



February 2024

Consultation on disability employment related recommendations

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Preamble

CVGT Employment provide the following response to the webinar attended on 21st February 2024. We have used the slides provided as the header for each section of our response.

Eligibility

The Disability Royal Commission and public consultation on DES reform recommended removal of the minimum 8 hour work capacity requirement.

- If eligibility was extended to include those with an assessed work capacity with support of less than 8 hours a week:
 - What would quality employment look like for this cohort?
 - What would be the key features of a service for this cohort?
 - What kind of expertise would be required in providers to deliver this service?
 - What type of employment incentives or support would be beneficial?
 - Is there the potential for unintended consequences that should be considered?

Our response:

We believe the department should keep 8- bench to ensure meaningful workforce participation however some participants may need to gradually achieve this and start lower than 8 hours per week. A lot of work and support still goes into achieving these “less than 8 hours” jobs, so providers should be appropriately funded for such work.

Perhaps, if the participant only wants and/or is capable of less than 8 hours to begin with, the providers should be paid a percentage of the outcome payments (a Pathway Payment?). E.g. if a participant works 6 hours per week, which is 75% of the 8-hour minimum, the provider would be entitled to 75% of the outcome fees.

If, and when, the participant then increases to 8 or more hours, the provider would receive a 'benchmark bonus', possibly 13 or 26 weeks after the increase. This will incentivise providers to continue working with the participant and employer to increase work capacity, if that is the wish of the participant.

If less than 8 hours becomes an acceptable placement, there needs to be consideration of Supported Wage Scheme rules as currently this can only be accessed by eligible participants if the employment is at least 8 hours per week.

If the 8-hour minimum remained, there needs to be a lot more flexibility around participant's needing time off work due to long illnesses and/or holidays. Providers are currently penalised if a participant goes on holiday or has had multiple weeks of reduced hours due to illness or other circumstances, as these fall outside Permissible break guidelines.

An alternative to the above mentioned "Pathway Payment" is that providers are entitled to full outcomes once the participant achieves a defined number of hours worked in total, regardless of how long that takes to achieve. This was the model used in the DEN contract and worked very well. E.g. 26-week outcome was paid once 208 hours paid work was achieved, regardless of how long post the 26-week employment start date that was.

Eligibility

The Disability Royal Commission considers that all people with disability should have the opportunity to work in open employment.

- If the 2 year limit on DES participation is removed **and/or**
- If the requirement to be in receipt of an income support payment is removed?
 - What benefits would these arrangements bring to participant services and reduced administration?
 - Are there any unintended consequences, for whom, and why is this important?

Our response:

Re: 2-year limit

Reduction in administration due to not having to re-register via Direct Registration process, arranging and waiting for ESAt, initial/commencement documents re-done etc. for those the provider wishes to continue working with. This would be much more streamlined and efficient for participants and providers.

Unintended consequences would be that participants with no intention or desire to work (compelled via MO to be with service) would be with the same provider for unlimited time, with no official review of most appropriate service.

CVGT Employment recommend that:

- Only voluntary participants have “time-unlimited option.”
- Reset the program clock when participants with MO transfer to a new provider. The current system of the clock continuing to run causes increased unnecessary admin. E.g. participant could transfer with only 1-2 months left of 2-year program time, so the participant and new provider are forced to go through onerous and unnecessary admin as described above just to be able to have a realistic and reasonable time frame to work with this participant.

Re: Income support recipient eligibility

We strongly recommend this eligibility requirement is removed. A vast number of people with disability are not in receipt of income support or NDIS because they either do not want it or financially do not need it. This does not mean they do not need or deserve assistance to find employment.

The only unintended consequences are the ones currently occurring; there are numerous participants who are applying for an income support payment (Youth Allowance, Jobseeker etc.) just to qualify to receive

DES support, when they otherwise would not have. This is potentially costing Government more than if they had just been eligible to access to DES without being in receipt of income support. Conversely there are people with disability being unfairly refused support or assistance because they do not want or need income support payments or NDIS funding. This limits the potential workforce participation rates of people with disability.

Service structure

The recent reviews included recommendations with themes of program simplification and less administration, while retaining customised, cohort specific services.

- If the Disability Management Service (DMS) and Employment Service Support (ESS) were combined into a single service with funding levels catered to differences in service and support needs:
 - Would this simplify the program design and reduce administration?
 - Would this have any unintended consequences, for whom and why is that important?

Our response:

Creating just one DES program would simplify the service from an operational perspective and reduce admin and program complexity.

As long as funding levels were fairly and reasonably allocated based on barriers caused by disability and intensity of support and assistance required, rather than the current allocation of funding which appears to be based on ensuring providers focus on those with MO requirements that Government would like to see off income support payments as soon as possible, and discriminates against those on DSP/NDIS/Voluntary participants who clearly have the most intensive support needs and barriers, given they have qualified for DSP/NDIS in the first instance.

Service structure (continued)

The recent reviews have recommended that employment services be more flexible and tailored, with support differentiated according to individual need and circumstances.

