



Disability Employment Services Reforms – Consultation on recommendations from recent reviews

Consultation Report

May 2024



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Introduction

The Australian Government has made a commitment that the current Disability Employment Services (DES) program will be replaced by a new specialist disability employment services model — with current contracts in place until 30 June 2025.

The Department of Social Services (the Department) is currently working on the design of the new model. The new model will focus on:

- genuine choice and control for people with disability
- providing flexible support which meets the needs of people with disability
- supporting employers to hire people with disability and ensure their employment is successful; and
- greater integration with other programs and services, such as Workforce Australia and the NDIS.

The new model must be cost effective and sustainable, align with other Commonwealth-funded employment programs, and not duplicate assistance available through other Government-funded disability support programs.

Purpose of the consultation

The purpose of the consultation was to test the sector's views on 4 key areas: eligibility, service structure, mutual obligations and ongoing support.

These key areas of interest align with issues raised in previous consultations and disability employment-related recommendations made by recent reviews including:

- The Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Disability Royal Commission): which investigated how to ensure a more inclusive and just society that supports the independence of people with disability and their rights to live free from harm. Volume 7 of the Final Report specifically focused on inclusive employment servicing and opportunities.
- The Independent Review into the National Disability Insurance Scheme (NDIS Review): which examined the design, operations and sustainability of the NDIS, plus ways to build a more responsive, supportive and sustainable market and workforce.
- The House Select Committee on Workforce Australia Employment Services (Select Committee on Workforce Australia): which inquired on matters related to Workforce Australia and the employment services system more broadly.

The Department would like to thank everyone who participated in this round of consultation, and those who have contributed to previous consultations. Their input will help to ensure the new model achieves meaningful outcomes for people with disability.

Consultation process

The Department undertook a public consultation seeking ideas and feedback between 16 February 2024 and 27 February 2024.

Invitations notifying stakeholders of the consultation were sent to 265 organisations and individuals — encouraging employment and disability service providers; people with disability, their families and carers; disability advocates; and other interested stakeholders to have their say on specific ideas arising from previous consultation and the recent reviews.

The Department facilitated 2 online forums (webinars) on:

- 21 February 2024 at 10:30am (AEDT)
- 22 February 2024 at 1:30pm (AEDT).

A registration form was published on the DSS Engage website to collect personal information about those who were interested in attending a webinar. The form was completed 382 times, capturing 339 unique email addresses. Amongst those who registered, 8% identified as a person with disability. Table 1 outlines the profile of those who registered for the webinars.

Table 1: Registration for webinars by stakeholder type

	Count
Employment services participant	34
Disability service provider, employment service provider or community organisation	246
Peak body or disability advocate	25
Other	32
Total	339

Note: Those registering were able to select more than one stakeholder type.

There were 274 attendees at the webinars (not including Departmental staff). Attendance at the two sessions is captured in Table 2.

Each webinar included an identical presentation and the opportunity for attendees to post questions. The presentation component went for approximately 20 minutes. A recording and copy of the slides and transcript is available on DSS Engage. A copy of questions and answers is also available on DSS Engage.

Some stakeholders raised concern regarding the short notice for the webinars and submitted feedback that this hindered full participation by people with disability and some stakeholder groups, particularly amongst disability and job seeker advocate groups.

Table 2: Attendance at the webinars

	Count
Webinar 1	129
Webinar 2	147
Total	274

Note: Capture of attendees does not consider their in-meeting duration.

The Department received 33 formal submissions, 25 of which the Department was granted permission to make public. These were published on DSS Engage.

Submissions provided valuable insights on the high-level concepts, including practical consequences and possible issues and risks.

Table 3: Submissions received

	Count
Individuals	3
Organisations	30
Total	33

Key Findings

Overall, feedback received during the public consultation was positive. There was broad support for the high-level concepts discussed. Stakeholders also highlighted the potential for unintended consequences, and encouraged consultation throughout the design process.

