



APM Response

Response to the New Disability Employment Support Model Consultation Paper

FEBRUARY 2022

Introduction

APM welcomes the opportunity to contribute to the discussion on a New Disability Employment Support Model through our response to the Consultation Paper released on 5 November 2021.

About APM

Advanced Personnel Management (APM) is an Australian company, founded in 1994 by Occupational Therapist Megan Wynne, and to this day remains headquartered in Perth, Western Australia. Megan is the Executive Chair and a major shareholder having led APM from its initial days with four employees to be a global human services organisation operating from 800 locations, with 8,500 team members across 11 countries.

APM's Purpose is Enabling Better Lives and this encompasses everything we do as an organisation as we strive to support those clients living with disability, injury or illness to optimise their life.

APM prides itself on being a trusted partner of Government, employers, insurers and the communities and individuals we serve in the delivery of highly effective employment and vocational rehabilitation services. In Australia, APM has 3,100 team members (with a number who have been with the company for over 20 years), operating across all states and territories from our 546 locations. Outside Australia, we currently partner with Government at a Federal, State and Local level across the United Kingdom, Canada, New Zealand, Singapore, South Korea, Germany, United States, Switzerland, Sweden and Spain.

APM has assisted over 1.5 million Australians experiencing disadvantage and/or disability, injury, illness, to improve their independence and/or gain employment via community-based employment assistance, assessment, allied health intervention, and rehabilitation services.

APM prides itself on its high performance and delivering on commitments to our stakeholders, and has consistently achieved outcome rates above contractual requirements, market performance levels and customer expectations across programs and client groups.

Our Contract Performance

APM commenced delivering contracted disability employment services in 2007 under the Vocational Rehabilitation Serves (VRS) program and having expanded our services through each contract iteration since, is currently the largest provider of disability employment services in Australia. We hold 192 contracts, operate from 446 sites and have a 3.92 Star rating contract average under the current Disability Employment Services (DES) model. This is the highest average star rating of the 15 largest DES providers.¹

We have achieved sustained high performance through the understanding of each client's individual journey to assist them in achieving their goals, development of real relationships and partnerships with clients, employers and other stakeholders, and investment in training and systems.

In the last year alone APM helped 27,292² people with disability secure work, and since the new grant contract started in July 2018, we have supported 75,264 DES participants to achieve employment.³

¹ DES Star Ratings, September 2021, released 29 November 2021, <https://www.dss.gov.au/disability-and-carers-programs-services-disability-employment-services-published-des-star-ratings/september-2021-des-star-ratings>

² Performance data for 1 January and 31 December 2021

³ Contract to date performance data as of 26 January 2022

Overview

APM understand the importance of increasing employment of people with disability and the central role employment and financial security play in enabling better lives. As a current provider of high quality and high performing disability employment services, we support the Government's vision for *"an inclusive society that ensures people with disability can fulfill their potential, as equal members of the community"*. We have an important role to play in raising the awareness of the immense contributions people with disability make to our communities.

Australia has a long and globally respected history of providing support to people with disability, injury or illness to help them gain and maintain employment. The current DES model is the latest in a long line of government funded services which started in 1941 with the Vocational Training Scheme for Invalid Pensioners, supporting returned soldiers whose injuries impacted their ability to return to work, and that have evolved and expanded over time.

We recognise the important role these services have played over the last 80 years in supporting people with disability participate in the economy and commend the ongoing long-term commitment to improve paid employment outcomes as outlined in Australia's Disability Strategy 2021-2031 (the Strategy) and the associated Disability Employment Strategy – Employ My Ability released on 3 December 2021.

As the flagship program designed to support people with disability into work, we recognise the important role DES has in supporting the Government's vision. We also recognise that DES does not operate in isolation and is part of a continuum of services and a broader employment ecosystem which needs to work together to effect real change.

Our feedback draws on our experience delivering high quality and high performing disability employment services, as well as other key supports and services within the broader employment ecosystem that people with disability access, including jobactive and the National Disability Insurance Scheme (NDIS). It is also premised on our belief that DES in its current iteration is not broken and that despite the unprecedented operating environment it has faced since implementation in 2018, it is achieving its intended objectives and supporting more people with disability into work than ever before.

There are currently more than 310,000 people with disability accessing DES, an increase of more than 60% on June 2018. Over the last 12 months alone, despite the economic impact of COVID-19, the program has supported more than 69,000 participants to start work.⁴

We also believe that this success can be attributed to not just the 2018 reforms, but the ongoing performance of the highly experienced DES providers, like APM, who were afforded an Invitation to Treat (ITT) to continue delivering services beyond June 2018. This experience and consistency has delivered an average contract star rating of 3.52 for ITT contracts, compared to a 2.39 average for the providers newly contracted in July 2018⁵ – delivering a stronger return on investment for government.

While our response focusses on key strengths of the program and considerations we think can help enhance the outcomes delivered through DES into the future, we believe success won't be fully

⁴ Labour Market Information Portal (LMIP) DES Monthly Data as at 31 December 2021

<https://lmip.gov.au/default.aspx?LMIP/Downloads/DisabilityEmploymentServicesData/MonthlyData>

⁵ Based on September 2021 Star ratings <https://www.dss.gov.au/disability-and-carers-programs-services-disability-employment-services/published-des-star-ratings>

realised without significant progress being made against other key priorities outlined in Employ My Ability, particularly “lifting employer engagement, capability, and demand” and “changing community attitudes”.

