

Submission to the Department of Social Services

NESA response to the:

Inclusive. Accessible. Diverse.
Shaping your new disability employment support program
Consultation Paper

February 2022



About NESA

The National Employment Services Association (NESA) established in 1997 is the peak body of the Australian employment services sector. NESA is dedicated to a vision of opportunity for everyone through employment and inclusion.

Employment inclusion and participation are cornerstones of the economic and social health of society. For the individual, employment participation is more than a means to an income; it provides connection, purpose and inclusion. Employment participation and productivity are key drivers of economic growth and underpin the quality of life of all Australians enabling access to such things as a well-functioning health system, quality education and strong social safety net.

The Australian employment services sector plays a critical role in preparing Australians to participate productively in the labour market and connecting them to employment opportunities. NESA's mission is to lead a sustainable, effective and diverse employment services sector to support job seekers, employers and assist our nation achieve employment participation objectives. NESA membership encompasses the breadth of Australia's diverse labour market assistance programmes including Disability Employment Services, jobactive, Community Development Program, Transition to Work, Youth Jobs PaTH, ParentsNext, Time to Work and Career Transition Assistance. NESA's membership is extensive, diverse, and inclusive of for-profit, not-for-profit and public providers.

NESA delivers intensive policy, operational and capacity building support to member organisations. NESA works collaboratively with Government Departments, agencies and non-government stakeholders to support the effective delivery of labour market assistance and social policy. NESA welcomes the opportunity to work together and share in the ownership of a new disability employment support program to improve employment outcomes for people with disability.

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Introduction

The National Employment Services Association (NESA) welcomes the opportunity to work together and share in the ownership of a new disability employment support program to improve employment outcomes for people with disability. Access to employment for people with disability is fundamental to the creation of a successful and inclusive society.

In addition to economic security, employment is recognised as providing considerable benefits to individuals, families and community wellbeing. The health and psychosocial benefits of work such as positive sense of identity, self-esteem, social interaction, inclusion and personal development are prevalently cited in research. The World Health Organization (WHO) stated social inequalities and disadvantage are the main reason for avoidable and unfair differences in health outcomes and life expectancy across groups in society. Employment is considered a key social determinant of health with the psychosocial stress caused by unemployment recognised as having a strong impact on physical, mental health and wellbeing¹.

People living with disability in Australia face considerable inequity and disadvantage realising their human rights and ambitions to live a normal life. For many people living with a disability economic exclusion is experienced alongside social exclusion. The degree of inequity and disadvantaged accessing the labour market experienced by people living with a disability in Australia is evident in labour force data.

Employment Participation of People Living with a Disability in Australia

The disparity between employment participation of people living with a disability and other people in Australia is a long standing issue. Labour force participation data indicates 47.8% of the 2.1 million people with disability of working age (15-64 yrs) were employed compared to 80.3% of people without disability². In addition aggregate data conceals the depth and complexity of challenges faced by people living with a disability trying to engage in the labour market. People with disability have diverse needs and their labour market experiences vary with individual circumstance and environmental factors e.g. local economy, infrastructure, access. To illustrate in 2018 the unemployment rate was: 10.3% for people with any type of disability (over twice the rate for people without disability, 4.6%) 9.6% for people with a mild limitation, 11.8% for people with a moderate limitation and 12.7% for people with a profound or severe limitation. People with psychosocial disability were less likely to be working than others with a disability, with just 25.7% employed³.

Pathways to Employment

School to work transition is a critical socio-economic period in which young people (15-24) acquire knowledge and build skills that enable them to move from education and achieve economic inclusion. While school to work transition is challenging for many young people, those living with a disability are more likely to become disengaged (Not in Education, Employment or Training - NEET) and remain disengaged for longer periods than other young people. The complexity of pathways to work are compounded by other inequities and disadvantaged experienced by young people living with disability across their life course such as lower educational attainment, lower skills development, discrimination/stereotypes and low expectations as well as greater propensity to living in poverty with fewer resources to assist overcoming barriers. People with disability are more likely to have attained a Certificate level qualification (27.1 %) than those without disability (20.6 %). Of persons aged 15-64, only 18.4% of people with disability have a bachelor degree or higher, compared to 32.8 % of those without disability⁴.