Most stakeholders:

- Recognised value in extending eligibility to those with a work capacity, with intervention, of less than 8 hours a week, and to volunteers not on income support —some stakeholders proposed the need to open the new program to all people with disability.
- Identified benefits associated with removing the 2-year participation time limit in DES — such as, being able to offer long-term assistance throughout the participant’s pathway to employment, reducing the risk of disengagement amongst participants, and limiting servicing breaks.
- Highlighted the importance of tailored and flexible servicing — but that the program structure, service offer, minimum service standards, performance framework and payment model all needed to enable providers to cater for participant’s individual needs and circumstances.
- Suggested that a flexible service option would be of benefit to those who are largely meeting their mutual obligation or participation requirements through paid work, volunteering or study.
- Recognised the benefits of moving towards a mutual obligation framework focused on meaningful engagement.
- Reaffirmed that Ongoing Support and the supports under Work Assist should continue to be a feature in the new program.
- Noted any administrative reductions and efficiencies in the new model would be welcomed.

There were divergent views regarding the concept of merging the two existing programs — Disability Management Services (DMS) and Employment Service Support (ESS).

The responses indicated there was confusion about the proposed service offerings and proposed changes to mutual obligations — with some noting that more detail was needed on these concepts to be able to provide advice on potential benefits and risks.

Issues for further consideration

Some stakeholders raised concerns they suggested would need to be addressed in order to successfully implement the concepts discussed, including:

- Processes must be in place to ensure that the removal of the time limit for participation in DES does not result in participants remaining in the new program when it is no longer the most appropriate service for them.
- Clearer information would be needed regarding the various employment supports available to people with disability across the employment services ecosystem.

- Better connections between employment services/programs were needed (i.e. Workforce Australia and Self-Employment Assistance).
- Skilled providers must deliver supports to those with lower work capacity, and that there would need to be strong linkages between providers and other disability services for this cohort (i.e. the NDIS and Supported Employment Services).
- Appropriate guidelines for transferring between the servicing offers would be needed, otherwise there may be a risk that “difficult” or “high needs” participants could be “parked” in a flexible service option.
- The new program should recognise that support with work preparation — prior to undertaking job search — is more appropriate for many DES participants.
- Funding for Ongoing Support should move away from minimum contacts — as this leads to either over- or under-servicing.
- Greater awareness of the Work Assist program was needed.
- A model of Ongoing Support that absorbs Work Assist could be expanded to include provider’s offering assistance for career progression, including supporting former DES participants who are looking for a new job — rather than being limited to those at risk of losing their jobs.

Some key themes raised by stakeholders were out-of-scope or related to a level of detail beyond the scope of the current consultation but are important to recognise. These included:

- The interaction of DES with other programs and services including mainstream employment services (Workforce Australia and Transition to Work), NDIS, Supported Employment, the sector supporting those with injury and accident compensation claims to return to work, philanthropic programs (like social enterprises), and education and training.
- Reforms should draw on aspects of other successful programs — domestic or international — that could be adopted as part of the service structure.
- Additional changes could be considered for the assessment and referral process, as a result of changing eligibility criteria — including transferring participants currently in Workforce Australia and reconnection of suspended participants.
- Calls to remove benchmark hours and simply recognise that an individual has a partial capacity to work, as well as move towards a social model of capacity (rather than the current medical model).
- Being aware of the broader recommendations that related to mutual obligations and compliance — for example, the Select Committee on Workforce Australia’s recommendation that there should be a “shared accountability framework” and the introduction of “Participation and Job Plans”.
- Further steps that could be taken to help embed participant choice and control in the service, particularly regarding mutual obligations.

- Support for employers and a large-scale, long-term government awareness campaign around disability employment are needed.
- Calls to increase the rates of income support payments, such as the Disability Support Pension (DSP) and the JobSeeker Payment.
- The need to share evidence and information about successful employment interventions for people with disability.

Discussion topic 1 – Eligibility

There was general support for all concepts being tested that related to eligibility criteria and the removal of the time limit for participation in DES.

The feedback received during this consultation reinforced earlier feedback that all people with disability who need or want employment assistance should be eligible for support under the new program. The proposed changes were viewed as consistent with this principle.

Stakeholders noted practical considerations that may be needed to accommodate the opening up of eligibility to a more diverse group of participants and removing the service time-limit. These considerations generally related to the assessment process, service offer and payment model.

