



OCTEC Limited  
**Main Administration**  
Old Town Hall Building  
PO Box 1566  
Orange NSW 2800  
Ph: (02) 6362 7973  
Fax: (02) 6361 7217  
Email: [mail@octec.org.au](mailto:mail@octec.org.au)  
Website: [www.octec.org.au](http://www.octec.org.au)

## OCTEC 2024 DES Review Committee Response

On behalf of OCTEC Limited, thank you for the opportunity to provide the following feedback, and for the webinar sessions on 21 and 22 February 2024.

OCTEC provides this feedback in the context of our current program delivery and experience. Our position may alter moving forward, depending on any additional directions and/or Departmental thinking for the program more broadly.

### Eligibility

#### **The DRC 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 supported work capacity of fewer than eight hours per week:*

- *What would quality employment outcomes look like for this cohort?*
- *What would be the key features of quality service for this cohort?*
- *What kind of expertise would be required of providers to deliver this service?*
- *What type of employment incentives or support would be beneficial?*
- *Is there any potential for unintended consequences that should be considered?*

As highlighted by the DRC, a customised employment approach begins with a DES participant working with a provider who views this approach as collaborative, allowing for flexibilities, personalisation and the meeting of individual needs. OCTEC agrees this is the approach all participants from the program should be afforded, regardless of an employment benchmark. However, as attested in the case studies, not all providers are offering this level of service.

Currently performance targets/measurements drive the behaviour of providers as they seek to achieve outcomes for all participants. This approach provides a tool to ascertain if a provider is good at maintaining participants in employment (without necessarily considering the overall quality of a service). This model doesn't support a customised employment approach in the short-term.

In terms of eligibility being extended to participants with a work capacity of fewer than eight hours, it does raise the use of specialist providers for this cohort:

Services Australia working closely with the individual and their families/advocates to determine a work capacity.

- A DES initial appointment.
- A Job Readiness phase - preparing for the workforce/helping to improve job readiness, goal setting aligned with participants' strengths and aspirations, providing facilities, training or work experience.

- Providers working with employers for Open Employment vacancies for this cohort based on the determined work capacity - working with prospective employers to match participant skills to employer needs.
- A Post Placement Support/Ongoing Support phase.
- Post placement support may need to include longer Permissible break periods - greater than the current 28 days.
- Outcomes may need to focus on sustainability of employment over a period, rather than hours based or income reduction based.
- Experienced Employment Consultants who are trained in Mental Health / Cultural Awareness / Trauma Informed / Disability Awareness.
- Experienced Employment Consultants who are capable of working closely with families/advocates to meet participant goals.
- Experienced Employment Consultants who are capable to liaise with ADEs, community organisations and employers.
- Higher level service fees for providers.
- Assistance for employers to cover mentoring/training costs.

There may be unintended consequence of ensuring these participants are capable of working the minimum hours required by each applicable award per shift/week, and in sourcing employers willing to hire participants for less than eight hours per week, based on meeting their business needs. In addition to potentially having a specialist provider for this cohort, the loss of ADEs seems imminent, as these have been acting as a specialist provider, just not as part of DES.

**The DRC 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 reduce administration?*
- *Are there any unintended consequences, for whom, and why is this important?*

Removing the requirement for a participant to be on income support payment would reduce red tape for individuals with a disability that reside in Australia (permanently). This will give all individuals with a disability/health condition/injury an opportunity to receive the support from Disability Employment Services to seek and maintain open employment.

An unintended consequence if the 2-year limit is removed may be restricting participants from moving to a more suitable program; if for example a participant receives significant support and all the assistance a DES provider has to offer over 2 years of servicing with little or no progress in their circumstances, a new program may be more beneficial.

Removing the requirement for a participant to be on income support would provide DES access to a significant number of early school leavers and job seekers with a disability under the age of 25, where their parents are earning above the income threshold. Young people with disabilities, who have no work history before 25, often struggle to compete in the open employment market and at risk of becoming very long-term unemployed.

## **Service Structure**

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

*If the DMS and ESS were combined onto a single service with funding levels catered to differences in service and supports needs:*

- *Would this simplify the program design and reduce administration?*
- *Would this have any unintended consequences, for whom and why is that important?*

OCTEC does not support the combination of DMS and ESS into a single service. We believe this would remove choice and control for participants, who want to be with a provider who best suits their needs, goals and aspirations. The current two programs are unique and different in terms of supports required for each of those cohorts, as well as the interventions required to support an individual's ambitions in the long-term.

An unintended consequence may be that participants being serviced by Workforce Australia, but are by definition eligible for DMS, could remain or be moved to a non-disability service provider in mainstream employment services. These participants do not have choice and control of the service they receive nor the specialist supports funded by disability providers. OCTEC would argue these participants are not being afforded the appropriate servicing and many are just being 'parked' in a program not equipped to overcome their barriers.

Currently, DES providers receive referrals from Workforce Australia providers as they have not been able to move this cohort into employment, which impacts their performance, so they seek to have the participants removed from their caseloads. This type of movement is not always discussed with the participant, and DES providers often need to recommence servicing with an initial assessment. This can lead to disengagement and a disconnect from employment and support pathways.

