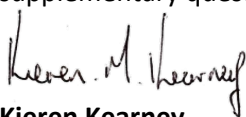


## **DES Reforms**

Workways appreciates the opportunity to make a submission to The Department of Social Services (the Department) in regard to reforming the Disability Employment Services (DES) program, in light of the Disability Royal Commission, NDIS and Workforce Australia Reviews.

Workways is a charitable, community-based organisation established for the principal purpose of promoting the relief of poverty, distress, misfortune, or disability of individuals who suffer from long-term unemployment and other significant social disadvantages by providing programs to assist them to obtain and retain employment. Workways is committed to building and supporting a diverse and inclusive community that reflects the principles of equal opportunity and social justice.

Workways extends the offer to the Department of Social Services to discuss our feedback or answer any supplementary questions.



**Kieren Kearney**  
**Chief Executive Officer**  
**Workways Australia**

## **Eligibility**

Workways believe DES should be a service available to all people identifying as living with disability, and as such, agree with the Department's consideration of extending the service to include those with an assessed work capacity of less than 8 hours per week. Workways believe people of any capacity can contribute to the workplace, to their community and to Australia's economy. As has been acknowledged in many submissions to the Disability Royal Commission, Workforce Australia Select Committee and NDIS Review, by opting not to provide a service to this group results in overlooking their potential and further marginalising individuals.

"Employment can provide people with disability with increased income, and with this, higher living standards and financial independence. Employment can contribute to a sense of identity and self-worth and have positive health impacts for some people with disability" (UNCHR). Increasing eligibility for DES may result in higher caseloads and consequently higher short-term costs for Government. However, Workways believe, that not providing employment support to all people with disability will have far-reaching adverse consequences, and in the long term be more costly to Government and Australian society.

Workways recognise that an unintended consequence may be a significant increase in caseload, which could be a short-term expense for Government. Long term though, intended benefits will include positive impact of having more Australians in employment and contributing to their communities, improving health and social networks, decreasing loneliness, and generally a more inclusive society.

DES has a long history of supporting unemployed people living with disability into sustainable employment, with higher outcome and conversion rates than mainstream employment services. As such, this would be extended to those with a less than 8-hour capacity, providing a highly individualised, person-centred, and flexible service.

Workways believes that whilst the key service features for this cohort would be aligned with current support (tailored, person-centred, flexible, ongoing), it is education and extra support for Employers that will be essential to ensure all people with disability have the opportunity to access employment. Workways believe both the Government and Providers play a role in employer education. Whilst employer incentives such as Wage Subsidies and Ongoing Support are important, Workplace Modifications, Assistive Technology, and Disability Awareness Training are generally more practical and have a long-lasting impact on employers and industry.

People living with disability should have access to the same quality job opportunities as all members of society. Workways believe in pay parity, safe work conditions, work-life balance, flexibility. Quality of a job should not depend on how many hours you work.

## **Removing 2 Year Limit**

Workways believes removing the 2-year limit would be beneficial for all participants, especially those with complex needs, waiting on medical interventions (i.e. surgery), participants who need to undertake physical or vocational rehabilitation and/or those who require longer-term support to obtain and maintain employment. It would allow DES providers and participants to focus on long-term goals and provide more comprehensive support. The removal of the 2-year limit, would also reduce administration associated with the current regularity of Employment Services Assessments, for both Services Australia and Providers, and the 76-week review.

If the 2-year limit is removed, Workways recognise that an unintended consequence could include, participants becoming dependent on DES services for an extended period without achieving sustainable employment outcomes, resulting in higher costs for the program and reduced capacity to support new participants. Workways feels that this is highly unlikely for the majority of participants, as it is widely accepted that most people with or without disability want to work. Again, Workways would assert that the unintended consequences of not removing these barriers to the service is a higher price to pay.

## **Service Structure – Combining DMS & ESS**

Workways, in principle, supports this reform. Workways believes that by combining DMS and ESS into a single service could significantly decrease the complexity involved in the management of two separate contracts delivering a similar service, reduces the amount of funding levels, and importantly could increase participants' access to ongoing support.

Combining DMS and ESS into a single service could provide participants better continuity of support. It would enable participants who have conditions that are episodic in nature or deteriorating to stay with the same provider or employment consultant and receive more intensive support when required. This could lead to greater efficiency, reduced duplication of services (when participants move between DMS and ESS), and simplified support of participant's goals and barriers.