- If, *in addition* to the current full service offer, a more flexible service option was proposed for some participants.
 - Which participants might be suitable for this type of service offer?
 - Volunteers with or without temporary exemptions?
 - Participants with circumstances limiting their capacity?
 - Participants engaged in partial work, non-vocational activities or education or who want to remain connected?
 - What benefits would this bring to participant services and reduced administration?
 - Are there any unintended consequences, for whom, and why is this important?

Our response:

The current DES contract has been fully designed around participants with Mutual Obligations and ensuring their compliance with participation. Voluntary participants (those whom Disability employment program was originally created to assist) have been ignored and disregarded in this contract's design. The Job Plan Guidelines, for example, mentions participants without Mutual Obligations (permanently voluntary) in one short paragraph in the 25-page document.

DES desperately needs to be more flexible to enable providers to cater for participant's individual needs and circumstances, especially those that have voluntarily sought the support of a DES provider.

The reduction in unnecessary and unhelpful administrative/compliance requirements is essential in ensuring that providers can spend the time doing what is needed and what is required to assist the participant and employers.

People who are in receipt of DSP or NDIS should not have to "re-prove" their disability and eligibility for DES via an ESAT. It is simply time-consuming red tape.

Similar to Eligible School Leaver, Work Assist, etc. registrations that do not require an ESAT to access DES, participants in receipt of DSP or NDIS funding, should by-pass the ESAT requirement and should be assigned the higher funding levels based on the fact the severity of their disability has already qualified them for DSP/NDIS.

Mutual obligations

The Select Committee on Workforce Australia called for greater flexibility and tailoring of mutual obligations, with a focus on participating meaningfully in services.

- If it was possible to simplify requirements so participants meet their obligations by engaging effectively with a provider in preparing for, seeking and undertaking employment:
 - What benefits would this bring to participants and administration?
 - Are there any unintended consequences, for whom and why is that important?
- Would the option to move to specific requirements – similar to current arrangements – be appropriate where a participant wasn't engaging effectively?

Our response:

Participation in DES should be the requirement for meeting Mutual Obligations in itself. The reduction in administration would be immense which would only serve to benefit the participant by allowing staff more time to productively assist and support the participant and undertake actual quality servicing.

There is a risk of the cohort of participants that are compelled to be linked with a DES (due to MO) and may appear to have no willingness to work, that they will use DES as an easy way to maintain income support payments without compliance action. However, if there was a means for movement of these particular participants, this would rectify these instances. E.g. If a participant with MO was not effectively engaging after a set number of warnings, could be transferred to a new DES provider. If the disengagement and warning process occurred again, they would be moved to WFA for servicing.

The option to move to specific (similar to current) requirements for participants that aren't effectively engaging would create an overly complex and administratively burdensome program. DES providers should never be responsible for applying a compliance framework against participants, and similarly should not be able to be used as a resting place by participants with no desire or willingness to work.

Ongoing support

The Disability Royal Commission recommended that arrangements facilitate flexible employment supports, and support progress to long-term employment outcomes.

- If Work Assist focussed on immediate access to support service fees, and with less emphasis on outcome payments:
 - What benefits would this bring to participant service and reduced administration?
 - Are there any unintended consequences, for whom, and why is this important?

Our response:

The current Work Assist eligibility requirements effectively mean that a provider's ex-participant cannot access support from their previous provider as their role is considered "Recurring Employment" because the same placement has previously had outcomes claimed against it by the original provider. Yet the participant can access Work Assist at a different DES provider (that they have no previous relationship/rapport/trust with and who do not know their employer etc.) without issue. DES providers would much rather forgo a Work Assist outcome claim to be able to assist a previous participant and employer that they have an established relationship within the past.

Post 52 weeks of post-placement support, Ongoing support should be delivered on a fee-for-service basis. The participants and their employers are then provided support whenever it is required at an intensity level that is required, not against any prescribed contact schedule or simply to meet compliance requirements. The support provided should be made up of at least 80% on-the-job/face-to-face support (exceptions for Remote services). The participant should be able to easily and immediately access any DES provider they wish for their ongoing support needs. This model of Ongoing Support could then absorb Work Assist Servicing. Ongoing support should also be able to include a participant's desire for a new job and career progression and providers should be remunerated for such efforts. The consequences of not currently providing career progression assistance are that people with disability can end up stuck in the same job, often for decades, with no way to access assistance without resigning from their current employment. While providing career progression assistance is currently possible, providers efforts are in no way incentivised, recognised or rewarded.

The unintended consequences could be providers over-servicing for the purposes of gaining as many fee-for-service payments as possible. The safeguard for this could be that if a threshold of support hours is reached and claimed against a participant within a certain period e.g. 6/12 months, it will automatically trigger an Ongoing Support Assessment to determine that the support provided and claimed has been justified and necessary. If the OSA cannot justify the support that has been claimed, an Assurance audit would be triggered.