Evidence received at Hearing 19 of the Disability Royal Commission (DRC) from ten large Australian employers on the rates of employment of people with disability within their organisations, drives home the importance of lifting employer engagement, capability, and demand. The average across the represented businesses sitting at just 1.15%, or less than 4000 people amongst 341,705 total employees,⁶ yet people with disability represent 17.7% of the total Australian population.⁷

Research commissioned by APM for our 2021 Disability, Diversity and Inclusivity (DDI) Index found that just a quarter (25.7%) of businesses surveyed say they are confident and capable of recruiting and retaining people with disability on their own. A further 30.2% would only be confident with the support of a Disability Employment Service provider or external consultant, denoting significant gaps in capability and confidence.

When it came to demand and attitudes, up to 70% of surveyed job seekers with disability experienced negative employer attitudes. Most common being that people with disability can only do simple jobs (25%); are slow workers (23.3%) or are unreliable (21.4%). Almost half (46.7%) had experience with an employer who felt it was just easier to employ someone who did not have a disability. Additionally, more than two thirds (68.5%) of employers observed one or more concerning attitudes, perceptions, or behaviours regarding employment of people with disability from their peers, either within or outside their organisation.⁸

The impact of perception, misconception, and low expectations of employment for people with disability cannot be underestimated. While DES is an important stakeholder in breaking down barriers, exposing employers to direct experience with disability and building disability confidence through our engagement and support, we cannot do it alone and look forward to seeing strategy become action in these key areas.

Our Global Experience

Each year APM supports more than a million people around the world. We deliver employment services in Australia, New Zealand, UK, Canada, USA, South Korea, Singapore, Germany, Switzerland, Sweden and Spain, including specialist services for job seekers with disability, injury, or illness.

This global footprint provides unique insight into approaches to services and the delivery of supports here and overseas and we would welcome the opportunity to discuss our experiences in more detail with the DES Reference Group. We would note that it is our practical experience that any comparisons (such as the 2010 OECD rankings⁹) are not comparing apples with apples – program structures, coverage, eligibility, funding and employer incentives, as well as disability and benefits policies vary

⁶ EXHIBIT 19-000 – DRC.9999.0096.0040 – Aide Memoire: Public Hearing 19 – employer data <https://disability.royalcommission.gov.au/publications/exhibit-19-000-drc999900960040-aide-memoire-public-hearing-19-employer-data>

⁷ Australian Bureau of Statistics, Cat 4430.0 Survey of Disability, Ageing and Carers (SDAC) 2018, October 2019 <https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/2018>

⁸ APM Disability Diversity and Inclusivity Index 2021 <https://apm.net.au/ddi-index>

⁹ Australia was ranked 21 of 29 countries in employment rates for people with disability in the Organisation for Economic Co-operation and Development (OECD), Sickness, Disability and Work: Synthesis of findings report (2010) https://www.oecd-ilibrary.org/social-issues-migration-health/sickness-disability-and-work-breaking-the-barriers_9789264088856-en

significantly from country to country all impacting the levels of labour force participation and employment outcomes.

In our interactions with governments, policy makers and service delivery organisations across the globe, Australian employment programs (both DES and jobactive) are regarded as some of the best and highest performing programs in supporting disadvantaged job seekers into sustainable employment. As a pioneer of contracted employment services, the Australian approach to these programs is often looked to as a benchmark for others globally in developing their models.

We would like to highlight the key feature of Australia's disability employment services is the national footprint and demand driven nature of DES. This means every eligible participant is guaranteed access to specialist disability employment supports regardless of where they live. This, coupled with the outcomes focussed nature of our contracting arrangements, means DES supports a significant number of people with disability, injury or illness to achieve outcomes – more than 49,000 26-week outcomes were achieved in the 12 months to December 2021 alone.¹⁰

Key Strengths of the DES Program

Person-centred, individually tailored services that build capacity for work

A core tenet of the current DES program is a person-centred approach to service delivery. Increased choice and control, alongside flexible service delivery options, means quality DES providers work in close partnership with participants, identifying their skills and interests, developing tailored plans to build confidence and capability, address barriers, and providing supports in a manner that meets the unique circumstances of each individual participant.

The focus on individual capacity and capability development is a critical feature of DES. Providers support participants to identify needs, undertake training and build hard and soft skills to not just meet expectations of employers and skills demands in their local area, but those needed to effectively engage with the future world of work. While DES is an employment program the role of training and education in successful employment outcomes can't be overlooked, especially for participants who, because of their disability, face barriers to learning as well as work.

It is our experience that the person-centred and flexible nature of DES enables greater targeting of supports and resources to support skill and capacity development that meets the needs and goals of the individual in the context of the local labour market. This results in higher engagement and better-quality outcomes for participants. The strength of this approach has been recognised, with recent reforms to the mainstream employment services implementing an individually tailored case management and development approach supported by flexible service delivery as part of its enhanced services model.

¹⁰ Labour Market Information Portal (LMIP) DES Monthly Data as at 31 December 2021
<https://lmip.gov.au/default.aspx?LMIP/Downloads/DisabilityEmploymentServicesData/MonthlyData>

CASE STUDY



29-year-old Alex is one of the most affable and enthusiastic support workers you'll come across.

His lived experience with autism makes him a great fit for his job, but it wasn't that long ago he struggled to believe he would ever find work.

"I couldn't talk to anybody" Alex said.

"I couldn't even walk outside and say hello to people because I was so shy."

When Alex started with APM, it was clear he was keen to find work where he could come out of his shell and make a difference, but he needed support to build his confidence and find the right fit.

"Not having a job made me feel like I couldn't do anything" Alex recalled.

As part of his personalised job plan, supports were put in place to help Alex build his confidence and skills for work, including connecting him with training courses, meeting and working with new people, and getting his driver's licence.

