

DES Reforms Consultation
Department of Social Services

Re: Submission on recent recommendations relating to Disability Employment Services

To Whom It May Concern

WISE Employment presents the following submission for consideration in the Australian Government's 2024 consultation on recommendations for DES reforms arising from previous consultation and recent reviews.

Kind Regards



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CEO – WISE Employment
27/02/24

WISE Employment

empowerment through employment

Response to the

Consultation into DES Reforms

WISE Employment Ltd | February 2024

WISE Employment Ltd acknowledges the Traditional Custodians of Country throughout Australia and recognise their connection to land, waters, community and culture. We pay our respect to Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples.

WISE Employment
Response to the Consultation into DES Reforms 2024

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About WISE Employment

WISE Employment is an Australian not-for-profit employment services provider established in 1992 to assist people with disability and from disadvantage into employment. For 30+ years, WISE has empowered job seekers to take control of their employment journey and find meaningful work.

WISE Employment is one of Australia's leading not-for-profit providers of employment supports to people with disability, through its delivery of Disability Employment Services (DES) in communities across all States and Territories (except WA and ACT) and NDIS employment supports as well as specialised programs in mental health (WISE Ways to Work) and for tertiary students with disability (GradWISE) in multiple universities across Australia. WISE also delivers Workforce Australia (WFA) services in Sydney, Melbourne, Adelaide and Perth, including to a high proportion of job seekers with a disability. WISE's social enterprises, Clean Force Property Services (since 2001 in Victoria and New South Wales), Equity Labour Services (ELS, since 1999 in Tasmania) and PepperGreen Farm (Bendigo) support a workforce of more than 400 people with disability or from disadvantage in open and supported employment with commercial contracts with not-for-profit, corporate and government clients.

WISE has been operating for 31 years, and at any time helps more than 40,000 people across Australia to seek and secure work. We provide job opportunities for many Australians who would be otherwise marginalised in the labour market, including people with a disability or with mental illness and others from disadvantaged backgrounds. Our services cater for people of all ages, from youth to mature-aged, and from diverse cohorts such as culturally and linguistically diverse, Indigenous, long-term unemployed, ex-offenders, principal carers and those from the LGBTIQ+ community.

WISE's vision is to inspire, transform and enable people to realise their potential, and strives to achieve diversity and inclusion across Australian workplaces every day.

General comments

WISE Employment supports the proposals presented by this reform paper. These proposals are in line with WISE's view of a Disability Employment Service that would be accessible to all people with a disability who are seeking support to meet goals in the labour market through employment, education and skills acquisition.

Our submission addresses each individual question in more detail, with a summary of our feedback below.

Eligibility

- WISE supports any measures to further extend Disability Employment Services supports to more people with disability who seek them while allowing these supports to be individually tailored and maintaining participants' choice and control of them.
- Quality employment should be defined by how well it meets an individual's ongoing employment needs and goals.

Service Structure

- The consolidation of DMS and ESS into a single DES program would represent significant savings for providers and government in administration costs as well as present a universal service offering to people with disability.

- An additional flexible service offering would further expand the service to meet the needs of more people with disability, accommodating individual circumstances.

Mutual Obligation

- Simplifying requirements would shift the focus to be more on the benefits to an individual of accessing the service and a more collaborative provider/participant relationship.

Ongoing Support

- The merging of Ongoing Support and Work Assist is welcome and WISE proposes further expanding the offerings of Work Assist and Ongoing Support to support people with disability to further develop their work capacity, skills and career paths.
- To ensure Work Assist meets its potential, if it is merged with Ongoing Support it will need to be better promoted to employers and Industry.

1. Eligibility

Eligibility extended to those with an assessed work capacity with support of less than 8 hours a week

WISE Employment supports this measure as a further step to extending Disability Employment Services to all people with disability who require and seek support to participate in the labour market through employment, education and skills acquisition.

What would quality employment look like for this cohort?

Quality employment for this cohort of 8-hours or less capacity, (or who are uncertain in their capacity) would align with the individual's self-identified career goals, work preferences and individual capacity whether in part-time open employment, an internship, starting a micro-business or other form of employment that aligns with their interests and choices.

Quality employment should also be framed in terms of an individual's goals. WISE research with the Centre of Research Excellence in Disability and Health entitled *The Impact of Part Time Work for People with Disability* (2022) emphasised that for some individuals with assessed low capacity, finding part time work matching their capacity limits may be their goal, however, for others seeking part-time work can be a route to full-time work and they may require further support to achieve this. There was an important distinction made between those who would seek part time work as a gateway to eventual full-time work and those who have capacity limitations that mean that full time work is not possible.

What would be the key features of a service for this cohort?

A service for this cohort would include employment assistance (e.g. capacity building, job search assistance and employer advocacy), job placement and post-placement/in-work support with varying levels of intensity based on the individual needs of participants and local labour market conditions.

The service would also reward individual capacity building as an outcome, recognising that greater effort may be required to prepare participants in this cohort for employment.

