance model for employers seeking assistance to retain staff and could build employer disability confidence.

## Increased open employment options

The DES programme comes pre-packaged, a provider is obliged to deliver certain services, whether or not the participant finds them useful. Evidence from the Post Programme Monitoring (PPM) Survey confirms that most people are satisfied with the overall quality of service they received through DES [20]:



However, qualitative interviews highlight dissatisfaction with some of its key processes and features [26]:

- The assessment process, which focused on what people could not do, rather than what they could;
- Frustration at activities for their own sake;
- A lack of time with employment consultants; and
- Being forced to change providers after eighteen months in the programme.

### Choice and control in mandated environments

DEA considers a person-centred approach will elicit genuine engagement and not grudging compliance with services. A government longitudinal study found one in four people were not actively looking for work three to six months after commencing in DES, mainly due to temporary ill-health [23].

Compounded experiences of unsuccessful job searching can lead to sadness and depression. The longer a person is unemployed, the higher the social cost. People with disability are twice as likely to be job searching for three months or more [42]. The quality of the job search process is critical to keeping a person engaged – the loss or lack of work can be felt more strongly among those with disabilities [5].

DEA recommends commissioning of person-centred employment services that invites a diversity of offerings and variety of providers for service users to choose from, this could include social firms, social enterprises and other transitional labour market placements.

Conceived this way, a person could choose one or multiple activities that meet both their preferences and obligations/requirements (using an individual funding agreement) delivered by accredited organisations offering a variety of life-spanning personal career and employment services to people with disability and employers.

### Australian Disability Enterprises

The *Disability Services Act (DSA) 1986* set out to de-institutionalise segregated services, increase the range of service options and to include people with disability in wider community life. In thinking about future assistance and maximising open employment opportunities, the Government should assess the quality of ADEs based on their relevance, financial capacity to operate a business and pay award wages and sufficiency in providing opportunities for people to transition to employment support to enter the open labour market.

## Whole-of-government coordination and use of technology

DEA supports better use of technology and coordination of whole-of-government resources. Of interest to this review are COAG processes, links to and from the education and training system and where mental health programmes reside in state and federal departments. State education policy and commonwealth employment policy must be clearly and positively linked.

Red tape for people with disability, employers and service providers could be reduced if outcomes were conceptualised more broadly over the long-term term. Government should investigate how information from DHS and the Australian Taxation Office (ATO) could be utilised in a National Disability Employment Framework.

The role of the NDIA and NDIS in delivering personal plans and budgets is clearly relevant. DEA notes the significant investments in the ICT infrastructure of the NDIA and DHS in the 2015/16 budget.

DEA recommends the IT system for a National Disability Employment Framework is built to support the policies of that framework and makes appropriate use of NDIA and DHS ICT infrastructure.

## The person is supported through the life-course

A person should be given every opportunity to prepare for, obtain, maintain, advance in or re-enter employment. DEA has argued for a capability approach that focuses on shared long-term outcomes. We have argued for a system that promotes employability and builds capacity to manage obstacles to a life in work. This cannot be done in isolation and requires input, understanding and the collaboration of multiple stakeholders.

One in four young people with disability is unemployed, they are twice as likely to be unemployed as their counterparts [42]. The investment in the school to work transition is critical. State governments have an important role in resourcing transition to work services. Transition services are most successful when stakeholders collaborate over shared long-term goals. DEA recommends transition services and career planning start earlier than the final year of high school. Students with disability should be given the same opportunity as their peers to sample different kinds of work, to get weekend work and jobs after school.

A national school to work transition policy, as an early intervention strategy, and underpinned by NDIS principles and objectives should be an essential part of the National Disability Employment Framework.

At present, full-time students are denied access to DES until they become unemployed. DEA recommends links are strengthened with tertiary education institutions such as TAFEs and universities in a National Disability Employment Framework as logical recruitment pipelines for businesses.

### Ongoing support

Open employment services focus on the *gaining* and *maintaining* of employment. Our consultations affirmed that real economic and social benefits from the employment of people with disability requires much greater emphasis on long-term relationships.

Sustained employment is a product of careful job matching and the *ongoing partnering of the worker, the employer and the employment service*.

The current ongoing support essentially rewards the frequency of interventions rather than the success of the support strategy developed through a providers' knowledge and experience. This risks creating perverse outcomes, with effort constructed around evidence collection points rather than direct case management decisions.