¹ Social determinants of health in Australia, AIHW 2020

² Disability, Ageing and Carers, Australia: Summary of Findings, 2019 | Australian Bureau of Statistics

³ Psychosocial disability, Australian Bureau of Statistics, 2020

⁴ Disability, Ageing and Carers, Australia: Summary of Findings, 2019 | Australian Bureau of Statistics

People living with a disability who undertake higher education achieve unequal returns than other university graduates. An examination of the labour-market trajectories of graduates from multiple social backgrounds (based on socio-economic status, ethnicity, migration, location, and disability) over a 10- year window indicated that inequalities extend well beyond university for graduates with a disability⁵. The following table shows disparity in income and reliance on unemployment benefits experienced by graduates with a disability compared to other graduate cohorts.

Table 2. Mean employment income and unemployment benefits, by student social-background characteristics and time since graduation

	Employment income (in A\$)				Unemployment benefits (in A\$)			
	All years pooled	1 year after	5 years after	10 years after	All years pooled	1 year after	5 years after	10 years after
Low SES	61,502	48,768	63,968	70,346	328	542	276	235
Not Low SES	61,548	47,533	64,273	72,283	250	367	223	190
Disability	51,885	40,549	54,612	60,040	543	737	479	360
No Disability	62,009	48,052	64,696	72,559	246	370	218	188
NESB	59,372	44,387	62,265	71,191	357	679	292	245
Not NESB	61,741	47,984	64,417	72,133	251	361	224	191
RRR	61,015	49,850	63,299	69,428	295	440	264	208
Not RRR	61,693	47,049	64,503	72,771	249	372	220	192
Indigenous	60,976	50,771	63,479	66,455	557	628	505	539
Not Indigenous	61,550	47,642	64,246	72,122	256	385	226	191
0 groups	62,493	47,725	65,289	73,761	215	303	195	171
1 group	60,149	47,374	62,758	69,480	308	483	265	225
2 groups	60,209	48,766	62,447	68,834	380	609	333	256
3+ groups	54,970	45,420	57,373	63,375	675	929	579	491

Notes: Data from customised MADIP dataset (2011-2016). SES: Socio-economic status. NESB: Non English Speaking Background. RRR: Regional, rural or remote.

The snapshot of the current circumstances highlights the need for strategic and comprehensive responses to address inequity in employment participation opportunities for people living with disability. The benefits of improving employment participation of people living with a disability are shared across society and the economy. As noted by the Human Rights Commission “Benefits to the Australian economy as a result of increased workforce participation are well established including increased gross domestic product (GDP), reduced overall welfare expenditure and increased self-reliance in retirement. An estimated \$50 billion could be added to GDP by 2050 if Australia were to move up into the top eight OECD countries for employment of people with disability⁶” (*Pre GFC Australia was ranked 28 of 29 OECD countries & currently ranked 21*).

Disability Employment Services

As the consultation paper outlines Disability Employment Services (DES) is the Government’s flagship program to support people with disability into open employment and it operates within a broader framework of disability and employment support programs. Commonwealth and State legislation, policies and initiatives also promote the social and economic inclusion of people living with disability such as the Disability Services Act 1986, Disability Discrimination Act 1992, National Disability Insurance Scheme, Australia’s Disability Strategy 2021-2031 and related Disability Employment Strategy and the National Standards for Disability Services.

DES, which at December 2021 supported 314,204 participants,⁷ is a specialist employment program for eligible people with a disability assessed as requiring specialist employment support. DES includes two programs Disability Management Service (DMS) which is for job seekers with a disability, injury or health condition who need assistance to find employment and occasional support to maintain it and Employment Support Service (ESS) for people with permanent disability who need assistance to gain employment and regular, ongoing support to retain employment.