Collaboration and streamlined processes between programs would also be a feature e.g. DES Employment Consultants and NDIS Support Workers cooperating to provide supports; one eligibility assessment only for participants to access relevant programs such as DES and NDIS employment supports.

There needs to be clear guidance from Government and robust understanding in the sector of the overlaps and distinctions between the roles of DES and NDIS supports such as those funded under Finding and Keeping a Job and School Leaver Employment Supports (SLES) to ensure that participants receive streamlined, integrated services.

What kind of expertise would be required in providers to deliver this service?

Existing DES providers with proven track records of tailored servicing for people with disabilities at

moderate to higher levels of support to prepare for, find, keep and advance their employment would be well placed to deliver this service.

Providers would need the capability to offer and develop a range of activities and connections with community programs for individual capacity building and person-centred employment services and opportunities.

Understanding of dual servicing of participants e.g. those connected with NDIS, would be important.

Partnerships with employers who are committed to providing participants with customised work opportunities and exposure would also be vital.

What type of employment incentives or support would be beneficial?

Intensive in-work support, mentoring, support coordination, peer support and training and development aligned to individual goals and needs can help participants in this cohort to maintain employment and achieve career progression. Demonstrated connection to community-based specialised services like addiction services, homelessness, mental health, LGBTQ+, and domestic violence services will be key to addressing non-vocational barriers. Ongoing support should be adaptable to the participant's changing needs and provided for as long as they require.

Engagement with this cohort, particularly in regional areas, could be enhanced with supports delivered through hybrid services, with specialists providing triage or case management to determine the most appropriate employment supports for the individual and other whole-of-person needs.

For providers, service, outcome and ongoing support fees would need to be comparable to assisting a person with an 8 hour per week work capacity. Incentives to build work capacity and hours of employment above 8 hours per week for this cohort should be considered in the design of the provider payment structure and performance assessment.

Is there the potential for unintended consequences that should be considered?

The quality of work capacity assessments varies and can be subject to bias resulting in assessments that are too high or too low. This leads to servicing challenges, inadequate resourcing and participant frustration. WISE has suggested previously that assessments (such as ESATs) should always be conducted face-to-face in a timely manner, focus on a person's abilities and take a "whole of person" approach.

There is the potential for provider gaming, carving part-time jobs into smaller components for favourable financial and contract performance. This could be a greater risk in regional and rural areas (with fewer employment opportunities and employers) but equally it may occur in metropolitan areas.

There may be impacts on service delivery and customer satisfaction if DES and employment assistance supports offered under other programs such as the NDIS and Workforce Australia (WFA) are not well-aligned and coordinated, including transition between them e.g. transition to DES from NDIS SLES or transfer to DES of WFA participants with a disability flag.

The overall cost of DES would increase as more people with a disability would be accessing the service and achieving outcomes. However, the benefit would likely be an increased Labour Force Participation rate in Australia for people with a disability which has remained stagnant for the last two decades.

Removal of the 2 year limit on DES participation and/or removal of the requirement to be in receipt of an income support payment

What benefits would these arrangements bring to participant services and reduced administration?

WISE believes any individual 16+ years with a disability irrespective of their circumstances should be able to access tailored disability employment support. WISE is in full support of enabling volunteers to access the service including people not in receipt of income support and extended to full-time students, at a minimum in their final year of study.

Removing the 2 year limit on DES participation would mean participants no longer have to face a complicated process of finding a new provider, re-testing their eligibility or resetting their job search journey. This would provide continuity in service provision, more certainty about the availability of support for as long as it is required and improved participant choice and control over their services.

Providers would benefit from reduced administration associated with re-completing initial requirements for participants who require further employment assistance beyond the 2 year limit.

Are there any unintended consequences, for whom, and why is this important?

There is the potential for some participants to get stuck with a provider that is not best meeting their needs, experiencing little progress in their employment journey but facing challenges transferring. Processes and strategies to further improve and facilitate participant choice of employment provider including at different stages of their program must continue to be enhanced.

There is the potential for increased movement of participants in and out of the program at various stages of their employment journey which could impact provider resourcing.

2. Service structure

DMS and ESS 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?

WISE Employment is in favour of the suggestion to merge DMS and ESS service streams within a single DES program design. This measure would have efficiency savings in time, efforts and resources for government and providers in contract administration, enable providers to streamline service delivery and reduce confusion for people with disability about the differences between the programs.

Currently for WISE as a provider, if the DMS and ESS were combined this would result in administering 44 contract deeds instead of 87. Similarly, at a National level, combining DMS and ESS

contracts where providers hold both, would reduce the number of contracts to administer from 1,783 to 1,094 (by 38%). This presents clear savings in red tape in areas of procurement, reporting, performance measurement, auditing, and overall contract management, for both providers and government. Additionally, combining these two contract streams would reduce the confusion participants may have of the difference between the two services and strengthen confidence in a single service committed to addressing the employment support needs of all people with a disability.

WISE would also suggest this single combined service of DMS and ESS could also include jobseekers with disabilities who may be currently in Workforce Australia. While national outcome data is not available to show the outcome for jobseekers with disability who are in WFA, based on WISE's data analysis, DES-DMS services offer higher outcomes than WFA for participants with disability – 23.5% compared to 12.2%, respectively.

