**Response to DSS Consultation paper**

***New Disability Employment Support Model***

# EXECUTIVE SUMMARY

**Disability Employment Services** (DES), as the name indicates, is a program that works with participants who have a disability. As such the needs of these participants and the barriers they face vary greatly, but are clearly greater, in most cases, to the needs and barriers faced by participants without a disability.

**Jobactive**, the current open employment program, primarily works with participants without a disability 74%, and people with a disability 26%[[1]](#footnote-2).

The reason for the comparison of DES and jobactive is because there is a growing flow of data that compares the two programs, the recent “Mid-term Review of the Disability Employment Services (DES) Program[[2]](#footnote-3)” by the Boston Consulting Group contained extensive comparisons of the two programs, including an entire Appendix dedicated to the comparison.

DES is not an employment program open to all recipients of income support like jobactive, whilst there may be similarities, that is more likely caused by multiple iterations of the programs and a desire to achieve some alignment with the two programs. This is especially evident regarding mutual obligation and the Targeted Compliance Framework (TCF), but also applies to the Employment Services System (ESS) and the desire to align transactions occurring in ESS with both programs.

It is our belief that comparing the two programs is flawed as they are not the same programs, do not deliver the exact same services or deal with the same cohort.

We understand the need for the Targeted Compliance Framework (TCF), but the application of this should not sit with the DES provider, rather with Services Australia. We have experienced instances of participants transferring to another provider because the TCF has been correctly applied by us, but the participant believes we have punished them, this impacts our ability to build rapport and a relationship with our participants.

The DES 2018 – 2023 program had a number of features welcomed by the industry, one of those in particular has since been removed, the ability for providers to identify and provide services to people with a disability not on income support. We do not believe enough time was allowed to adequately assess the effectiveness of this measure, we found this cohort were even further from the Labour market and generally needed training and/or upskilling to achieve employment. Any future iteration of DES should clearly indicate any timeline intended to assess innovations in the program, this should be based on research and communication with providers so all stakeholders understand the time needed to bed down any new initiatives.

Ongoing support (OS) is unique to the DES program, and we believe an important part of supporting people with a disability to maintain employment in the open labour market, consideration should be given to provide greater flexibility and funding for this part of the service. People with disabilities face a variety of barriers at varying times. Such as episodic events which may require a high level of intervention but once stabilised may reduce to a much lower level. Consideration should be given to a more flexible OS model, rather than a fixed number of contacts, allow the provider to flex up or down as required and base the payment on the service provided. This could still be independently reviewed to ensure value for money for the Commonwealth.

Education has been a contentious issue, it started this contract as having the same financial and Star rating value as employment. In August 2020 education was removed from the Star ratings, providers were subject to audits of existing education placements and felt it became too difficult to place participants into education.

People with a disability need the opportunity to gain skills or upskill to secure employment. Education is an important part of gaining employment for many of our participants. WCIG believes an outcome payment should remain for education, it is important to note that providers pay for this training. Often participants undertake multiple courses to achieve their employment outcome.

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# **Who should be able to access a specialist disability employment** program?

Participants who have a disability which aligns with a specialist provider should be offered the opportunity to access that specialist. There is also the question, should specialist providers have the opportunity to receive referrals of participants who do not meet their specialisation? Generally, we think the existing rule, which is specialists can only receive referrals of participants who meet the speciality is fine and should remain.

We believe the DES program should be available to anyone with a disability who wants to gain employment in the open labour market, unfortunately a well-meaning attempt to achieve this in the 2018-2023 DES program, we believe, was the main reason for the dramatic increase in unbudgeted funding expenditure.

If this cannot be achieved, then any citizen who is receiving income support and has a recorded disability should be provided the opportunity to access DES.

The Australian labour market is changing with casual, part-time work, along with the Gig economy, featuring widely in the employment landscape. Acknowledgement of these roles as genuine employment opportunities should be included in future DES programs. Consideration should also be given to self-employment, especially the reality that earnings usually build over time. Therefore, ensuring alignment with the minimum National wage is difficult with many roles in the gig economy and self-employment, whilst we do not want our participants taken advantage of, consultation with the industry should occur to identify other benchmarks that may meet the requirements of future programs.

Elements of all employment services which are common need to better align, a good example is wage subsidies, NESM have a broader range of wage subsidies than DES, some wage subsidies in NESM are targeted at a specific demographic such as youth, yet youth in DES cannot access this wage subsidy.