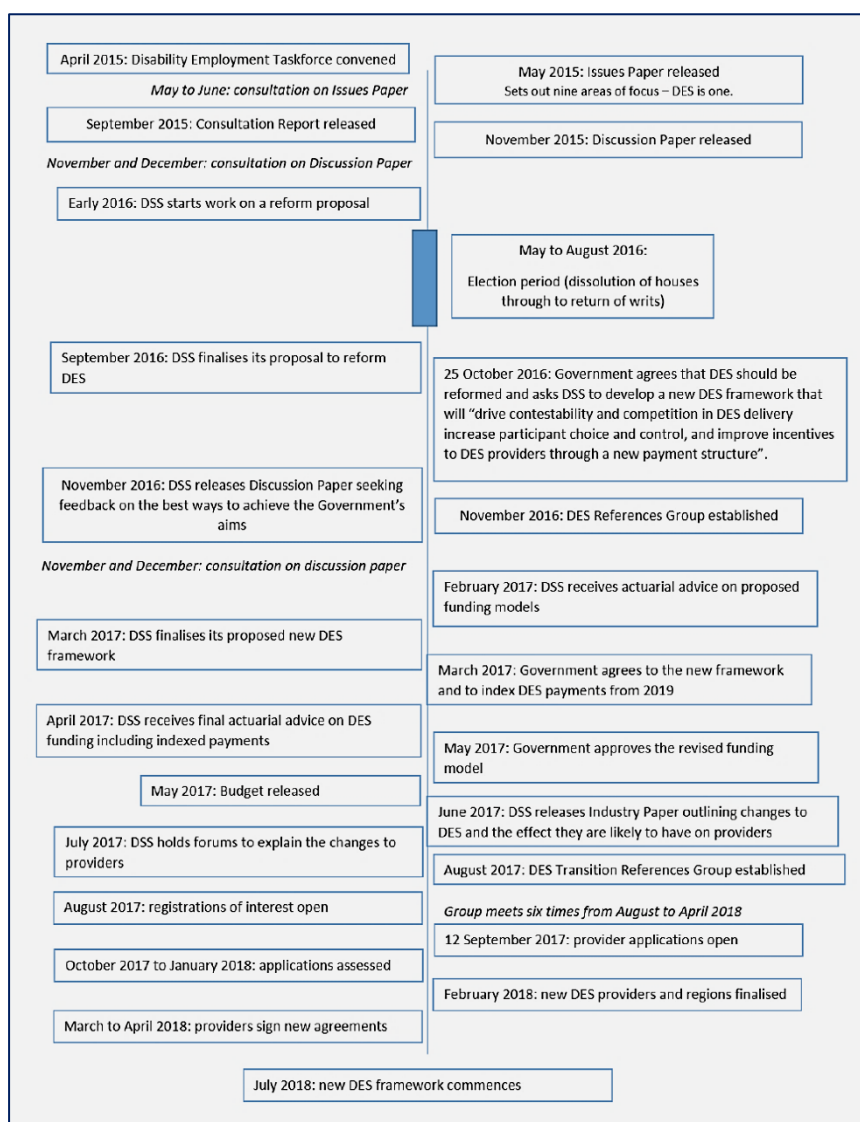
⁵ Zajac, T., Tomaszewski, W., Perales, F., & Xiang, N. (2021). ‘Diverging Labour-market Trajectories of Australian Graduates from Advantaged and Disadvantaged Social Backgrounds: A Longitudinal Analysis of Population-wide Linked Administrative Data’, Life Course Centre Working Paper Series, 2021-21. Institute for Social Science Research, The University of Queensland.

⁶ © Australian Human Rights Commission 2016. Willing to Work: National Inquiry into Employment Discrimination Against Older Australians & Australians with Disability

⁷ DES Monthly Report December 2021, accessed online at LMIP.gov.au

Generalist employment programs also service people with a disability that do not have specialist employment support needs e.g. 27.8% (237,337) of the jobactive caseload are people with a disability⁸.

Specialist disability employment services in Australia were introduced in the 1940's to assist returned soldiers experiencing issues gaining civilian work due to injuries incurred in service. The contemporary DES program is accumulation of reforms with the most recent undertaken by the Government in 2018. 2018 reforms were significant and implemented following an intensive consultation process. As depicted in the graph below by the Auditor-General Report No.45 2019–20 Performance Audit - Management of Agreements for DES; Department of Social Services⁹ the consultation process commenced in early 2015 and concluded in late 2017 involving a number of consultation papers, Disability Employment Taskforce and numerous stakeholder forums.



With the objective of increasing program performance (quality & quantity of outcomes) a range of significant changes to the DES program were introduced with the 2018 reforms. These changes were based on five primary areas of performance drivers identified by the Disability Taskforce and ratified through stakeholder consultation:

- Increasing participant choice and control in the services they need;
- Driving greater competition and contestability in DES;
- Aligning incentives to support better outcomes;
- Improving the gateway and assessment process for DES participants; and
- Assistance in the workplace

⁸ jobactive Caseload Cohorts by Employment Region, Provider and Site December 2021, accessed online at LMIP.gov.au

⁹ The Auditor-General Report No.45 2019–20 Performance Audit - Management of Agreements for DES; Department of Social Services

Disability Employment Support Model 2023 & the Case for Change

While welcoming an opportunity to contribute to the design of disability employment supports, NESAs notes that the consultation paper provides very limited information and lacks context and clarity to support robust discussion of options, benefits or the ramifications of such proposals. NESAs urges that opportunities to discuss ideas and positions put forward in submissions are created to ensure there is sound understanding of the issues and reform proposals.