There is both art and science involved in achieving long-term tenure. Skills development, career progression and monitoring employment conditions all entail ongoing relationships. The success of dealing with/managing and overcoming factors such as those cited is determined by the ongoing rapport between the employment service and the person with disability. Ongoing support is a critical co-production.

A market-based model, where funding is based on needs, will better stimulate innovation in ongoing support services. DEA recommends the future framework provides access to time-unlimited support at work for those who want and need it.

## Conclusion

DEA congratulates the Taskforce on putting together a comprehensive Issues Paper and consultation process. This has enabled people with disability, employers, providers and other interested stakeholders to engage in this review with a clear understanding of the Government's focus.

DEA has given great thought to this review, believing it to be a once in a generation debate. We trust that we have been candid, lucid and respectful to the past, present and future in our submission. Our main focus, in this process, is of course the future. DEA has a very committed interest to a future that improves on what is already an excellent programme, on behalf of its members, but also to see the significant increase in workforce participation for people with disability.

We believe we have argued a strong case, with highlighted recommendations, for changes to the current arrangements, commensurate with the Issues Paper principles and benefits. We believe a new, refreshed approach, via the National Disability Employment Framework, will support more people with disability into employment and will increase the percentage of employers looking to employ people with disability.

Based on extensive consultations with members, DEA supports the three core principles for change in the Issues paper: a person-centred approach, participant choice and control and an individualised funding model.

We support these principles with the caveat that we need much more detail to fully discuss and debate. Our submission is very clear that to achieve the desired changes as presented in the Issues Paper the following must be addressed:

- A complete review and revamp of the current assessment process;
- Maintain ongoing support;
- A commonwealth endorsed policy on school to work transition (early intervention);
- Understand the biopsychosocial model as a foundation to participant/provider/employer engagement;
- The current funding envelope continues as the funding envelope for the future framework;
- A graduated process from the current program to the future framework; and
- Do not lose the best practice that DES/DEN has developed over more than two decades.

DEA looks forward to the resultant Discussion Paper and other activities the Taskforce plans to roll-out as part of exploring the future of disability employment.

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<sup>i</sup> Article 26 Habilitation and Rehabilitation

1. States Parties shall take effective and appropriate measures, including through peer support, to enable persons with disabilities to attain and maintain maximum independence, full physical, mental, social and vocational ability, and full inclusion and participation in all aspects of life. To that end, States Parties shall organize, strengthen and extend comprehensive habilitation and rehabilitation services and programmes, particularly in the areas of health, employment, education and social services, in such a way that these services and programmes:

(a) Begin at the earliest possible stage, and are based on the multidisciplinary assessment of individual needs and strengths;

(b) Support participation and inclusion in the community and all aspects of society, are voluntary, and are available to persons with disabilities as close as possible to their own communities, including in rural areas.

2. States Parties shall promote the development of initial and continuing training for professionals and staff working in habilitation and rehabilitation services.

<sup>ii</sup> Article 27 Work and Employment

State Parties recognise the right of persons with disabilities to work on an equal basis with others [...] this includes the right to the opportunity to gain a living by work freely chosen or accepted in a labour market [...] States Parties shall protect and promote the realization of the right to work, including for those who acquire a disability in the course of employment [...] by taking appropriate steps [...] inter alia

(e) Promote employment opportunities and career advancement for persons with disabilities in the labour market, as well as assistance in finding, obtaining, maintaining and returning to employment.

<sup>iii</sup> Director of the Centre for Psychosocial and Disability Research and Professor of Public Health Education in the School of Medicine at Cardiff University

<sup>iv</sup> The use of term 'wicked' denotes resistance to resolution, rather than evil

<sup>v</sup> The administrative burden has increased significantly; Wait times have increased with the introduction of ESAts/JCAs; The star ratings system drives efficiencies, but discourages collaboration and potentially produces perverse practices such as risk selection (parking and creaming) and; Ostensibly offering choice, relative performance assessment stifles innovation and drives homogenous, risk averse services

<sup>vi</sup> The *National Disability Employment Initiative* was managed by WorkFocus Australia on behalf of the Australian Government

<sup>vii</sup> Organisations including the Australian Network on Disability, the Australian Chamber of Commerce and Industry, the National Disability Recruitment Coordinator, the Business Council of Australia and the Australian Human Resources Institute