When it came to searching for a job, Alex had difficulty with his speech and communicating with other people. APM was there to help Alex navigate job applications and interviews, and because his Employment Consultant knew he benefited from additional guidance to learn new tasks, taking a little more time to commit tasks to memory, APM was able to help potential employers understand what Alex needed at work to allow him to succeed.

"APM really supported me through difficult times" he said.

Based on his goals, APM introduced Alex to Shannon from Lifeplan Disability Services, who was looking a new member for her support worker team.

"Alex fits really well with the job with us as a support worker because he has a really friendly, smiley disposition about him" his employer Shannon said.

"He has nothing but positive things to say and he takes that out and supports our clients in the community with that same energy."

An average workday for Alex involves driving his clients around Perth - providing transport to help them engage and socialise in their local community and achieve their personal goals.

Shopping and cooking are just a couple of the main tasks Alex helps his clients with – he's learned lots of new things – including picking up a few new recipes for himself.

"My friends and family are so happy for me – it makes me really happy, and it makes me a better person" Alex said.

The positive impact is best measured by his cheerful response when asked how he feels about the future:

"I'm ready. Rock n' roll!"

<https://www.youtube.com/watch?v=EoO1hQERsVM>

Local, place-based solutions to meet employer and labour market needs

Along with building individual participant capacity, the tailored and flexible nature of DES allows for the delivery of targeted place-based solutions, ensuring the delivery of services and outcomes that meet the needs of local employers, industry, and the communities in which they operate.

While DES is a national program in terms of funding and program requirements, the localised approach to service delivery means that quality DES providers build strong connections with local business and industry, developing a deep understanding of the local labour market and employer needs. Working with small, medium, and large employers, providers promote the benefits of employing people with disability, help build employer confidence through information and support, and offer solutions to employment related challenges.

Best practice models see localised knowledge inform the tailoring of participant services, targeting training, skills, and capability development to meet current and future demand and increasing employability. Additionally, local employer relationships are leveraged to create opportunities that fit with participant goals and capacity and provide innovative recruitment solutions for the business.

Our experience working with more than 43,000 employers across 92 DES Employment Service Areas (ESAs) demonstrates the benefits of this localised approach. We embed ourselves in the local labour market, working in partnership with employers and industry to identify current and emerging opportunities, address skills and training needs as well as workforce diversity goals. We help address barriers to recruitment, create opportunities where they may not have existed, and provide ongoing support where needed. Employers trust our understanding of their business and our ability to match them with the right employees to ensure quality outcomes. The success of this placed-based approach to employment is evidenced through the more than 75,000 placements achieved since July 2018 across our DES program.

APM assists thousands of employers connect with people with disability looking for work every year.

We work closely with small, medium, and large employers to get to know their business, understand the skills and qualities they are looking for in potential employees and matching them with the right candidates from our DES caseload, and providing the support they both need to succeed.

CASE STUDY



Based on the Sunshine Coast, **Sharon operates The Green Shed** – an edible flower and herb farm. As an employer running a sustainable and values-based business, having an inclusive workplace is very important to Sharon. After struggling to find the right staff on her own, Sharon connected with APM for help.

Finding the right match

Working closely with Sharon to understand The Green Shed operations and the core tasks she needed her employees to undertake as well as the workplace flexibilities they could offer, APM soon had three candidates ready to interview.

“APM put a lot of effort into finding us the people that would suit our business and the tasks”.

“I loved all of them, it was a hard choice. We chose Emma and she’s been fabulous,” Sharon said.

Emma lives with the pressures of end-stage kidney failure and faced challenges with her mental health. It was Emma’s enthusiasm and eagerness to succeed despite setbacks and health challenges that impressed Sharon when Emma visited the workplace for an interview.

“We give all of our staff time, respect and compassion. We aren’t a fast-paced work environment, it’s not about time and schedules here. We want people who are open to learning and growing with our business”.

“I think Emma surprised herself in being able to do a lot more than she even thought she could herself.”

“It feels great to have Emma in the team. She’s supporting our business and we can support her, too”.

<https://www.youtube.com/watch?v=w5wWdLOurSI>

Outcomes focussed and delivering

DES is an employment program. Its key objective is to increase employment outcomes for people with disability. Since July 2018 when the current program was implemented, it has achieved 131,023 26-week outcomes.¹¹ This is already more than half of the total 26-week outcomes achieved between March 2010 and June 2018.¹²

In 2019 the mid-term review of DES was brought forward due to concerns around the significant increase in caseload (46%) but smaller increase in outcomes during the same period (8%). The subsequent review undertaken by the Boston Consulting Group (BCG) between May and July 2020 identified issues with the efficiency and effectiveness of the DES program which has largely driven the drive for reform in 2023.

While we acknowledge the 2020 BCG report findings, we believe that the timing of the review (less than two years into a five-year program), the natural lag between intake and outcomes (DES is by design an employment preparation program and time is required to build capacity for work – especially for newly activated participants who may be some distance from the labour market) and the unprecedented operating environment (2019 natural disaster events and the ongoing COVID-19 pandemic) as factors that all influenced initial program performance.

Despite the unprecedented economic circumstances of the last two years, the Department of Social Services (DSS) Annual Report for 2020/21 highlights that DES met its targets across all three effectiveness measures and notes the significant upswing in outcomes performance as the economy has reopened.¹³

Performance Measure: Extent to which people with a disability are supported to find and maintain employment through Disability Employment Services.

