



Disability Employment Reforms

Disability Employment Australia Conference

Wednesday, 12 June 2024

Melbourne

Delivered by Mr Julian Hill MP

Good afternoon.

Acknowledgement of Country

I would like to acknowledge the Traditional Owners of the lands on which we meet, the Wurundjeri people. I pay my respects to elders past and present.

VIPs in attendance

- Peter Bacon, CEO of Disability Employment Australia for bringing everyone together for the important conference
- The broad range of experts who are speaking today and tomorrow. I'm acknowledging as a catch-all here, because if I were to list everyone that would take up this whole session.

It's great to be here at the Disability Employment Australia Conference and see so many familiar faces from my previous work on Workforce Australia.

I trust it is an opportunity to have many robust discussions about the much-needed changes to disability employment.

Before I launch in, I just wanted to be clear at the outset that I am speaking today with two quite distinct hats:

1. The initial capacity I was invited to speak in – as a Has-Been, Chair of the now-defunct House of Representatives Workforce Australia Employment Services Committee; and
2. As a member of the Government, on behalf of the Minister for Social Services, my friend and colleague Amanda Rishworth MP.

I'll make a few brief remarks in the first capacity which do not represent Government policy and are made in a personal capacity.

I'll then talk about DES Reforms. You may then be disappointed to know that I'll then stick very closely to a script agreed with the Minister and DSS which lacks overly colourful turns of phrase and speculation. This is for probity reasons, noting that there will be procurement processes not too far away.

Following which we have some time for questions.

Also disappointing to some perhaps, I'm going to invite Kellie Spence, Group Manager Disability Employment DSS to join me for Q&A. As a former public servant myself, I have the highest regard for skilled public servants and thought it would be better we do a double act than have me stonewall matters of detail I may not be fully across or – even worse when thinking of how scary probity advisors can be – make stuff up.

[Workforce Australia Inquiry](#)

I'm not going to try to summarise the inquiry's report. Suffice to say it was a genuine first principles review and also very very very long at 648 pages.

Naturally I commend every page, footnote and appendix to you!

The report was also genuinely aspirational. We understood that not everything we dreamed of and argued for would happen precisely as we proposed, and also that change in most respects would take time given the complexity of the system and quasi-market.

To be clear also, DES was explicitly excluded from our Terms of Reference so was not the focus of the report.

Given actual reform is now underway in DES I think it's more productive we focus today on that than spend too much time on Workforce Australia reforms which is still being considered by the Government.

So as context I'll just note a few key themes and findings from the Workforce Australia Committee Report which overlap or resonate for me in the context of the significant reforms the Government is now embarking on with DES.

- Excessive fragmentation and complexity – WFA is unnecessarily complex and fragmented, for employers and unemployed people. While different issues exist in each system, the need to reduce complexity and administrative red-tape is recognised in the DES reforms I will touch on.
- Active stewardship of the quasi-market – we made the point that Government creates the quasi-market and has to actively steward it. It can't be 'set and forget'. What that looks like will be quite different between DES and Workforce Australia, but from my point of view, there are measures to:
 - o manage market share in DES will be reintroduced, and
 - o ensure a diversity of genuinely specialist providers, providing expertise in working with people with different disabilities.
- Different service models and more individualised support – recognising that clients will have different pathways to meaningful employment and participation, and that the system needs to better recognise this and allow providers to tailor supports.
- Broadened and tailored approach to mutual obligations – to cut red tape and compliance burdens, and repair the relationship between the provider and client. The focus on "meaningful participation" in the DES reforms is welcome and echoes the language used in our report, and complements the initial changes to mutual obligations announced in the Budget to be implemented this year.

- Focus more on demand and employer engagement – better connecting ‘supply’ and ‘demand’ and a greater focus on meeting employers’ needs, which is a feature of the new DES program.
- Quality Quality Quality – I’ll spare you the long rant, but the previous lack of a Quality Framework in DES makes my head hurt. If Governments choose to contract out and marketise human services, then it is critical that Governments articulate a view of what a quality service is, against which services and providers can be measured. It can’t just be what we’ve too often had – a measure of relative performance based on narrow outcome measures and anchored to nothing much else. The Minister deserves enormous credit for demanding and implementing a Quality Framework.
- Service eligibility – while understanding that resources are finite, there is clearly demand and merit in some broadening of eligibility for employment services to people not receiving social security payments. Obviously questions of budget and focus arise but DES reforms are measured and sensible.
- ICT – in modern government ICT realities needs to be considered from Day 1 as part of policy design and reform. As we all know what happens when it’s not ...
- Continuous system learning – what the Disability Employment Centre of Excellence is all about.