Expanding eligibility by opening the program to more people with disability

The idea to extend the eligibility criteria to include those with a work capacity of less than 8 hours a week was welcomed, with a number of stakeholders noting that they had previously advocated for access to DES for this cohort.

The Centre for Social Impact, for example, stated that this cohort has received very little employment support in the past and the current eligibility criteria discriminate against those with more substantial disabilities.

The idea to extend the eligibility criteria to include people who would meet the general DES-eligibility criteria (as outlined on [JobAccess](#)) but are not on income support was also recognised as being consistent with broader goals for social inclusion and addressing workforce shortages.

A key benefit identified in relation to opening eligibility to people not on income support was that it would reduce red-tape for providers if they could directly register individuals genuinely interested in getting help under DES to seek and maintain open employment.

Stakeholders identified several groups that they thought may benefit from access to DES but would not be eligible under current criteria, in particular:

- young job seekers (under the age of 25) who precluded from receiving income support as their parents are earning above the income threshold
- individuals precluded from receiving benefits as their partner is earning over the threshold or their liquid assets are over the threshold
- full-time students at university or TAFE, particularly those in their final year — noting that this would require a change in the general eligibility criteria; and
- anyone with a NDIS plan — who may not be aware that they could already be eligible.

A theme in the feedback related to expanding eligibility was the need for clear objectives for the service — as this would help to encourage self-referral/ direct registration by a broader cohort. The support sought might be less about finding a job but about building skills and work capacity, and the goal could be to:

- address a non-vocational barrier
- engage in an activity to upskill or build work-related skill sets
- improve literacy
- volunteer; or
- move into open employment.

Stakeholders also suggested that more flexible outcome definitions may be required as current DES outcome payments (based on meeting employment benchmarks or reduction in income support) may be inappropriate or more difficult to enact for these cohorts. One idea was that outcomes could also be based on progress towards employment or goals achieved on the pathway to employment. Other ideas were employment outcomes that better recognise the hours a participant wants to work; acknowledge sustainability of partial employment while building capacity; or allow for a mix of hours in supported and open employment.

A number of practical considerations were posed to ensure this was a positive change for the cohort able to work less than 8 hours a week (particularly those with a NDIS plan) — to limit any negative unintended consequences. For example:

- Participants in this cohort would likely require more resource-intensive support and access to a wider range of activities to address barriers to employment — such as, mentoring, access to training, and access to paid and unpaid work experience.
- Instead of focusing on employment assistance, this cohort may initially need to be in a “job readiness phase” linked to activities that help prepare for the workforce.
- There may be unintended consequences if providers unduly focus on ensuring these participants are capable of working the minimum hours required by each applicable award per shift/week.
- Ongoing support may need to allow for permissible break periods that are greater than the current 28 days. The cohort would also likely need more intensive post-placement support and unlimited ongoing support if in open employment and/or seeking to increase their hours.
- Services would need to be delivered by appropriately skilled providers/ staff that have connections to other human services (for example, health, housing and social services) and expertise in supported employment and NDIS services.
- There may need to be smaller caseload to staff ratios and/or more staff specially trained to support this cohort.

- A comprehensive information campaign would be needed to ensure that this cohort — and NDIS providers and support workers — understand how the new program will support their employment goals, what their participation requirements would be, and interactions with NDIS plans and packages (including distinctions between DES and NDIS supports).
- Communication products should include Easy Read information and videos with Auslan interpreters.
- Education and extra support for employers would be essential to participants being able to find job opportunities. There may be a role for “employment brokers” that are focused on engagement with employers, targeted wage subsidies, and other financial incentives to offer work-experience or work-trials.
- Formalised partnerships should be created between the Department and trusted advocacy organisations with specialist expertise in representing the rights of people with disability.

A number of submissions recognised that an unintended consequence of the eligibility changes may be a significant increase in the caseload, which could lead to higher costs for the new program. In particular, concerns were raised about volunteers being signed up (for service fees) with the provider having no intention of finding them employment. However, some advocated that there would be much greater social costs in not providing employment support.

There were calls to extend eligibility to all job seekers with disability and to transfer existing participants with disability in Workforce Australia Online and Workforce Australia Services to DES.