	Target	2020/21 Outcome	Result
1. At least 40% of job placements sustained to 13 weeks.	≥ 40%	44%	Met
2. At least 30% of job placements sustained to 26 weeks.	≥ 30%	36%	Met
3. At least 20% of job placements sustained to 52 weeks	≥ 20%	21%	Met

APM's own data demonstrates the performance potential of DES – consistently achieving outcomes across 4, 13, 26 and 52 weeks that are approximately 15 – 20% higher than the national averages as provided by the Department. Based on average outcomes figures between January 2021 and December 2021, if APM performance was replicated across the sector the program could be delivering more than 850 additional job placements per month.¹⁴

¹¹ Labour Market Information Portal (LMIP) DES Monthly Data as at 31 December 2021

<https://lmip.gov.au/default.aspx?LMIP/Downloads/DisabilityEmploymentServicesData/MonthlyData>

¹² Labour Market Information Portal (LMIP) DES Data June 2018 <https://lmip.gov.au/PortalFile.axd?FieldID=3120401&.xlsx>

¹³ Department of Social Services Annual Report 2020–21, Program 3.1 Disability, Mental Health and Carers, Performance Measures https://www.dss.gov.au/sites/default/files/documents/12_2021/dss-ar-accessible-final-301121.pdf

¹⁴ Applying a 15% increase to the average monthly 4-week outcomes based on Labour Market Information Portal (LMIP) DES Monthly Data as of 31 December 2021

<https://lmip.gov.au/default.aspx?LMIP/Downloads/DisabilityEmploymentServicesData/MonthlyData>

Specialist services for those who need them

Fundamentally, DES exists to support people whose primary barrier to work relates to their disability. While some people with disability may access other employment services to support their pathway to work, DES is unique in that it is specifically designed to address disability related impairment in the context of work.

This uniqueness was well articulated in the 2016 discussion paper on the New Disability Employment Services from 2018:

*"... overall employment outcomes will always be affected by the state of the economy. Employment services work within this context to connect job seekers with available employment, including by providing training and reskilling job seekers where this can assist. **In the case of DES, this also means addressing barriers to employment that arise from disability, including providing rehabilitation, funding workplace modifications, working with employers to increase their understanding and openness to hiring people with disability, and providing continuing support, where necessary, even once a person is employed.**"*¹⁵

Under the Disability Services Act (DSA) of 1986, governments have an obligation to provide employment support to people whose disability impacts their capacity for work. The DSA includes target groups for both specialist disability employment services (permanency of disability and need for ongoing support) and vocational rehabilitation services (disability that arises from injury or health condition that impact work capacity).¹⁶

These target groups form the basis of current program eligibility for DES, and means it supports both those who need more upfront intervention to build capacity to understand and/or manage their disability in relation to work (Disability Management Services/DMS), as well as those who primarily need additional help to sustain their employment with ongoing support (Employment Support Services/ESS).

This continuum of services recognises that people with disability are not a homogenous group, despite how similar their characteristics might look in data sets, and the varying levels of impairment it causes. Given disability can disrupt a person's vocational pathway at any point, the specialised supports provided through both DMS and ESS are a vital part of the program's success.

We also feel it is important at this point to acknowledge that Commonwealth funded vocational rehabilitation services (now DMS under DES) have an 80-year history in Australia, longer than all other disability employment services. It is our experience that often when DES is discussed, the focus is on the ESS as the "traditional disability employment program" and employment supports are for people with high and ongoing support needs.

We recognise the importance of ensuring services are available for those with the greatest barriers to work, but while 68% of working age people with disability identify as having an employment related restriction, only 6.2% indicated a need for ongoing assistance or supervision at work.¹⁷ This indicates the need to ensure the conversation considers all people whose disability impairs their capacity for

¹⁵ DSS November 2016, New Disability Employment Services from 2018 Discussion Paper, <https://engage.dss.gov.au/disability-employment-services-reform/disability-employment-services-reform-discussion-paper/>

¹⁶ Disability Services Act 1986 (Cwth) <https://www.legislation.gov.au/Details/C2017C00186>

¹⁷ Australian Bureau of Statistics, Cat 4430.0 Survey of Disability, Ageing and Carers (SDAC) 2018, October 2019 <https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/2018>

work, regardless of the point at which the intervention is needed. The specialised supports offered through DMS are just as critical to meeting the needs of people with disability as ESS and have a long history of supporting meaningful and sustainable employment outcomes.

We would also note that just as the specialist nature of DES is a key aspect of its success, so too are the skills and the experience of the providers delivering those services. Importantly, procurement processes have generally supported the continuity of skilled and experienced providers like APM in the market, most notably through the offer of an ITT to high performing providers.

The strength (and importance) of this approach in supporting the capacity of the market to deliver specialist services and outcomes is clearly demonstrated through the current DES performance data. Provider contracts who were performing at 3 stars or above under the previous program and who were offered an ITT are performing considerably better under the current DES framework. The average ITT contract star rating in the current model is 3.52, and the average ITT provider rating is 3.19¹⁸, compared to a 2.39 average for the providers newly contracted in July 2018¹⁹ - a stark difference.

Providing a strong return on investment

APM recognises the significant investment Government makes in DES each year, and the need to deliver efficient, effective, and financially sustainable programs.

The consultation paper notes that as of September 2021, DES is supporting more than 310,000 people at a cost of \$1.4 billion per year (approx. \$4516 per person). Similarly, in 2016, DES was supporting 180,000 people at a cost of \$800 million (approx. \$4444 per person).²⁰

While cost is an important consideration in respect to financial sustainability, it is also important to highlight the return DES provides to the economy and the broader social impacts associated with the investment.

We know that on an individual level employment leads to greater independence, financial security, better health and wellbeing, as well as improved quality of life. At a societal level, improving workforce participation supports inclusivity, reduces disadvantage, increases productivity and innovation.

