



# Disability Employment Reforms

23 July 2024

## **National Disability Services (NDS) Disability at Work Conference – 23 July 2024**

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### Slide 1 / Title Disability Employment Reform

- Introductions

### Slide 2 / Acknowledgement of Country

- I would like to start by acknowledging the Traditional Custodians of the land on which we meet today and their connections to land, water, culture and community.
- I pay respects to the Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

### Slide 3 / Probity Statement

- The Department is committed to conducting a fair, honest, and transparent process for the design and implementation of the new specialist disability employment program and related services.
- For today's event, this means that:
  - This presentation will be made publicly available on the DSS Engage website.
  - Any views expressed, or information provided, by attendees to this event will be considered, along with the views expressed and information provided by other stakeholders.

## Slide 4 / Overview and Objectives

- I am really pleased that I can be part of this conference on navigating the future of disability employment.
- Minister Rishworth has presented her vision for reform on disability employment, including the program and community changes needed to support an increase in employment opportunities and participation for people with disability.
- To start, I will recap some key changes in the new specialist disability employment program and the rationale for these changes.
- Some of you may have heard some this content before, but it is important that people understand the new program settings and to provide an overview for those who have not yet heard the details of the reforms.
- I will cover some of the changes proposed in our recently released information on the Market Structure which is available on engage dot DSS dot gov dot au and our approach to sharing information and consultation on reform moving forward – whilst maintaining probity.
- I will finish with talking about some of the other programs that will support these reforms along with the Performance Framework and where we are up to with Supported Employment.
- My presentation today is approximately 20 minutes.

## Slide 5 / Summary of program design

- The new program commences from 1 July next year with the aim of improving the employment and career outcomes for people with disability.
- Simplification and a focus on quality tailored servicing has been fundamental to the design thinking.
- We are combining the existing DES Disability Management Service and Employment Support Service into one single program.
- Providers will be expected to design services to meet the unique needs of their participants and will have greater flexibility to do so.
- Providers will be able to leverage evidence from your previous experience, other services as well as the new Disability Employment Centre of Excellence to inform your service model. Or your participants and employers may provide input into new approaches suitable to their needs and the local area.

- A key change with the new program is the expansion of eligibility. This expansion focuses on people with a disability who will benefit most from a specialist service and will mean:
  - People with an assessed future work capacity of less than 8 hours per week will be able to volunteer; and
  - People will not need to receive an income support payment to be eligible for the new program.
- These changes in eligibility are coupled with the 2-year service limit being removed.
- The new program will have two new service offers – an intensive service and a flexible service.
- The intensive service is the core service, targeting all participants who are able – with the right help – to engage intensively in services and activities that will help them prepare for, find and keep a job.
- The flexible service is for participants who are unable to participate more intensively at a point in time. This includes participants who:
  - are engaged in activities that substantially meet their requirements AND/OR
  - have complex and/or multiple barriers to employment that limit their capacity to engage.
- Participants who have a temporary suspension may also volunteer to participate in flexible servicing to remain connected while their temporary exemption runs its course.
- As part of the participant-centric service offer, the provider will consult with the participant before making a decision about whether the flexible service is appropriate and for how long.
- Service fees for participants in the flexible service are lower than the intensive service reflecting the service intensity expected. There is flexibility in how the services will be delivered in each stream however there will be monitoring and assurance on those service levels and the suitability of the stream decision. It will also be considered within the future performance framework.
- The new program will focus on meaningful engagement of participants to help both providers and participants build positive relationships and take a partnership-based approach to goal setting and participation in activities.

- Currently 20 per cent of the caseload are 'volunteers' and this will increase with changes in eligibility. Maintaining engagement will require offering services that participants value. =
- On commencement in the program, the mandatory requirement in the Job Plan will be "participating meaningfully in the program by engaging with the provider to prepare for, seek or maintain employment".
- Participants who aren't engaging meaningfully with the program will have their obligations to participate managed more traditionally and The Targeted Compliance Framework will apply.
- Under the new program, participants will continue to receive support once they find a job or if their current employment is at risk, to create the best chance of sustaining employment.
- The key changes for 'in employment' support are:
  - merging and simplifying ongoing support and the Work Assist program.
  - identifying eligibility for ongoing support after placement in employment, not as part of the program eligibility and Employment Services Assessment.
  - Allowing the National Panel of Assessors to set the timing of support reviews, based on the stability and permanency of the participant's disability - avoiding unnecessary re-assessment.
- Employers will be able to tap into the expertise of providers in order to build confidence and capability to employ people with disability within their business.
- Providers will also need to work closely with employers to identify job opportunities and assist employers to design jobs that are suitable for individual participants.
- The Government will continue to offer a range of employer support services and resources through JobAccess and the Employment Assistance Fund which funds workplace modifications.

## Slide 6 / Market Structure

- We released a paper on market structure and have already received a range of feedback and comments.

- To recap, the Government is seeking to procure a diverse network of providers who offer high quality expert services to participants and employers.
- This will include attracting providers with deep expertise in working with specific cohorts of participants. This is proposed to include specific disability types such as vision or hearing impairments as well as cultural diversity such as First Nations people.
- There will be an expectation of providers to demonstrate leadership in employing people with a disability and engage with participants and employers in the design of their services and for ongoing feedback.
- In addition, there will be changes to support market viability and increase the diversity of choice for participants.
- The new program's market structure will prioritise diversification to further support participant choice and will build a more viable and attractive market to a wider range of providers.
- A significant change that is proposed is that organisations must choose to deliver one type of service and will not be able to apply for a mix of cohort specialist and generalist business. That is, applicants will **only** be able to nominate for specialist services, or for generalist services, at a national and ESA level.
- So, a provider delivering services to all participants in an ESA may not also be a cohort specialist provider.
- **Generalist providers**, who I emphasise are specialists in providing disability employment services themselves – and we may need to consider an alternative name, they will:
  - have market shares allocated. Although a participant will be able to exercise choice of provider at the point of referral or at any time and not be hindered by market share.
  - proposed to be limited to 25 per cent in metropolitan regions, and
  - Generalist providers will also be required to support full market coverage for an ESA.
- **Cohort Specialist providers** will demonstrate a deep and historical expertise in supporting their nominated cohorts.
- They will not be limited to operating within ESA boundaries. Instead, they can operate using a 'hub and spoke' model. This would involve nominating a

primary ESA with a physical full-time site or sites, and demonstrating how services can be delivered to other ESA 'spokes' through outreach sites. It will be important to demonstrate how they will connect to local stakeholders, services and employment opportunities.