Workways is also supportive of ongoing support being available to all participants where appropriate, giving the provider an ability to tailor the support delivered, as participants evolve throughout their journey in the program.

Potential unintended consequences of combining DMS and ESS, could arise if funding levels are not adequately tailored to the different levels in service and support needs. For example, participants with more complex needs may not receive the level of support they require, and they could result in reduced outcomes for participants. It could also lead to increased competition between service providers who prioritise and market to complex needs participants to attract higher funding. This could also increase wait times for low needs participants.

### **Flexible Service Options**

Workways supports a participant's ability to opt-in or out of services as it provides individuals the choice and control of the services they receive. Workways would suggest that people who are not on income support, have temporary exemptions, are engaged in partial work, non-vocational activities, education, and participants with current circumstances limiting their capacity, should all have access to DES if they want access to an employment service. Workways has for quite some time, advocated for all employment services to be easier to temporarily disengage and re-engage, without Services Australia intervention, to ensure a smooth transition between access to services. This also reduces time to service, and provider and Services Australia administration.

Workways don't foresee any major unintended consequences, however we do acknowledge that if a provider has a high proportion of participants who are only sporadically accessing services this could impact viability.

### **Mutual obligation**

Workways whole-heartedly agrees that the current mutual obligation and compliance frameworks need to be completely reformed. As the Workforce Australia Select Committee Final Report states, "Mutual obligations need to move away from a one-size-fits all approach that ties the system up in red tape, drives employers away, and makes people less employable, and must be broadened and tailored to the individual."

Mutual Obligation is now so embedded into Long Term Unemployed Participants they identify with it as 'part of life'. Long Term Unemployed Participants found "(employment service) a punitive and potentially humiliating experience, with many forced to participate in activities that may have little bearing on their employability, under threat of having their support payments suspended or cancelled" (Considine, 2022).

The 2003 Much Obligated study found that "the results of this and other research suggest that the mutual obligation regime is failing the most disadvantaged job seekers" (BSL, 2003) and yet in 2023, mutual obligation has continued to intensify, still without any real data that demonstrates the requirements improve Participants likelihood of gaining employment.

Workways' experience informs our opinion that the Targeted Compliance Framework (TCF) is not an appropriate framework for any employment service, especially DES. Whilst Workways recognise the TCF is "designed to target financial penalties towards only those Participants who persistently commit Mutual Obligation Failures without a Valid Reason or Reasonable Excuse" (dewr.gov.au), Workways believes it only serves to confuse and upset Participants, adds very little value to the delivery of service, creates tension between Provider and Participants, and generates added administration.

Workways believes the principles underpinning Employment Services has drifted away from being focused on helping disadvantaged Australians into employment. Workways recommends a 'back to basics' approach to reduce administration and provide tailored services for Participants, including:

- A simplified Re-Engagement Tool in place of the TCF. Workways feel this would significantly simplify the compliance framework, support Providers to engage Participants in a welcoming and non-threatening environment and decrease administration for Providers.
- Acting on the 2019 Senate Inquiry recommendation: Services Australia should have the responsibility and discretion over penalties.
- Mutual Obligation Requirements be simplified and streamlined. All Mutual Obligation should be a mutually agreed upon task, clearly outlined in a mutually signed plan. This not only creates 'buy-in' from Participants, it gives them agency and choice in their pathway to employment. Compliance would then be centred on their own accountability for reaching their goals.

It is difficult to foresee any unintended benefits when we don't have any detail or modelling of a new mutual obligation service delivery model. However, Workways would suggest that any changes made to provide a streamlined, transparent, person-centred service would be a step in the right direction.

## **Ongoing support**

Workways supports a flexible approach to Ongoing Support, especially in regard to the support that can be provided to those in ongoing support – to better support both participant and employers during their employment. Currently the support that can be provided is too narrow, and often can mean participants or employers do not see the full benefit of the service – resulting in early exits or lack of support in employment.

Workways believe that a service fee/lower outcome fees approach would be appropriate for those on Work Assist. It would result in providers having the resources to provide a quality and thorough service upfront – which would benefit both participant and employer. This could assist participants to access a wider range of support services, including those not traditionally covered by outcome payments, such as training, equipment, and workplace modifications.

By reducing the emphasis on outcome payments, it may reduce the cost of compliance for both participants and providers, allowing resources to be directed toward more productive activities with participants and employers, however Workways believe outcomes are an essential part of the current funding model. Workways feel that a balance needs to be found to ensure outcomes are still seen as an important goal for participants and providers, without putting the pressure on speed to outcome.