As highlighted in the Willing to Work report in 2016, the economic benefits of increased workforce participation [of people with disability] are well established including increased gross domestic product (GDP), reduced overall welfare expenditure and increased self-reliance in retirement.²¹

More specifically, recent work undertaken by QUT and presented to the sector at the Disability Employment Australia (DEA) Leaders' Forum, used DSS outcomes and employment benchmark data and national accounts information on employment contribution to GDP to estimate the 2019/2020 contribution of the DES program to GDP.

¹⁸ The average contract rating includes ITT contracts only, whereas the ITT provider rating includes both ITT contracts and newly awarded contracts delivered by those providers in 2018.

¹⁹ Based on September 2021 Star ratings <https://www.dss.gov.au/disability-and-carers-programs-services-disability-employment-services/published-des-star-ratings>

²⁰ DSS November 2016, New Disability Employment Services from 2018 Discussion Paper, <https://engage.dss.gov.au/disability-employment-services-reform/disability-employment-services-reform-discussion-paper/>

²¹ Australian Human Rights Commission, Willing to Work Report, 2016 <https://humanrights.gov.au/our-work/disability-rights/publications/willing-work-national-inquiry-employment-discrimination>

The outcome of this work showed an estimated contribution of around \$3.4b, demonstrating a cost benefit ratio of 3:1 or a 175% ROI - a strong return on the investment, especially when coupled with the broader health, wellbeing and social returns.

Towards 2023

Allow the 2018 reforms to be fully realised

It is imperative that the current program can mature and the 2018 reforms to be fully realised as intended. The 2018 reform process was extensive, conducted over more than two years, and designed to increase employment outcomes through:

- increased participant choice and control in the services they need
- greater competition and contestability
- realignment of incentives to support better outcomes
- improved workplace supports

While many important elements of the reform have been implemented the key measure of greater competition and contestability has not. This is directly affecting program performance and quality.

As part of taking a stronger approach to competition and contestability, regular performance review and the removal of consistently poor performing providers from the marketplace was advised, as well as increased opportunities for new entrants into the market through additional grant application processes, which could occur up to once a year.²² This change, along with increased choice for participants, provided a stronger imperative to drive performance from the commencement of the contract.

APM supports the measures that were introduced to support greater competition in the market and participant choice and control, and we believe that the ongoing unsanctioned low performance (providers who consistently perform at 2 stars and under for four consecutive quarters accounting for labour market conditions) is currently contributing to substantially reduced program outcomes, lower quality services and increased costs.

Without these controls being activated, the program is not operating with the required checks and balances as intended, and low performing providers can continue to service participants for extended periods without achieving the expected level of outcomes, impacting overall program performance.

Based on analysis of the four most recent star rating periods, there are 397 contracts in the market (20.34% of all contracts) that have been rated 2 stars or below in each of those performance periods.²³ Providing an opportunity for consistently higher performing providers to support those participants could significantly increase program performance.

We acknowledge that DSS has outlined an upcoming performance assessment process, and think it is important that once this is undertaken (currently expected in the first half of 2022) the program be given time for the performance increases to be realised. To facilitate this, we would strongly support an extension of the current DES Grant Agreement beyond 2023.

²² DSS June 2017, Disability Employment Services Reform 2018 – Industry Information Paper, <https://engage.dss.gov.au/disability-employment-services-reform-2018-industry-information-paper/disability-employment-services-reform-2018-industry-information-paper-sheets/>

²³ Department of Social Services, DES Star ratings <https://www.dss.gov.au/disability-and-carers-programs-services-disability-employment-services/published-des-star-ratings>

Extend and refine, rather than reform

APM acknowledges that along with the strengths we outlined, there are challenges with the existing DES program. We believe however that refinement, rather than reform is what is needed. It is our experience, in Australia and internationally, that wholesale change in models is costly for all stakeholders, in financial terms and, importantly, in performance. We believe there is an opportunity to enhance the current model, delivering greater program outcomes and value for all stakeholders, while minimising disruption to people with disability, employers and program performance that occurs through redesign.

There is scope through performance management, guideline updates and (if needed) variations to the Grant Agreement to achieve efficiencies and improve effectiveness, rather than necessitating another large-scale reform process this early in the current program.

Extending and refining the current program also allows time for the transformation of mainstream employment supports through the New Employment Services Model to be fully implemented and further evaluated in terms of their impact on any future DES model. We feel it is critical to understand this before any changes are made to DES based the new online and enhanced services.

Extending the program also provides the opportunity for findings and recommendations from the current DRC inquiry to be considered in any redesign of DES. Employment, and specifically the systemic barriers people with disability face to open employment, are a key focus of the DRC, being subject to three scheduled hearings.²⁴ The Commission is due to hand down its report to government in September 2023, and we believe that their input should be considered in any DES reform process.

Reward high performing providers through procurement

Employment services providers have an obligation to the Government, job seekers and the community at large, to provide high-quality services that generate sustained and life-changing outcomes through employment.

DES has a well-defined performance framework in place to drive high performing and high quality service provision. Ensuring that meeting and exceeding expected performance, as indicated by the Star Ratings, is both prioritised and rewarded through the procurement/panel application process, is fundamental to the ongoing success of the program, and provides a definitive benefit to Government and DES participants.

As highlighted earlier, the 2018 panel arrangement included an Invitation to Treat (ITT) for provider contracts who were performing at 3 stars or above under the previous program. Critically, the average contract star rating of those previously strong performing providers in the current model is 3.52 compared to a 2.39 average for the providers newly contracted in July 2018.²⁵

Should a procurement approach be undertaken for 2023, APM believes that an ITT is imperative to the successful implementation of any new program.