Several stakeholders noted that there are more people with disability in mainstream services than in DES and that the discussed options were still exclusionary. Jobs Australia, however, was one stakeholder that noted in its submission that if eligibility for DES had to be restricted, then those with more significant disability and/or a greater need for employment support should be prioritised.

There were also queries about whether those that are currently eligible would become ineligible or receive a poorer quality service if eligibility was expanded if, for example, the funding model didn't ensure providers were resourced to meet the demand and increase workload.

No time limit on access to disability employment services

There was general consensus that removing the 2-year time limit on participation in DES would result in improvements for both participants and providers as most who reach this limit reapply and re-enter DES. However, some stakeholders suggested that parameters around suitable checks on progress and/or appropriateness of the service needed to be considered.

Some of the benefits identified by stakeholders included:

- Extending the support period, so that there is longer-term, continuous support, which would:
 - help build effective relationships between participants and providers
 - allow for those close to being job-ready more time to achieve a successful outcome
 - allow providers to support participants with complex needs to address non-vocational barriers, including those waiting on medical interventions and/or undertaking rehabilitation
 - allow for those who require longer-term support to build capacity and progress on their pathway to employment, and
 - improve engagement with employers, who know that supports will be provided for as long as needed.
- Reducing the risk of participants being transferred to a new provider — which can lead to disengagement and participants starting over in their job search.
- Reducing administration associated with the current regularity of exit reviews and Employment Services Assessments (ESAs).

The key concern raised was that there would still need to be reassessment to determine if another program (or management by Services Australia) would be more beneficial. Stakeholders thought that without any reassessment process, some participants could “get stuck” with a provider that is not best placed to meet their needs. An option put forward was that the initial ESA recommend the timeframe for the next assessment.

The feedback also suggested that processes allowing participants to change providers should be maintained. However, stakeholders noted the need for sharp practices to be monitored — particularly movement of “extremely hard to place participants” between Workforce Australia and DES.

Discussion topic 2 – Service structure

Stakeholders recognised the value in trying to streamline the program, reduce administrative burden and allow providers to deliver a person-centred service. However, there were mixed views on whether the proposed changes to service structure were warranted, and if implemented would come at the expense of service quality. Those who supported the changes generally noted that any changes would need to be underpinned by changes to the performance framework and funding model.

Almost all stakeholders noted the importance of tailored and flexible approaches to servicing, with some pointing out how this is already a feature of the current model. Some were keen to engage further on the concept of a flexible service option, as they thought having more detail would help them to identify possible benefits and risks.

Other feedback focused on ways that servicing requirements could be less prescriptive and allow for innovative practices. For example, providers could offer a more flexible service to participants if they were able to offer mixed modes of delivery (i.e. teleconferencing or videoconferencing) and have outreach sites/ mobile consultants.

Simplified program design

Consistent with previous consultations, there were mixed views about whether the two existing sub-programs — DMS and ESS — should be retained or be consolidated into a single program under the new model.

One theme that underpinned the discussion was whether the two programs were delivering a similar service or had unique elements that needed to be retained. A concern was whether the service structure would become “one size fits all” if the programs were merged.

Stakeholder views on the benefits of merging DMS and ESS into a single program included:

- Offering a “universal” service to people with disability, as opposed to one that offers different supports depending on whether the disability is permanent or temporary/ episodic in nature.
- Greater continuity of support, as participants would no longer be at risk of shifting from one DES program to the other following re-assessment.
- Increasing access to ongoing support, as DMS participants are not afforded the same level of ongoing support as ESS participants.
- Simplifying the assessment processes for National Panel of Assessors providers, for both referral to the program and ongoing support, and reducing possible inconsistencies in the referral process (in terms of recommendations for DMS or ESS).
- Decreasing the complexity (and associated administrative burden) involved in the management of two separate contracts.

Risks and concerns raised by stakeholders included:

- Potential for reduced choice and control for participants.
- Possible referral of current DMS participants, or participants who would have been eligible for DMS, into Workforce Australia.
- Loss of customised, cohort specific services — for example, the expertise in vocational rehabilitation found amongst DMS providers.
- Loss of high-performing staff who may have concerns over job insecurity and instability as a result of this change.
- Temporary disruptions to services during transition.
- Not getting the balance of funding right to support those with different levels of service and support needs.