Would this have any unintended consequences, for whom and why is that important?

WISE believes that a combined single service, delivered by a competent provider, with appropriate funding levels within DES is unlikely to create unintended consequences.

An additional flexible service option 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?*

WISE believes that an additional flexible service option would further expand the service to more people with disability, accommodating their individual circumstances.

This is in line with WISE's view that a future disability employment support program should recognise and support participants on their *employment journey* and across the broad range of biopsychosocial domains that impact each individual differently. The program needs to recognise and respond to individual differences, including disability and how that impacts upon workforce participation. Accordingly, this will vary, requiring flexibility in the program. For example, the impact of episodic mental health problems highlights the need for permissible breaks in employment due to conditions that can be recurring such as anxiety and depression and the need to still be connected to employment support services.

What benefits would this bring to participant services and reduced administration?

An additional flexible service option for the groups mentioned would allow providers to give participants more choice and control on how they are serviced, based on what they need and their circumstances. The flexibility would mean rather than adhering to a prescribed number of appointments or activities, there would be more negotiation on what services are required, when and how they are best delivered e.g. face-to-face, hybrid, online.

Hybrid services with specialists providing triage or case management to determine the most appropriate employment supports for the individual and other whole-of-person needs, especially in regional and rural areas, should be considered.

While this may reduce administration, it's important to recognise that more flexible servicing does not imply less servicing but better focused servicing.

Are there any unintended consequences, for whom, and why is this important?

An unintended consequence of this could be that DES participants perceived as having more "challenging needs" or exceptional circumstances are "parked" or given less priority in more flexible servicing rather than receiving the specific support and follow-up that they need to achieve their goals. To mitigate this circumstance from arising, mechanisms would need to be inbuilt to the Quality Framework to ensure that participants who receive this flexible service offering remain actively engaged by their providers and are achieving/progressing their goals.

3. Mutual Obligations

Participants able to meet their obligations by engaging effectively with a provider for employment assistance

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?

Simpler mutual obligations tailored to the individual factoring in their needs and circumstances would increase trust in the provider/participant relationship and enable more scope for a "whole of person" approach to participant requirements. The focus would be more on the benefits to an individual of accessing the service and collaboration between provider/participant than meeting requirements that are challenging, unhelpful or meaningless.

Greater emphasis could be placed on employability and work capacity building through engagement in community activities such as voluntary work, work experience, education and skills training or participation in other programs/activities tailored to address individual barriers to employment. It would also cater better to the changing nature of work e.g. gig economy, self-employment.

Providers could more fully incentivise and reward participation and achievement of individual employment pathway milestones. There would also be decreased compliance-related administration (through internal research, WISE estimates this at 60 minutes each day per employment consultant).

Are there any unintended consequences, for whom and why is that important?

A reduction in mutual obligations may act as a disincentive for some participants. This could increase the time spent by providers trying to engage or re-engage these participants. The new requirements must therefore be properly tested, well-defined and understood by all stakeholders.

Would the option to move to specific requirements – similar to current arrangements – be appropriate where a participant wasn't engaging effectively?

Mutual obligations can be weaponised by some providers and staff as a “first resort” instead of a “last resort” regardless of an individual’s circumstances. Oversight by the Department and/or an independent body would be beneficial to ensure participants are receiving fair and just treatment from all providers based on their needs, circumstances and local market conditions.

WISE has previously recommended that, where a compliance and enforcement framework is part of an employment services model, it should be solely the responsibility of a government agency such as Services Australia. At the same time, it should be underpinned by effective channels of communication and contact established between providers and Services Australia decision-makers and bolstered by the establishment of an independent adjudicator where judgements can be challenged by participants for independent review.

4. Ongoing support

In Work Assist, immediate access to support service fees with less emphasis on outcome payments

What benefits would this bring to participant service and reduced administration?

WISE supports any proposal that leads to the better connection of participants to services and reduces administration. As a provider, Work Assist represents a small amount of our caseload (0.2%) so in terms of reducing administration this would have minimal effect. However, a further opportunity of this proposal is the expansion of Work Assist services to not only keep people with disability in work who are at risk of losing their jobs but potentially to support them to increase their remuneration, skills and career promotion opportunities. This service should not be limited to the supports participants need to stay in their jobs, but also to the supports they may require to build further capacity and achieve career goals, as well as from a whole of life point of view.

Are there any unintended consequences, for whom, and why is this important?

As a small proportion of providers’ caseload, Work Assist could be viewed as an underutilised support available for people with disability in employment. An unintended consequence of merging it with Ongoing Support could be a further reduction in the utilisation of Work Assist. To mitigate this, WISE suggests increasing the scope of the Work Assist services (as mentioned above) and increased promotion.

In terms of reducing emphasis on outcome payments, where outcomes drive performance this may change provider behaviour leading to overall lower outcome rates (fewer people in jobs) and be contrary to achieving an increase in Labour Force Participation rates and lower unemployment rates for people with a disability.