Ensure assessments are fit for purpose

The current assessment process (ESAt) serves to not only determine the most appropriate service for participants but identify the severity of barriers to work and decide current and future capacity for

²⁴ Hearing 9 and Hearing 19 have been held. Hearing 21 is currently scheduled for February 2022
<https://disability.royalcommission.gov.au/about-royal-commission/our-schedule>

²⁵ Based on September 2021 Star ratings <https://www.dss.gov.au/disability-and-carers-programs-services-disability-employment-services/published-des-star-ratings>

work. This is linked directly to mutual obligation requirements and outcomes in DES and influences participant supports.

Assessments are medically/deficit based and conducted in 30 minutes.²⁶ They are often done over the phone and perhaps most critically, completed out of context of the supports and services to which people are being referred.

This means that the important influencing factors, such as the skills and experience of providers, their expertise with specific disability types, knowledge of the local labour market, qualification and specialisation of key staff are not taken into consideration when deciding the program needs, likelihood of employment success and capacity to work. Without consideration of such context assessment results can lead to people being denied access to supports, referred to a less appropriate service, or assessed as having a greater capacity to work than is realistic – all things which ultimately impact outcomes.

We note that the 2018 reforms included a two phased approach to reviewing and enhancing assessment services based on concerns raised through the consultation process.²⁷ Although a review has been undertaken, the report appears more focussed on savings rather than enhancements – noting under the list of recommendations that further change opportunities include to “*conduct more extensive data-gathering to inform ESAt design and DES eligibility decisions, and reconsider ESAt policy in context of DES re-design*”.²⁸

Given the key role assessments play in the participant experience, we agree that a new approach is needed. It is critical that assessment services are fit for purpose and contextual, which requires a rethink of the current approach and a recognition of the separate purposes for which the current ESAt outcomes are used. This may require a separation of the assessment process to enable a more holistic approach and a range of evidence to be considered. This would include more focus on skills, interests, motivation, vocational and non-vocational barriers to work, in situ observation and extended timeframes to ensure the impact of episodic or fluctuating disabilities or illness is able to be captured.

Outcomes need to reflect the labour market

As the consultation paper highlights, the Australian economy has been undergoing significant structural reform, and the nature of work has been changing significantly – particularly over the last decade. Advances in technology, automation, demand for skills and the rise of flexible work (part-time, casual, independent contracting and gig work)²⁹ continue to transform the world of work.

Whilst the general structure of the outcome framework is sound, we believe that the way employment outcomes are recognised in DES needs to be rethought to reflect these changes and ensure all outcomes are captured.

²⁶ Boston Consulting Group, Employment Services Assessment Review Report, <https://www.dss.gov.au/employment-services-assessment-esa-review-report>

²⁷ DSS June 2017, Disability Employment Services Reform 2018 – Industry Information Paper, <https://engage.dss.gov.au/disability-employment-services-reform-2018-industry-information-paper/disability-employment-services-reform-2018-industry-information-paper-sheets/>

²⁸ Boston Consulting Group, Employment Services Assessment Review Report, <https://www.dss.gov.au/employment-services-assessment-esa-review-report>

²⁹ FYA, The New Work Standard, July 2020 <https://www.fya.org.au/app/uploads/2021/09/FYA-New-Work-Standard-2020.pdf>

The framework recognises and rewards the support and intervention provided to both employers and participants over the initial placement (4 and 13 weeks) and the role this has in securing ongoing sustainable employment (26 and 52 weeks).

The issues arise in what constitutes an outcome within those timeframes. The current definitions are rigid, beginning with a benchmark/minimum set of hours that, as mentioned above, is decided through an assessment process done outside the context of the local labour market, the needs of employers, and the individual aspiration and personal circumstances of the participant. This can lead to frustration for both people with disabilities and employers.

Further, the current rules around how employment is defined and time in employment is measured fail to account for the impacts of flexible work and the increased casualisation of the labour market. This often makes it difficult to achieve outcomes where employment does not fit more “traditional” expectations. This inflexibility also impacts participants with episodic and degenerative conditions whose capacity for work may fluctuate and means that many outcomes which meet both employer and participant needs are not captured by the system or their benefit recognised.

Broadening the focus of supports

The current policy settings within DES are primarily focussed on entry/re-entry to the workforce (getting a job/return to work) and, in the case of Ongoing Support or Work Assist interventions, maintaining work with very narrow parameters.

We know that this limited focus is not the only context in which people with disability require support when navigating the world of work, and that support needs look different depending on where a person is on their employment journey. Unfortunately, the current system locks many people with disability out of the employment related services they need.

The DES framework would be enhanced by enabling interventions across the course of a participant’s working life – from their first job and beyond, depending on need. Not all people with disability need support to gain work but may need assistance once employed to maintain work or develop their careers.

Currently, the system requires that if a person with disability is seeking support to change jobs/advance their career they need to leave their position and become unemployed and access income support payments to be able to access support through DES, which is not only counter intuitive, but a risk most are, understandably, unwilling to take.

Providing greater support to participants who are working, including to further their careers, or even change career directions once they have had the opportunity to “get a job”, has the potential to improve not just the equity and longevity of their economic participation but the quality.

We feel this is particularly important given people with disability are disproportionately engaged in precarious or insecure work, make lower average weekly earnings when employed, and more likely to experience long term unemployment if disconnected from the labour market. Our most recent DDI Index, found workers with disability were far more likely to be in seasonal or casual roles (52%) than other working Australians (11%), and around half of all surveyed indicated they were underemployed (that is wanting or needing and available to do more hours) compared to the current national underemployment rate of just 9%.³⁰

³⁰ APM Disability Diversity and Inclusivity Index 2022 <https://apm.net.au/ddi-index>

Further, 22% of unemployed people with disability have been unemployed for at least a year, compared to 14% of unemployed people without disability,³¹ demonstrating the importance of interventions that keep people with disability in work.