NESA stresses the need for evidenced based program design to deliver the best possible outcomes to people living with a disability, their families, our community and economy. The proposed implementation of a new model of DES in 2023 will mean a truncated and potentially rushed process lending way to increased risk of adverse outcomes. Major reform of any human service is complex, often costly and disruptive to users and providers, take considerable time to fully implement, and affect the lives of many (sometimes vulnerable) users with overly ambitious reforms and rollout schedules having potential to lead to issues in implementation¹⁰.

A significant risk of progressing reform with timeframe constraints is the inability to allow sufficient time to genuinely engage people living with a disability in meaningful co-design of a new disability employment support model and inform associated reforms to ensure they have a strong voice in shaping the services they receive¹¹. The sector argues that people living with a disability have a right to expect services designed with them and suitable to their needs, ideally with testing and trial to ensure efficacy prior to full rollout. Furthermore, whilst acknowledging the intent to consider feedback by people with a disability, their families, carers, friends, advocacy organisations, peak bodies and service providers to consultations in relation to Australia's Disability Strategy, the National Disability Employment Strategy and Disability Royal Commission into the reform process for DES this is not a substitute for robust consultation specifically focused on disability employment support model design.

Australian employment services are dynamic with a strong history of development and reform being undertaken to improve outcomes. The sector notes the planned implementation of New Employment Services in 2022 follows an extensive consultation, program design and trials enabled by contract extensions of the current jobactive program. However, reform of mainstream services provides little justification for reform of DES, indeed the jobactive reform was preceded by the DES 2018 reforms. Efforts to bolster the capacity of mainstream services to better assist people with a disability are applauded however these services do not diminish the need for or replace the expertise provided by specialist disability employment services. Efficacy of New Employment Services including the Digital Employment Service for people living with a disability assessed as requiring specialist services has not been determined. While the cohorts serviced by jobactive and DES may appear similar via administrative data they are different cohorts with different needs as identified through the 1:1 assessment process. While self management of assistance may be an attractive option for some people with a disability testing and evaluation should be undertaken to ensure efficacy and inform additional functionality requirements of the digital employment services platform.

NESA and the sector acknowledge the ongoing evolution of the operating environment including major policy developments over the past decade. Australia's ageing population; advances in digital technology, increased automation, demand for high level skills and the changing nature of work shaping the broader economy have been evolving for some time. Policy initiatives noted in the current discussion paper were similarly cited in the case for DES 2018 reform, including the National Disability Strategy, Willing to Work Inquiry Report, the Indigenous Advancement Strategy and National Disability Insurance Scheme. The labour market is and continues to evolve with projections from the National Skills Commission reinforcing the ongoing importance of skills and growth sectors.

¹⁰ Productivity Commission, Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services, Inquiry Report

¹¹ Productivity Commission, Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services, Inquiry Report

The potential of COVID-19 driven approaches to minimise the impact of barriers to employment for people with disability is exiting, however it is far too early to project the degree to which these practices will be maintained in the longer term. Furthermore, while more job opportunities are developed the need for employment support to DES participants and employers are not diminished.

NESA and the sector recognise the need for ongoing evolution of disability employment support to ensure they remain relevant to participants, employers and can respond effectively to labour market opportunities/barriers. NESA strongly argues that continuous improvement through iterative evidenced based program enhancements has great potential to achieve improved effectiveness and efficiency of DES while avoiding disruption to service and performance continuity and ultimately leading to greater return on investment.

It is NESA position that iterative program enhancements and where necessary more significant reform should be driven by sound program evaluation with employment impact assessment methodologies considered best practice and championed by experts such as the ILO to deliver credibility and reliability of policy efforts and validity and accountability for outcomes and resource allocations¹². Similar sentiments were expressed by the Human Rights Commission¹³ which noted “in most cases the Inquiry was not able to acquire reliable or objective evidence on whether programs and initiatives had been evaluated, or what the outcomes of evaluation were. Some initiatives in some jurisdictions were able to refer to conclusions of ‘reviews’ but none seemed to be able to provide robust objective evidence to support the conclusions”.