There also needs to be acceptance and acknowledgment that some aspects of each program will not align, Ongoing support is an example of this.

One of the 2018 initiatives in DES was to open the program to people with a disability not on income support, it is fair to say that many were quite a distance from the labour market or had never had a job. Whilst well intentioned the cost of this initiative was substantial and the Government has since changed this aspect of DES, this group can no longer access DES.

People with a disability, not on income support, should be able to use their NDIS funding where it relates to employment to purchase DES services. The participant would still be able to choose their provider and even negotiate the employment service they need. There are many ways this may work, and we recommend consultation with all stakeholders to identify the best model. One option may be the NDIS funding pays for the service fee and ongoing support components of DES, but DSS still pay the provider an outcome fee.

# **How can we simplify entry to the disability employment support model?**

If a person receiving income support has a disability recorded on their file, they should be given the option to choose DES, under the current program structure this would require them to undertake an ESAt, primarily to establish benchmark hours. If benchmark hours are retained, we support the application of the ESAt to establish this measure, but consideration should be given to the need for subsequent iterations of the ESAt, removing these would reduce workload for providers and Services Australia.

The assessment process needs to focus on what a person with a disability can do, rather than the existing Benchmarks which are based on the medical model of disability[[3]](#footnote-4). The existing assessment focuses on perceived deficits rather than what a person with a disability can do.

The assessment should put the person at the centre of the model. In doing this consideration should be given to the work type and ability of the person to secure employment in their chosen field, the hours they want to work and barriers they have in gaining employment in their chosen field.

The DES program is the central vehicle to assist and support people with disability on their pathway to a job. No other employment program in Australia achieves the employment outcome rate of DES. There is not a model as well developed and delivering in any like jurisdiction in the world compared to DES. The user centric model, which we support, says the participant is the one who should choose. It is important that the participant can make an informed choice, this means more information should be publicly available to inform their choice.

# **What employment services and supports would most help people with a disability?**

This question may elicit some complex responses, but rather than going to the complexity we believe it can be simplified into 5 stages, understanding the destination, addressing the individuals’ challenges, identifying and assisting them gain the skills needed for employment, securing employment, supporting the individual in that employment. There are some complexities within each stage, but that is because every individual is different, their barriers, skills, abilities and attitude vary, therefore the 5 stages adapt accordingly.

1. **Understanding the destination**

This is the initial stage where we discuss the type of work being sort, options or variations that may be considered. This stage is important in building rapport with the individual.

1. **Addressing the individuals’ challenges**

This is looking at any health issues that may impact the individuals’ ability to work along with adjustments that may be needed to work in the identified field, such as workplace modifications, travel needs, etc.

1. **Identifying and assisting the individual gain the skills needed**

This stage looks at any skills or qualifications needed to secure employment, the discussion with the participant focuses on what must they have and what may enhance their chances of securing employment. The must have options are addressed as a priority.

1. **Securing Employment**

This is where we utilise any employer networks we have, along with any employers identified by the participant. We assist in the application and preparation process. It is important that we allay any concerns the employer may have, generally stage 2 has identified these so we are well prepared in addressing them.

1. **Supporting the individual in their employment**

The amount and frequency of support is going to vary for each individual, that is why the existing Ongoing Support model needs to have greater flexibility. A person with a Moderate Intellectual Disability may need intense on the job support when they begin a job, that support may reduce until the employer introduces a new task where the support will quickly ramp up again until the participant is able to complete the tasks on their own. Another example is where a participant has an episodic event, this may mean intense support for the individual, their colleagues and the employer.

# **What employment services and supports would most help young people?**

Many young people have little or no experience of the labour market. They have also recently left or about to leave the education system. There is a need to take a young person on a journey, where they feel in control, to assist them to understand what generic skills (often known as soft skills) are required to work and what specific skills, training or accreditation is required to work in an industry they have identified.

Where a student with a disability is in their last year of education they should have access to the full DES service, providing the best opportunity to transition from school to work. Consultation with stakeholders should occur to identify the best model, this may include a specialist DES service designed for school leavers.