Support for career progression also opens doors for other people with disability who need opportunities to make their first step into work. The opening up of new, entry level positions will be critical, especially for those groups already disadvantaged within the labour market as the competition for jobs increases in the post-pandemic recovery. DES providers will be well placed to access these opportunities for other participants if enabled to support career development for those already in work.

We would note the important role wage subsidies play in not just helping create employment opportunities, but also in supporting ongoing connection to the labour market – as has been evidenced through the COVID-19 pandemic.³² APM believes wage subsidies are a vital incentive, and because of initiatives such as JobKeeper, more employers are aware of their use and potential benefit than ever before. Ensuring they remain part of the DES framework and exploring opportunities to expand their use to encourage career development, is strongly supported.

As a provider of both DES and jobactive services, we are also acutely aware of the significant disparity between the programs when it comes to wage subsidy incentives, which we believe can ultimately disadvantage DES participants. This is especially felt in a competitive labour market. The DES wage subsidy has effectively remained at its current rate³³ since its implementation in the late 1990s. While this amount made sense given the program settings at the time, it has not kept pace with policy reforms, nor, perhaps more importantly, wage increases over the same period. To ensure any future DES framework is able to achieve its aims, we would strongly advocate for, at a minimum, an alignment of wage subsidy incentives with those available through jobactive/NESM.

Specialist Youth Supports

It is important that young people with disability get access to specialised employment supports. We believe that DES could also be enhanced to better support young people with disability transition to work. Importantly, this should focus on early intervention, to build aspiration and normalise the pathway to work in the same timeframes as it occurs for young people without disability.

Currently where supports are available, they are generally only funded to intervene at the point of transition (or very shortly before). We strongly believe that a focus on services and supports that can be delivered earlier, supporting young people with disability to think about and start to experience work at the same time as their non-disabled peers is fundamental.

Historically, DES had been able to work closely with schools and families to provide supports to assist with outside school hours and weekend work, a key intervention that had the ability to reduce the need for long term supports and increased the likelihood of ongoing connection to the labour market. We believe going back to this approach in DES would ensure national access to targeted supports and mean more young people with disability could access a pathway to work at the time it suits them best, and not just at the point of transition from school (if at all depending on their eligibility).

³¹ Australian Institute of Health and Welfare (AIHW), *People with Disability in Australia 2020*, <https://www.aihw.gov.au/getmedia/ee5ee3c2-152d-4b5f-9901-71d483b47f03/aihw-dis-72.pdf.aspx?inline=true>

³² Job Retention Schemes during the COVID-19 lockdowns and beyond, OECD, October 2020 https://read.oecd-ilibrary.org/view/?ref=135_135415-6bardplc5q&title=Job-retention-schemes-during-the-COVID-19-lockdown-and-beyond

³³ \$1650 (gst incl.) over 13 weeks

Quality early intervention helps build individual capacity and confidence, supports young people to identify themselves as potential workers, navigate their options around employment supports and ultimately lift their aspirations around having a career. It also ensures families, carers and other networks of influence build the same aspiration and confidence and embrace the dignity of risk that is an important part of transitioning to work.

It is also important that supports for young people include access to quality and meaningful work experience. While young people get access to short term work experience placements through school or employment services, young people with disability need access to supported work experience options that acknowledges the extended time that can be needed to allow them to try and test their skills in a work like environment and make the most of work-based learning opportunities. Barriers to this type of quality work experience such as insurance, workplace law and access to supports should be addressed as a priority.

Digital services to complement DES

APM recognises that digital transformation within employment services is important in the context of both the current and any future framework. For people whose disability is their primary barrier to work, we believe digital services and platforms should complement the individualised specialist supports DES provides and can play a key role in connecting job seekers to their service of choice, as well as accessing personalised information related to eligibility, skills, training and complementary supports and programs. They can also provide accessible options for developing confidence, capability, and motivation alongside face-to-face servicing.

Digital platforms can also have an important role in promoting people with disability as key talent to employers and enabling easier connection between participants and employers who have a commitment to disability, diversity, and inclusion within their workplaces.

APM's own digital platform, Employable Me,³⁴ has been designed to provide an online vacancy and candidate matching service that brings job seekers and local employers together to build better businesses and enable better lives. A free service to employers, Employable Me puts candidates with disability and/or disadvantage front and centre, promoting the benefits of building a diverse and inclusive workforce.

Employers can promote themselves as an employer of choice, post vacancies and search for our pre-screened, matched candidates. Participants have first access to local employer vacancies and can develop skills to match the needs employers they wish to work with. Importantly, participants can feel more confident knowing they are dealing with employers who are open to hiring people with a disability, injury, or health condition.

Pilot any changes

APM believes it is important that any significant reforms to any program should be trialled and evaluated before implementation.

The New Employment Services Model (NESM) was preceded by a two-year pilot program before the new model was finalised and put to market.

³⁴ <https://employableme.com/>

While 2018 was the latest in a string of DES reform processes, many of which had been significant and tackled both funding and program structure, most major program policy changes have not been effectively trialled and tested prior to implementation since the early 2000s.

Between 1999 and 2002, to support a move from Block Grant to Case Based Funding (CBF) two trial phases were undertaken. The Phase One Model ran from November 1999 until June 2000. The phase was evaluated and refined, and the Phase Two Model had an intake phase from January 2001 until June 2002. It was only once the trials indicated they were delivering the desired outcomes (improved employment outcomes and improved administrative and operational practices) that the model was implemented successfully across all disability employment services.