While acknowledging the DES Mid Term Review¹⁴, NESA believes that it is very premature to conclude that DES program effectiveness and efficiency warrant significant reform at this time. The DES Mid-Term Review found that, while the 2018 reforms had some positive results, overall the program was not meeting its objectives efficiently and effectively. The sector contends that the Mid Term Review undertaken over 9 weeks; lacked the rigour of impact assessment. The Review notes that the Department brought forward the scheduled Mid-Term Review (originally planned for December 2020) to provide an earlier assessment of DES program efficacy and efficiency largely driven by acceleration of program expenditure. Program expenditure as a ‘pain point’ is emphasised throughout the Review. It is of note that the Review makes statements about program efficacy quoting negative sentiments about DES including from participants and employers. However, we note that the Review included only 10 employer and 5 participant interviews which is arguably insufficient an basis to confidently arrive at such conclusions.

The Mid-term Review does not appear to have considered the impacts of reform and transition phase on outcome levels noting the comparison to former DES program which was mature having operated for 8 years. While reforms in the longer term may deliver improvements they are most often disruptive to service delivery, users and take considerable time to bed down¹⁵. A new program such as DES 2018 requires time to mature and achieve performance momentum particularly given focus on delivery of 13, 26 and 52 week outcomes. The availability of comparative performance data is instrumental in driving providers’ strategies, performance and promoting competition. Performance data is also essential for effective program administration and addressing providers with unsatisfactory performance, thereby lifting overall program performance. Star Rating data was not available until March 2019 and the performance framework was subsequently disrupted by factors related to the COVID-19 pandemic. The Star Ratings were resumed following revision of the methodology in 2021 which resulted in unsettling shifts in provider performance ratings. NESA notes steady performance improvements since the release of the revised Star Ratings after the completion of the Mid Term Review. The first Performance Reviews for DES with underperforming providers are expected to occur in the first half of 2022.

¹² © International Labour Organization - Reference Guide for Employment Impact Assessment (EIA) Geneva: ILO 2020

¹³ © Australian Human Rights Commission-National Inquiry into Employment Discrimination Against Older Australians and Australians with Disability • 2016

¹⁴ Boston Consulting Group - Mid-term Review of the Disability Employment Services (DES) Program August 2020

¹⁵ Productivity Commission 2017, Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services, Report No. 85, Canberra.

DES 2018 Performance

As was the case for DES 2018, all significant reform processes in employment services involve a level of disruption with decline in outcomes generally experienced during transition and early implementation. DES 2018 has demonstrated strong performance potential as it has moved beyond transition and early implementation phase.

The Department of Social Services measures the extent to which people with a disability are supported to find and maintain employment through DES to demonstrate the effectiveness of the program in achieving its key objective of assisting individuals with injury, disability or a health condition to secure and maintain sustainable open employment. DES has achieved all targets set by DSS for 2020-2021¹⁶

1. At least 40% of job placements sustained to 13 weeks. $\geq 40\%$ Result 44%
2. At least 30% of job placements sustained to 26 weeks. $\geq 30\%$ Result 36%
3. At least 20% of job placements sustained to 52 weeks $\geq 20\%$ Result 21%

In the 42 months of implementation DES 2018 has achieved:

- 170,326 13 week outcomes¹⁷ – in context this represents 54% of the total 13 week outcomes (317,090) achieved by the former DES over the period 2010 to 2018¹⁸
- 131,023 26 week outcomes – in context this represents 53% of the total 26 week outcomes (249,282) achieved by the former DES for period 2010 to 2018
- From July 2018 to December 2021 DES has averaged 4,367 13 week outcomes per month 32% higher than the average of the former DES program of 3,314 per month. Noting the average number of 13 week outcomes per month has risen to 6040 since March 2021
- DES 2018 started to accrue 52 week outcomes from August 2019 with a total of 50,558 as at December 2021 and is now achieving over 2000 per month. By way of comparison the previous model included a 52 week sustainability indicator with a total of 81,411 recorded for DES for the period 2010 to 2018

The performance improvements achieved are particularly noteworthy given the significant impact on labour market conditions resulting from the onset of the National Bushfire Crisis and COVID-19 pandemic. As The New DES 2018 discussion paper acknowledged that “*Overall employment outcomes will always be affected by the state of the economy*”. This performance should provide strong confidence that the DES program has not yet realised its full potential and can continue to make strides as the economy recovers.