That’s all my personal reflections. I will now move onto the DES Reforms.

Moving toward reform of the DES

‘Working Future’ – the Government’s White Paper on Jobs and Opportunities – sets out our vision and objectives for the labour market.

It’s a really seminal piece of work, born of serious intellectual grunt by the Treasurer and colleagues, which recognises the importance of supporting people with disability to find and retain employment.

And the role that our employment services, including disability employment services, play in connecting people to jobs and developing skills and broader work readiness.

Many of you here would have made submissions to the Disability Royal Commission, the Independent Review of the NDIS and the House of Representative Inquiry into Workforce Australia that I chaired.

All of these have made recommendations about improvements to employment services in their final reports, through which we heard the employment system can be overly fragmented and complex.

But we also heard positive stories about disability employment services, as well as the supports offered under JobAccess.

It is these successes that we need to build on in reforming the system.

These findings spotlighted the barriers that many people with disability can face when looking for and maintaining a job.

These barriers contribute to the disproportionately poor employment rates for people with disability in our country.

On the ground feedback, national consultation processes, reference groups, inquiries and significant reports like the Disability Royal Commission have highlighted the need for a system of employment support that is more inclusive, effective, and better meets the needs of people with disability.

Feedback clearly argued for urgent action and has fed into the development of the much-anticipated new specialist disability employment program.

Thank you to everyone here who contributed to these findings, for taking the time to share your views with our government.

That's not just rhetoric – we are personally and collectively committed to ensuring policies and programs are actively shaped by your lived and professional experiences.

Disability employment reform

I know Amanda Rishworth – Minister for Social Services – wanted to be here as disability employment is a huge personal priority of hers.

From day one as Minister, she has made increasing the employment rate for people with disability and lifting the quality of services a priority.

As she says, not just looking to match people with any job, but a job that meets their aspirations. A view that I and other Government MPs share.

We all want to see people with disability have the equal opportunities to gain employment.

This plays such an important role in someone's economic and social inclusion.

And we know that these factors are a vital part of overall health and wellbeing.

Our recent Budget announcements are delivering on this commitment with highly anticipated and important reform within the disability employment space.

Key to this is our new specialist disability employment program to commence from 1 July next year.

Vision for the new program

The new program must put the needs of people with disability at the centre of disability employment service and place employers as key partners at the heart of the new program, not peripheral.

This means greater inclusion and accessibility and a stronger system of disability supports.

The new program is all about lifting the quality of services, improving trust, delivering flexible, personalised support, and building better relationships between providers, employers, and participants alike.

And our Government has committed an additional \$227.6 million in the Budget, bringing total investment to \$5.5 billion over the next 4 years to help more people with disability prepare for and find quality employment.

Simplifying the Program

On a practical level, the program is being simplified and modernised, cutting administrative complexity, upgrading IT systems, and expanding access so more people can benefit.

These changes will contribute to our overall goal of delivering high quality services that meet each individual's unique needs.

We are combining the existing DES Disability Management Service and Employment Support Service into one single program.

Combining these services addresses and should reduce concerns around complexity.

It will enable providers to dedicate more time and energy into building relationships and better understanding the needs of participants and employers – the things that really matter.

Program eligibility and service limit

Eligibility for the program will be expanded to include those who need it most, including people who have a work capacity of under 8 hours a week and those who do not receive an income support payment.

An estimated 15,000 additional people per year will be able to voluntarily access the program's support.

This responds to a key recommendation of the Disability Royal Commission.

Participants will also be able to continue to receive support for as long as they need it, with the removal of the two-year service limit.

This reduces the need for re-assessments and responds to some of the frustrations of participants in needing to 'prove their disability' repeatedly.

ICT uplift

The Government is investing in a modern digital platform and an uplift of ICT systems to improve administrative processes and deliver a better experience for providers and participants.

The ICT improvements will be rolled out in a phased approach, taking into account learnings from the development of Workforce Australia.