From 2007 to 2009 the option of contracted providers delivering service elements of the public Commonwealth Rehabilitation Services (CRS) was piloted as the Vocational Rehabilitation Services (VRS) program. Due to the success observed through the pilot (increased efficiency and effectiveness), contracting was expanded to include further market share in 2009, and ultimately led to CRS exiting the market in 2015 due to lower performance compared to the contracted service providers.

These examples demonstrate the benefits of targeted piloting in the reform process for DES. APM advocates, as we did in the lead up to the 2018 reforms, that any approach to changes for 2022 and beyond should include phased piloting including evaluation. This will ensure any changes meet their objectives before full roll out and provides a strong evidence base for any change while minimising the risk of unintended consequences or poor policy outcomes.

Conclusion

We would be pleased to provide further information about our views on a new disability employment support model in further formal engagement, including a face-to face meeting.

Appendix A: Good Practice – Systems that support quality and performance

APM is committed to delivering best in class human services. Our approach to DES puts the client at the centre of every action and ensures individually tailored employment supports. We believe that everybody is employable and take a strengths-based approach that empowers participants to think about employment not as an “if” but a “when”.

Our model is underpinned by our vision “enabling better lives”, our ICREATE values (Integrity, Customer Focus, Respect, Empathy, Achievement, Teamwork and Enthusiasm) and service delivery is supported by our built for purpose system that supports frontline staff and management deliver tailored high-quality DES supports across 446 sites nationally.

As a large provider with a national footprint, high quality data and systems are central to our success. Key system elements enabling good practice are our bespoke IT platform (case management and employer engagement) and detailed reporting. Built to intuitively guide (without dominating) service delivery and support Deed compliance, the platform captures a range of real time information that can be used to support participant outcomes, program performance and continuous service improvement.

Importantly, we wanted to ensure our systems empower staff and participants to build strong working relationships, removing the transactional nature of engagement that many systems drive (including ESS Web), while providing the tools needed to drive high quality service delivery. Our system reduces the administration burden on frontline staff, freeing them up to spend more time working directly with participants and employers.

It was also critical that our systems moved beyond baseline quantitative data. As highlighted in the BCG report, while the Department system tracks employment outcomes and provides basic participant data, it lacks more expansive data to support measuring and driving the quality of outcomes and delivery.³⁵ This expanded data was front of mind for APM as we recognise the importance of not only driving strong program performance, but maintaining high quality, customer centred service delivery. The success of our systems on this front is clearly demonstrated through both our star ratings and participant feedback during NSDS audits, with services rating an average of 4.425 out of 5 in our most recent audit report.³⁶

Informing practice

Performance and system data is used to evaluate and build the evidence base for services and inform practice improvements. For example, analysis of high performing consultants, teams, or clusters of higher than average/expected outcomes for specific cohorts enables the identification of key behaviours and actions that can be embedded in practices across the organisation, ensuring the ongoing relevance, quality and performance of services delivered.

Data informs our learning and development approach, ensuring the skills and capabilities of our workforce to deliver high quality DES supports. Along with embedding evidenced practice in staff induction and training, skills gaps and/or new knowledge requirements are identified through regular

³⁵ Boston Consulting Group, Mid-Term Review of the Disability Employment Services (DES) Program, August 2020, <https://www.dss.gov.au/disability-and-carers-programs-services-disability-employment-services/mid-term-review-of-the-disability-employment-services-des-program>

³⁶ SAI Global NSDS Surveillance Audit Report December 2020

analysis of caseload, performance, and practice data. Targeted learning and/or tools are then delivered to bridge those gaps. For example, disability or cohort specific training to respond to changes in caseload demographics in specific sites/ESAs.

Driving Performance

Detailed performance reporting is available through daily, weekly, and monthly reports, and at the individual, team, ESA, and national level. Reporting across all levels enables real time analysis of trends and quick interventions to improve practice or performance where needed. This can include, for example, how and where resources are allocated, increasing staffing supports, adapting caseload sizes to maintain optimal service ratios, or refining performance targets.

Real time reporting is utilised in daily team buzz meetings and weekly one on one catch ups with managers. It provides a strong basis for coaching and staff development, informing performance and consistency in service delivery, ensuring quality of services to participants and outcomes.

Supporting Participants

Designed around the participant journey, the system seamlessly supports participant engagement, development, and placement. It enables consultants to undertake effective case management, while minimising the administration burden. Through the design of the information capture and case management tools, the platform supports consultants to work in partnership with participants – identifying strengths, interests, and goals to enable personalised job plans that focus on building capacity and progression to work.

We create a comprehensive participant profile that can travel with them during their time at APM, acting as a consistent guide to services, and should there be a change of consultant/location, limits the need for participants to “retell” their story.

Our system supports participant choice by providing access to clear information about APM and our services. Participants engaged in services are provided with a quarterly report – known as a Statement of Services, identifying activities undertaken and progress made against goals. This forms the basis for plan reviews, and enables open communication and feedback about what’s working, what isn’t and next steps on the journey to work.

Employable Me, our bespoke recruitment platform, works in tandem with consultants, supporting participants to understand local employer skills needs, and access vacancies matched specifically to their interests and experience. It also helps increase digital literacy and connection to services and supports outside of scheduled appointments. The key to our platform is that unlike other online recruitment tools, Employable Me actively promotes hiring diversity and inclusion. This means participants have confidence knowing they are accessing a pool of employers who are open to hiring people with disability, injury or illness.