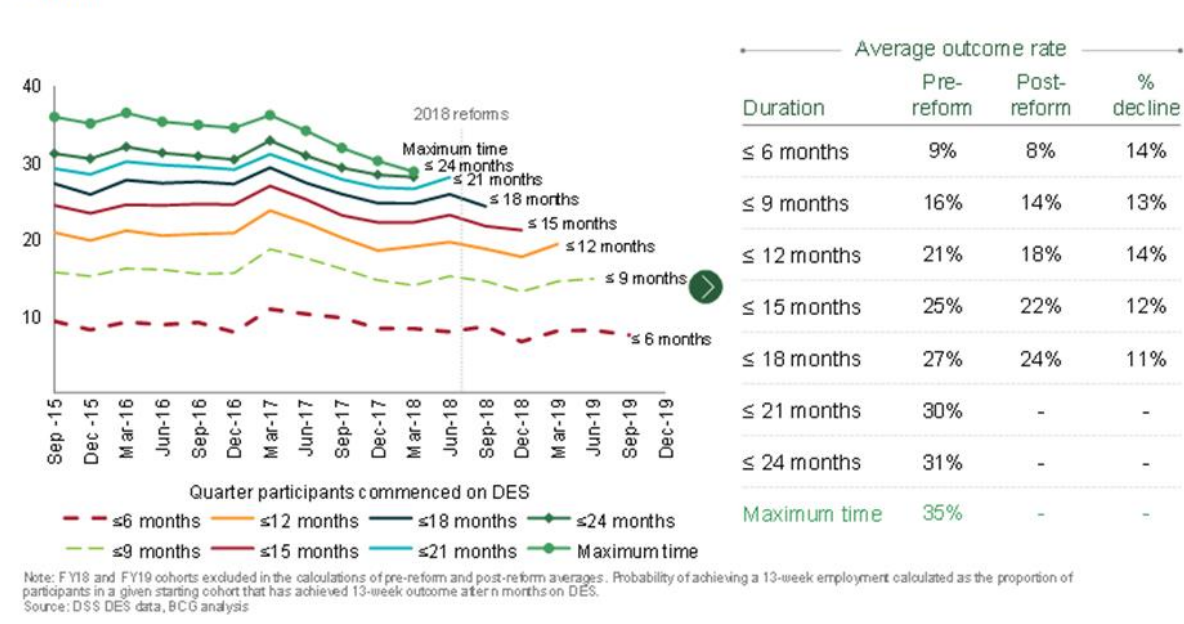
The Mid Term Review focused on the outcome rate noting the number of quarterly 26-week employment outcomes has risen 7.6%, from an average of ~7,595 per quarter pre-reform to 8,171 post-reform. The Mid Term Review concludes that as outcomes had not risen at the same rate as commencements that the probability of a participant finding employment after any given period on the DES program had declined by around 12 - 14 % since the July 2018 reforms. The sector considers and the Review acknowledged that a degree of deterioration in outcome rates is expected with a large increase in caseload as new participants need provider support before outcomes can be achieved and is impacted by broader labour market conditions. The report cited Exhibit 20 which tracks 13 week outcomes by cohort commencement (excluding FY2018 and FY2019) to suggest that caseload increases were not responsible for decline in outcome rates.

¹⁶ Department of Social Services Annual Report, © Commonwealth of Australia (Department of Social Services) 2021

¹⁷ DES Monthly Report - December 2021, accessed LMIP.gov.au

¹⁸ DES Monthly Report – June 2018, accessed LMIP.gov.au

Exhibit 20. Outcomes rates have fallen by between 12 per cent and 14 per cent post-reform



The Review noted the national unemployment rate was flat and did not show any downward trend that could explain the decline in DES employment outcome rates. NESAs could not find any detail of consideration of the impacts of the National Bushfire Crisis which commenced in September 2019 and COVID-19 on placements and conversion of placements to outcomes. At a later point in relation to duration of employment the report observes decline in conversion rate from 13-week to 26-week employment outcomes from 89% for participants starting employment in the June quarter 2018, to 85% starting in the September quarter 2019, but again fails to acknowledge the significant issues impacting the labour market. However, when reflecting on the increase in the DES caseload the report states “While COVID-19 will increase the number of program participants, this effect is expected to be counteracted by an anticipated reduction in expenditure on employment outcome fees, as employment outcome rates reduce in a constrained employment landscape”. The Mid Term Review also stated that “From 2022-23 onwards, cost increases are expected to be driven primarily by higher expenditure on employment outcomes as outcome rates recover to pre-COVID levels”, indicating both impacts on performance and the projected upward trajectory of outcomes.