Service offers that embed flexibility and recognise capacity to engage

There was in-principle support for having two streams of service offering — more flexible servicing for those already engaging in other activities or with circumstances that limited their engagement, and more intensive servicing for those who can engage intensively with the provider. That said, some stakeholders were unwilling to endorse this concept without further details on the flexible service option, in particular details about who would determine eligibility, and how the service offers would interact with job search requirements and mutual obligation requirements more generally.

Stakeholders identified several groups who they thought could benefit from the flexible service option, such as:

- people who are not on income support
- NDIS participants who are receiving assistance from multiple disability services
- participants who have temporary exemptions due to their health
- participants who are engaged in partial work, particularly if they want to increase their hours and/or income
- participants who are engaged in non-vocational activities or education and training, particularly if they are still looking for work, and
- any participant whose current circumstances limits their capacity to engage with employment services but who would struggle to get a mutual obligation exemption.

Benefits of the flexible service option identified by stakeholders included:

- A way to maintain connection with the provider, with some noting that for a number of DES participants their appointments can be their only contact with people on a regular basis.
- A way to encourage/ increase workforce participation for more people with disability.
- Opportunities to re-engage suspended participants.
- Making it a smoother transition between access to the service when participants need to temporarily disengage and then re-engage, without Services Australia intervention — in particular for those who have episodic mental health problems.
- Reducing interruptions to servicing, with some noting that temporary exemptions can be in place for up to several months.
- Assisting providers to gain the trust of participants — particularly if participation in a flexible service is on a voluntary basis.
- Enabling a Participation Plan / Job Plan that suits the individual's circumstances rather than having to meet minimum requirements per reporting period.
- Allowing participants the choice to opt-in and access DES services on a less intensive basis rather than having to opt-out by seeking a temporary exemption.

- Formalising providers' ability to individualise a participant's job plan according to their current capacity to engage.
- Greater support for many in partial work who want to be working at or above their assessed capacity level.
- Improved recognition and support for those pursuing non-traditional employment pathways, for example, entrepreneurship and self-employment or those in the casual, part-time and gig-economy labour markets.

Stakeholders noted a range of possible risks and concerns with having two levels of servicing, which included:

- Denying access to intensive servicing amongst those partially meeting their requirements if they want that level of service.
- Whether DES was the right program for those who could be in a flexible service option for an extended period (as well as for those with long-term exemptions from mutual obligations).
- Providers using a flexible service option to "park" participants with more complex barriers to employment, including those who are very long-term unemployed.
- Participants would still need to be able to access mutual obligation exemptions (as an approval tool) to not engage with services.
- The administrative burden associated with managing those wanting to stay connected, as depending on their circumstances providers may need to frequently reschedule appointments and complete additional file notes as evidence of what service was provided/ actioned.
- Impacts on providers' financial viability if there are a high proportion of participants only sporadically accessing services.
- The appropriateness of mutual obligations and expectations to find a job while in a flexible service option, given that these requirements may have not applied if they had sought a temporary exemption.

Discussion topic 3 – Mutual obligations

Stakeholders generally recognised that a move towards meaningful engagement would be consistent with the recommendations of the Select Committee on Workforce Australia, and the feedback reflected that this would be a step in the right direction in ensuring a system that builds relationships between providers and participants.

Some stakeholders withheld judgement as they felt unable to comment without more detail.

Stakeholders made suggestions that were outside of the current mutual obligation framework — which may need to be part of a broader consideration of requirements as applied to all employment services.

Areas of concern raised in relation to the discussed changes to mutual obligations included:

- Risks of misinterpretation by providers that could create inequities amongst participants.
- Specified requirements being used regardless of whether it would be a “justified” response.
- “Rules” being created (either in departmental or provider guidelines and assurance processes) that resulted in ‘arbitrary’ application of the approach or standardisation of Job Plans.
- Participants could be at greater risk of disengagement and/or there might be implications for employment outcomes.

A number of submissions called for the abolition of mutual obligations requirements and/or the Targeted Compliance Framework (TCF), noting these were particularly unsuited to the DES cohort. Other stakeholders noted that total removal of mutual obligations would be problematic. Alternatives were also put forward, for example, the idea that all DES participants could have an initial period without mutual obligation requirements.