**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 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?*

OCTEC would argue that the DES program is, by definition, a flexible, tailored and supported service designed to address individual need and circumstance. This is certainly our approach. Different providers bring different business approaches, and this can make a difference in service quality. Differences occur where providers are not-for-profit or for profit; their approach to caseload management; and if staff are given time to engage in a meaningful way with participants, employers and the larger communities where they work.

As a provider that has been involved in this industry for 47 years, OCTEC has experienced many variations in employment services, and we have accumulated a significant bank of knowledge in that time. Our delivery approach is based on personal engagement and relationship development to

ensure each participant receives individualised assistance. Participants are partnered with an OCTEC Career Consultant (CC) from the initial appointment and, wherever possible, this partnership is maintained until they no longer require our services. A smaller consultant to participant ratio enhances our ability to provide individual and tailored services.

Further evidence of our approach comes from our unique, individually-tailored Biz Support packages, where we provide financial and non-financial assistance to employers of OCTEC participants. Since FY 2020, OCTEC has invested more than \$16.9 million, and tens of thousands of staff hours, in the delivery of these Biz Support packages, including post-placement mentoring and support leading to improved retention, completions and employer satisfaction.

In terms of the management of volunteers, circumstances limiting capacity and those wanting to stay connected, DES currently has those provisions. Where the administration becomes intense:

- Suspensions
  - The management of those participants as they come off and go back on suspension (is DES the right program for long-term suspensions?)
  - Requirements to result or reschedule appointments in ESSWeb
  - Need to complete file notes as evidence of what service was provided/actioned
  - Many participants choose not to engage, and use suspensions as an approved tool to do so.
  
- Voluntary participants
  - The need to be on income support limits a provider's ability to work with genuine volunteers
  - Volunteers receiving income support come in and out of the program, depending on their circumstances at the time
    - Requirement to result or reschedule appointments in ESSWeb
    - Need to complete file notes as evidence of what service was provided/actioned
    - Many know their rights; that they do not need to engage if they choose not to; and providers need to consider exiting them from the program.
  
- Partial Work
  - Many in this category are working but not at their benchmark and DES's role is to support them to be able to fully engage at this assessed level.
    - The management of those participants means they are still required to look for work and attend appointments
    - Providers are required to result or reschedule appointments in ESSWeb
    - Providers are required to complete file notes as evidence of what service was provided/actioned
    - Many participants choosing not to work or declare additional hours to meet their benchmark are advising that they fear losing additional Services Australia benefits such as Health Care Cards, Social Housing and/or a reduction in income support payments.

### **Mutual Obligations**

**The Select Committee on Workforce Australia called for greater flexibility and tailoring of MO, 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?*
- *Would this have 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?*

The Select Committee on Workforce Australia makes reference to the Points Based Activation System (PBAS) as this is the mechanism that this program uses to manage Mutual Obligation. In addition to PBAS, the most recent figures discussed and provided as part of Education and Employment Legislative Committee 14 February 2024 Estimates, confirmed that 62.7 percent of Indigenous, 61.1 percent of homeless, 46 percent of mental health and 33.2 percent of CALD participants are being suspended from service. This type of MO management is clearly not working for some of the most disadvantaged who are also represented in DES caseloads.

OCTEC maintains that participants already engage with choice and control. The way the Targeted Compliance Framework (TCF) is set and managed for DES does enable participants the flexibility to engage and participate meaningfully in service alongside their ability to meet their obligations (these obligations are a key aspect of assisting participants into employment). We believe that moving to a PBAS style system would see the most vulnerable participants at increased risk of suspensions and disengagement due to the system's complexity. For a number of participants currently being serviced in DES, their consultant can sometimes be their only contact with people on a regular basis.

### **Ongoing Support**

**The DRC 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?*

OCTEC acknowledges that Work Assist (WA) offers immediate access to support service fees. The issue is that providers need to provide participant support (including PPS) until at least the achievement of a 26-week outcome. If for any reason the participant leaves employment, the provider is no longer eligible for an outcome fee and they can't recoup the administrative costs associated with the support they have provided, even when this support may assist the participant on their employment journey.

If a provider is working with staff KPIs, as many do, WA is less emphasised due the outcome only being available at 26 weeks. In terms of an approach to the administration and financial gaps that exist in WA currently, there could be use of flexible payments over the period a provider is tracking towards an outcome (an example is how Flexible OS is claimed – as support is provided).

If managed service payments were introduced, it may increase the use of WA as this part of the program is underutilised and not greatly promoted as an option for employer or participants as they are already working, so employers and employees do not look for this support from a DES provider – a DES provider would not be the first consideration for a staff member not meeting the essential requirements of their job.

A possible unintended consequence (if the eligibility requirement to be in receipt of income support was removed) is that there would be no reason for WA at all as providers could wait until the

employment had ceased and commence the participant new (new period of service, new commencement) and have all the financial supports (service fees and outcomes) made available from commencement.