The Mid Term Review is critical that outcomes had not kept pace with commencements and yet also concluded (without justification) that placements made within the participants first three months of service were indicative of the relative likelihood that some form of employment placement would have been obtained without DES support. Tailoring services and strategies to individual needs is a key component of Disability Employment Support. An internationally recognised best practice for some cohorts is the place and then train on the job approach rather than capacity building first. This practice often includes job customisation and is reliant on providers’ capacity to negotiate and tailor roles to the individual participant strengths with employers and then deliver the required on job support to assist the worker meet productivity expectations. To illustrate, fast placement into tailored roles and on the job development is a feature of the Individual Placement and Support which has demonstrated capacity to significantly improve employment participation for people with severe mental health conditions. Many DES providers note that this very effective approach to disability employment is only possible in DES because of the post placement and ongoing support elements of the program absent in mainstream programs such as jobactive. NESAs considers assumptions such as those about speedy placements do not have a place in robust evaluation; policy and program design decisions such as service eligibility should be based on investigated and validated employment impact assessment research.

A key objective of the 2018 reforms was to increase engagement of eligible people living with a disability in assistance with particular emphasis placed on voluntary participants with assessed work capacity illustrated in the slide below¹⁹.

Eligible Participants not in DES

STATE	Assessed Work Capacity per week				Total
	8-14 hrs	15-22 hrs	23-29 hrs	30+ hrs	
n/a*	302	33	6	21	362
ACT	2,444	85	26	16	2,571
NSW	83,039	3,072	919	921	87,951
NT	3,418	50	19	28	3,515
QLD	48,912	2,213	657	711	52,493
SA	18,512	971	273	217	19,973
TAS	7,090	409	118	104	7,721
VIC	55,864	1,884	515	545	58,808
WA	16,092	872	256	250	17,470
Total	235,673	9,589	2,789	2,813	250,864

*Residential address criterion
Source: DES administrative data

Industry Information Paper

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The DES caseload has increased from 193,000 participants in 2018 to 314,000 at the end of December 2021, representing a significant achievement with an increase of 63%. While the increase in DES participation is consistent with stated objectives of DES 2018, NESA acknowledges the associated expenditure is an issue of concern. The Mid Term Review found the growth in voluntary participants is a direct result of the 2018 reforms. The unanticipated increase in expenditure appears to have arisen due to modelling rather than program design per se with the ANAO noting DES modelling maintained approximately the same expenditure; **despite an expected increase** in the overall caseload as a result of reforms²⁰.

While cost per outcome has risen in the short term, as would be expected, continued performance improvements will see these costs reduce over time. The Review noted the average spend per participant initially declined below pre reform levels then remained largely flat, with a slight recent upward trend to be approximately 1.5% higher in March 2020 than the average cost per participant in the March 2018 quarter pre reform and pre transition period.

While acknowledging the need to achieve value for money and efficient use of resources, the broad returns from investment on employment programs, supports and initiatives to lift the employment participation of people living with disability rather than focus on expenditure levels in isolation need consideration. This view is consistent with the findings of the ANAO which noted that *“given that a significant majority of DES participants receive income support, an increase in DES expenditure may be offset by reductions elsewhere in the social services portfolio. For example, DSS has previously estimated that the Commonwealth may save up to \$270 per person per fortnight for every DES participant who achieves a 26 week employment outcome. DSS should assess the value of offsets associated with the increased DES expenditures”*²¹.

The UK Government together with the International Disability Alliance held a GLOBAL DISABILITY SUMMIT in 2019 at which many countries have pledged commitments to improve the employment participation of people living with a disability. In reviewing progress on implementation of commitments 2 years on they noted “Due to pandemic, we learned, the investments, the budgets of development stakeholders are under a lot of pressure – the budgets are increasingly cut or redirected towards Covid 19 response. The world and the disability rights movement need positive signals that world leaders, the donors and the development stakeholders are committed to stay the course and continue with investment in the rights of persons with disabilities”.

¹⁹ Industry Information Paper – DSS Presentation 2017

²⁰ The Auditor-General Report No.45 2019–20 Performance Audit - Management of Agreements for DES; Department of Social Services

²¹ The Auditor-General Report No.45 2019–20 Performance Audit - Management of Agreements for DES; Department of Social Services

Recommendation

NESA is of the view that DES and all employment support programs need to continuously improve and be enhanced to ensure effectiveness, relevance to participants and labour market needs. NESA argues iterative and evidence based reforms are less disruptive, offer greater continuity and potential improvement to performance than radical reform. Reform processes require intensive resources and investment which we believe are better directed to trial and evaluation to deliver tested program models. NESA recommends

1. DES 2018 model is maintained establishing a continuous improvement approach to DES program enhancements including incorporating trials and iterative enhancements to the program through variation of the Grant Agreement
2. If the Government chooses to proceed with a significant reform agenda, NESA recommends that at minimum current DES contracts are extended by at least 1 year to enable genuine co-design with people with a disability, trials and evaluation prior to proceeding with full implementation.