Stakeholders also raised concerns about introducing PBAS (Points Based Activation System), something that had been previously suggested, based on the experiences of people in Workforce Australia finding it overly complex and difficult to understand.

Broadening mutual obligations to focus on engagement in the program

Stakeholder reactions to the discussion about broadening mutual obligations included:

- such an approach would be relatively easy for participants to understand
- conveys a focus on the individual and their social and economic goals
- supports flexible servicing for participants
- supports a greater variety of activities and/or wrap-around supports being offered to participants
- reduces administrative burden for providers and participants
- could create a safer environment for frontline staff; and
- could reduce the number of payment suspensions under the TCF.

A key theme of feedback was that participants should have choice and control in terms of agreed tasks to be included in their Job Plan, with greater emphasis placed on building employability and work capacity.

Some stakeholders queried whether mandatory appointments and job search requirements would still form part of mutual obligations – particularly if there would be the option of minimising ongoing job search for those in work (including self-employment) or for those who first needed job preparation support.

One alternative proposed having a mix of ‘core’ mandatory requirements which all individuals would need to undertake to support progression, confidence and skills building or stepping into employment — and then have tailored flexible engagement options on top of those core requirements which would not have mutual obligations attached.

Appropriate responses if a participant is not engaging in the program

Stakeholders noted that creating a service people want to use — that supports most of DES participants who want to find and maintain employment — could make more “specific” mutual obligations redundant.

A theme was that the decision to apply more mandatory/ specified requirements needed to be independent (i.e. not made by the provider) and/or something that could be challenged by participants. This concurs with views made by the Select Committee on Workforce Australia.

Stakeholders who reflected on what the appropriate response should be when a participant is not engaging generally outlined several steps as part of this process. For example:

- The first step would be attempting to understand why a participant is failing to engage and working out the most appropriate response.
- A Capability Assessment could be warranted to ensure specific requirements are implemented appropriately (and without relying on provider discretion). Alternatively, ESAt reassessments could determine if there had been a change in circumstances impacting a participant’s engagement.
- As a next step, there may need to be some form of ‘engagement tool’ (not the TCF) that could be used by providers where participant activation is not working. For example, providers could offer more targeted intervention(s) to address non-engagement. Transfers to a new provider would need to be carefully considered.
- Use of specified requirements should be the last resort.

Some stakeholders felt those that participants who do not engage should be referred/ transferred to another service, or that responsibility for enforcing mutual obligations should be the role of Services Australia.

Discussion topic 4 – Ongoing Support

Stakeholder feedback reaffirmed that support for people with disability in employment should continue to be a core feature in the new model.

Merging Ongoing Support and Work Assist to offer a single stream of support for people in employment was noted by stakeholders as being a good step to simplifying arrangements for providers and ensuring that more participants and employers can get immediate support.

Immediate access to ongoing support fees was generally supported. Alternative payment models put forward included fee-for-service arrangements or service/outcome payments that are paid if the participant continues in employment — with assurance and audit processes confirming that the support provided and claimed has been justified and necessary.

Possible unintended consequences identified by stakeholders included:

- The risk of underutilisation if the two services are merged — the concern being it could lead to a reduction in access by participants as Work Assist supports people who are not currently connected to provider.
- Merging the services could lead to longer duration in Ongoing Support, but this could be a positive outcome with better employer engagement and career progression over time.
- The risk of sharp practices by some providers; however, at least one stakeholder noted this could be managed through a robust assurance process.

A separate theme was that stakeholders thought reforms may not go far enough to address issues with Ongoing Support and Work Assist. The consensus was that support to progress long-term employment outcomes needs to be strengthened. Additionally, more needs to be done to enable flexibility in the support that can be provided to participants and employers. This could be achieved by allowing support to be demand driven — that is, provided whenever it is required at an intensity level that matches the support needed at that point in time (rather than following a prescribed contact schedule). In addition, Work Assist participants should be able to reconnect with their previous DES provider, as they have an established relationship.

There were also calls for continued consultation specifically around ongoing support focused on how to reduce administrative burdens; improve the service quality for participants and employers; and increase awareness of the in-employment assistance available.