This includes ensuring the platform meets whole-of-government accessibility compliance standards for all people with a disability, whether they be participants, employers or staff of providers.

All these changes will streamline the program, ensuring more people will be assisted for longer, and also cut administrative burden.

Service quality

If I had to pick one thing though that I think will make the greatest difference, it would be shifting the program to focus on a quality service culture for participants and employers.

Many of you would know, upon coming to this role, Minister Rishworth was shocked to learn that Disability Employment Service providers were not measured against quality – even though it was a Key Performance Indicator in their contracts. It was a really bizarre situation.

So as an immediate action, she initiated work to develop a new Quality Framework for Disability Employment Services, which was introduced in July last year.

The Framework places the participant first and recognises DES providers must be committed to high-quality service delivery – both for participants and employers. It encourages them to continually drive improvement in their service delivery.

Under the Framework, providers must demonstrate their performance against four quality elements which focus on the quality of service being provided to people with disability and employers.

With the Framework now in place, the Government will be actively monitoring and publicly reporting on the quality of employment services, ensuring transparency and accountability.

The first quality ratings for DES providers will be publicly released later this year.

Individualised support

The new program recognises that everyone's journey to finding meaningful employment is different.

That is why we must support diverse pathways to finding and maintaining employment.

The new disability employment program will offer a more tailored approach so each person can receive individualised support services that better meet their needs, regardless of what stage of their employment journey they find themselves.

Some may be ready for work and open to a more intensive range of services, while others may already be engaging in work, study or non-vocational activities to build their capacity and will benefit from a more flexible service that keeps them connected to the program.

There will be two different levels of service available to reflect these different needs – an intensive service and a flexible service.

Providers will need to understand each participant's individual support needs, goals, and aspirations and will work with each participant to develop a personal job plan.

More tailored supports at a range of intensities, was something called for by both the Government's disability employment consultations and the Inquiry into Workforce Australia. The new program has been informed and designed around these recommendations.

Employer engagement

We cannot achieve better employment outcomes for people with disability without also supporting employers.

Providers will work with employers to build their confidence and capability to employ people with disability and provide ongoing support to employees in their

workplaces. This will include supporting employers to identify job opportunities and ways to create and tailor roles for candidates with disability using inclusive employment practices and focusing on better integration people with disability into their workplace.

This delivers on important components of both the Employment White Paper and the Inquiry into Workforce Australia which found that a persistent criticism of the employment services system is that it focused on the supply of jobseekers but has failed to respond to the demand side of the labour market – employers' needs.

The Disability Employment Centre of Excellence will develop and provide resources to providers to help them support and build the capacity of employers.

Evidence-based strategies combined with a more generous wage subsidy that will pay up to \$10,000 per participant will support employers to build inclusive workplaces where people with disability can thrive and be a highly valued team member.

Disability Employment Centre of Excellence

Now, the expectation is not to do the bare minimum: it is about driving best practice and adopting innovation, and that's what the new Disability Employment Centre of Excellence will do.

The Centre of Excellence will create evidence-based best-practice resources, tools, and training to improve the expertise of providers and support them to deliver quality employment services.

These will benefit not only Disability Employment Services providers, but also employment services delivered by Workforce Australia, the Community Development Program and NDIS providers including Australian Disability Enterprises.

This need for building a better evidence base, sharing good practice, and driving continuous quality improvement was one of the key messages I received during

the Inquiry into Workforce Australia. The Centre of Excellence will work to address this need for disability employment.

The Centre is planned to be established by March next year, and to be in place to support the launch of the new disability employment program in July.

Next steps and conclusion

Providers under the new program will be engaged via an open, competitive procurement process.

A procurement process will set clear service expectations for service providers to achieve with more levers for the Department of Social Services to manage providers who may be underperforming.

The Department intends to publicly release an Exposure Draft of the Request for Tender mid-2024, with the approach to market planned to commence in the last quarter of 2024.

The process will be finalised sufficiently ahead of 1 July 2025, to allow providers to transition to the new program ahead of commencement. We know these reforms have been long anticipated by many. We want to move forward and be getting it right. Maintaining a focus on continuous quality improvement will apply not only to providers but to the program as a whole.

So jointly we can better support people with disability to reach their aspirations and employment goals.

Thank you.