Suggested Areas of Improvement for Consideration

▪ **Establish Innovation and Best Practice Framework**

Invest in ongoing evaluation to build the evidence base for continuous improvement to the DES model. It is important that co-design, trial, testing and impact evaluation be a core part of building the future framework.

▪ **Assessments**

Effective assessment and streaming processes are critical to high performing and efficient disability employment support models. OECD has found that the timely provision of employment supports reduces scarring effects of duration of unemployment and is particularly for people living with a disability. Research of 6 countries demonstrated that disengagement of as little as six months considerably reduced probability of return to the labour market. Furthermore through provision of the right service at the right time significant reduction in disability benefit claimants has been achieved in countries such as Switzerland by adopting early identification of need and timely delivery of intervention²².

The sector is of the view the increase in movement of job seekers from jobactive to DES is indicative of barriers to achieve access to the right service in the first instance. Providers note a significant proportion of job seekers with disability are streamed into jobactive because they do not have sufficient medical evidence to demonstrate their need for a specialist service. The time taken to gather medical evidence and undergo further assessment increases period of disengagement with many job seekers transitioning from jobactive already long-term unemployed when they reach DES. It is recommended that the assessment process be reviewed to identify opportunities to reduce inefficient streaming and service use and improve connection to the right service on first referral and reduce impost of multiple assessment processes on participants. This will require holistic assessment that considers both strengths and deficits such as a bio-psycho-social assessment to understand multiple influences on work capacity and support needs.

▪ **Maintain emphasis on person centred and individually tailored support**

Review program rules and administrative processes to identify and remove requirements which impinge on the delivery of person centred and individually tailored support including as they relate to mutual obligation settings.

²² OECD Good Jobs for All in a Changing World of Work: The OECD Jobs Strategy, OECD Publishing Paris 2018

- **Funding**

Ensure the DES funding model continues to provide sufficient up front investment to support quality interventions, capacity building and resources to participants according to individual need and labour market relevance. In consultation with providers regarding reform of DES NESAs identified that there is high levels of investment in participant supports and resources such as training, licences, clothing, tools etc. It is highly recommended that providers retain flexibility to invest without the administrative inefficiencies associated with structures such as the Employment Fund in jobactive.

- **Strengthen DES School to Work Transition Support**

Evidence indicates effective school to work transition can improve long term post-school outcomes in education, independent living and employment participation of young people with disability. There is significant potential to increase effective transition support to young students with a disability. The DES program historically offered greater access to students with a disability. The Willing to Work Inquiry supported improvements in school to work transition and recommended a possible option was to reduce restrictions on DES to support school leavers in their final year. School to work transition support targeting tertiary students with a disability may also lift employment participation.

- **Strengthen Career Advancement via Ongoing Support**

People living with a disability want careers not just jobs. Review of Ongoing Support to ensure it enables providers opportunity to work with participants to achieve career advancement will support long term improvement in the quality of work achieved by DES participants as well as strengthening sustainability of employment and mobility in the labour market. This approach will support career laddering approaches which leverage entry level employment experience, building skills in work to achieve pathways to careers. This will require greater flexibility to use Ongoing Support proactively in a strengths focused manner.

- **Establishing Partnership for Quality & Workforce**

Industry led strategies to improve the quality of services, skills and professionalism of the disability employment services workforce has potential to contribute to improved disability employment outcomes and efficiency gains. Industry led strategies should focus on identifying and promoting best practices (local and international) and would be best conducted in partnership and with support of DSS as system stewards. Strategies such as benchlearning practices in Europe have demonstrated effectiveness improving collaboration and lifting quality of support.

- **Integrated, Equitable and Coordinated Strategies**

Improving economic participation of people living with a disability requires a collaborative approach from diverse stakeholders. Ensuring initiatives that support employment participation such as wage subsidies, local employment approaches and employer initiatives are equitable and inclusive would strengthen the employment services framework.

Conclusion

NESA is committed to supporting delivery of effective Disability Employment Support model to assist people with a disability realise their human right to employment participation. NESA urges further consultation and partnership in ownership of the design of services with people with a disability, employers, providers and other stakeholders. NESA is pleased to provide further information about our positions and suggestion on a new disability employment support model.



#weR4jobs

NATIONAL EMPLOYMENT SERVICES

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