# **What support do employers need to attract, employ and retain people with disability?**

There is already extensive research available to inform employer needs, two examples of these published in late 2018 were “Mobilising employers to employ people with a disability project”[[4]](#footnote-5) and “Making it easier for Small business to employ people with a disability”[[5]](#footnote-6). Key messages in these and many other reports from around the world are consistent, these are: -

* Employers’ ability to support the person (50% in the Comcare report)
* Workplace culture (53% in the Comcare report)
* No one with a disability has ever applied (67% in the CSBOA report)

Recommendations from these reports should be reviewed and changes embedded into future iterations of DES, WCIG would be keen to engage with DSS and other DES providers to pilot projects designed to inform, streamline and simplify the process for employers.

In the Small Business report (CSBOA) it is important to note that employers reported their greatest awareness was of DES. DSS need to build on the fact that nearly 60% of employers surveyed are aware of DES.

52% of SMEs also reported a higher level of compliance when hiring a person with a disability, payslips and wage subsidy evidence featured highly. DSS have the opportunity of reducing this burden with the sharing of data across Government agencies such as payroll and employment data from the ATO, which could be used to reduce provider administration.

1. **How do we best tailor mutual obligation requirements to increase the likelihood of people withdisability finding work in the future?**

As stated in our introduction WCIG believes the TCF and mutual obligation requirements should be moved to Services Australia. When DES providers apply sanctions, it dramatically impacts the relationship they are building with the participant, this activity should move back to Services Australia, allowing the DES provider to focus on addressing any health issues impacting securing employment and engaging the participant in employment focused activities rather than managing compliance.

Volunteering and Community Work present genuine opportunities for participants to gain skills in their chosen field of work. It provides work like experiences and networking opportunities which may lead to paid employment.

# **How can funding arrangements incentivise good work outcomes**

DES providers have extensive experience in tailoring services to their participants, we believe future programs should focus on allowing providers to customise their service. A reduction in administration and compliance, we believe, would deliver more innovation and improved employment outcomes for participants.

# **How do we drive high quality services and supports?**

WCIG supports the existing model of user choice but do not believe there is enough up to date information for users to make that choice. An examples of this is the inconsistent publication of Star Ratings, in addition there is no other information published to inform participants.

The structure of future DES programs should be based on extensive consultation with stakeholders, as well as evidence from existing research studies, such as those referenced earlier in this paper.

We believe a licensing model is the best option for future iterations of DES, it allows for user choice. Consideration should be given to the removal of restrictions related to Employment Service Areas (ESAs) or Employment Regions (ERs). For example, where a provider is achieving high performance, they may be allowed to expand their service into other regions where there are poor performing providers.

Regarding workforce capability, we invest in a range of training for our staff, such as conflict resolution and cultural awareness. DSS should consider providing some funding to train staff, for example the DES essentials training developed by DEA may be a good option for new staff to DES.

We believe there is a place for specialist providers as they exist in the current market, as stated earlier there may also be a place for specialists regarding assisting youth who are approaching their final year of education. Regarding industry specialists we believe the existing market already adapts to this need, so industry specialists should not be introduced to DES.

# **How do we measure success?**

Success in DES, in simple terms, is increasing workforce participation of people with a disability in the open labour market. DES providers and the Government have a joint role to play here, this includes, but not limited to: -

* More education in the community, addressing perceived concerns and barriers to employing a person with a disability.
* Simplifying the process of employing a person with a disability for employers.
* Consider recommendations made in the COSBOA report referred to earlier, including consultation with business to better understand the information and support they need to be confident in employing people with a disability.
* Provide the opportunity for employers to provide feedback on how their experience could be improved.
1. Jobactive caseload data 30/09/2021 [↑](#footnote-ref-2)
2. [DES Mid-term Review (Draft Final Report) (dss.gov.au)](https://www.dss.gov.au/sites/default/files/documents/05_2021/des-mid-term-review-august-2020-v2.pdf) [↑](#footnote-ref-3)
3. JobAccess 2021, *Eligibility,* Australian Government, <https://www.jobaccess.gov.au/people-with-disability/eligibility> [↑](#footnote-ref-4)
4. [Mobilising employers to employ people with work disability project | Comcare](https://www.comcare.gov.au/safe-healthy-work/research-evidence/research-projects/mobilising-employers-disability-research-project) [↑](#footnote-ref-5)
5. [Employability Project | cosboa](https://www.cosboa.org.au/employability-project) [↑](#footnote-ref-6)