- This will be one tender application and one contract to be managed, minimising administrative overheads.
- Cohort specialist providers would also be promoted to new participants who match their specialisation at the point of referral. This will allow people with a particular disability to be matched with a cohort specialist provider who has a deep understanding of their particular challenges and needs. Participants who do not choose a service would be referred to a specialist provider if they match the cohort characteristics and a service is available within their ESA.

## Slide 7 / National Panel of Assessors and Disability Centre for Excellence

- The National Panel of Assessors and Disability Employment Centre of Excellence are two important complementary programs.

### **NPA**

- The National Panel of Assessors (NPA) is a standing panel of assessment service providers who undertake independent assessment services for Ongoing Support, Workplace Modifications Services and the Supported Wage System.
- The role of the NPA continues under the new model, however, as mentioned, NPA providers will now determine whether Ongoing Support is required for any participant in the new program.
- A new panel will be established for 1 July 2025.

### **Centre for Excellence**

- The Centre of Excellence will be an evidence-informed, best-practice hub that provides resources, tools and training to help providers deliver quality employment services and supports to participants with disability and employers to improve disability employment outcomes.
- Specifically, the Centre will collect, translate, and disseminate disability employment related research and evidence of what works into best practice resources, bringing together and using existing resources available both nationally and internationally.

- The Centre will support all providers who help deliver employment outcomes for people with a disability.
- This includes providers of the new specialist disability employment program, Workforce Australia, remote employment services, the National Disability Insurance Scheme and supported employment, including Australian Disability Enterprises.
- We expect the Centre to commence in March 2025, to support the introduction of the new specialist disability employment program from 1 July 2025. A dedicated online hub will be available from September 2025.

### Slide 8 / New Performance Framework (Diagram)

- The new DES Performance Framework commenced on 1 July 2024 to monitor and measure the performance of providers.
- The Performance Framework will assess provider performance against the three Key Performance Indicators of Efficiency (KPI1) Effectiveness (KPI2) and Quality (KPI3) in the current DES Grant agreement through a number of performance measures.
- The new framework replaces all other previously used metrics and measures for provider performance.
- It will be in place until 30 June 2025, and as we head into the new program, the Performance Framework will be the base from which future performance management will evolve in line with the new policy settings. Over the next year we will continue to consult participants and the sector to achieve the program goals and drive continuous improvement in the quality of disability employment services.
- A draft framework was used as a foundation for consultation activities with DES providers, peak bodies, and Disability Representative Organisations (DRO) during April and May 2024.
- The consultations provided some really good constructive feedback around areas of the framework that could be improved. An example of this was concern that a speed to placement metric would have unintended consequences of pushing a work-first approach that did not consider the job fit for an individual or an employer. As a result, this was removed from the performance metrics.



- The Minister released the Performance framework on 10 July. .
- Providers will be given the opportunity to discuss their performance results with the department prior to their public release expected in August. Thank you for providing feedback throughout the development process.

## Slide 9 / Provider Scorecard

- The initial scorecards have been designed to meet the information needs of providers and participants in the first instance.
- A detailed DES Performance scorecard is for providers to get a clear picture of their performance, at a provider level and a contract level.
- These scorecards will be given to providers quarterly. They will include a performance rating for each performance measure and overall rating for each Key Performance Indicator.
- No overall rating for performance will be given in the scorecard.
- The first scorecard, to be released in Aug 2024 will contain the indicative quality rating and ratings for measures similar to previous measures where historical data is available.
- As more data is available for the new measures the scorecards will be updated.

## Slide 10 / Participant Scorecard

- The scorecards will contain information on the provider so a participant has more information to support their choice of provider that suit their needs.
- Information to support participants include the area of service, the service type and any specialisation the provider may have.
- A second page is being developed to provide a more detailed explanation of the scorecard and its purpose.
- We will test the scorecard, including visual representation and language with participants over the coming weeks and months. This is not a set and forget product. We need to ensure this product is relevant and supports participant choice.
- The testing will cover themes like:



- language used, explanations and the look and feel of scorecard
  - Where a participant would look for information on a provider
  - If the participant finds information on a provider's performance useful in decision making, and
  - Any ideas or recommendations on what we could do to improve them.
- To capture a good cross section of participants we would be looking to try and include participants from different backgrounds, differing disability types and from various regional, remote and metro areas.
  - We are looking at the best ways to engage with the broadest range of participants including liaising with DES providers to arrange group feedback sessions with participants.
  - We will then look to translate the scorecard into an easy read version and different languages.

## Slide 11 / Supported Employment

- There is a diversity of views regarding the future of supported employment, especially within the context of the Disability Royal Commission's recommendations on the transition to inclusive employment and the raising of subminimum wages.
- A Government response to the Royal Commission's report can be expected soon.
- However, work is already underway to ensure people with disability have genuine opportunities to work in a wide range of settings and allow supported employment workplaces to better meet community expectations and maintain viability.
- The measures the Government committed to implement (using the \$52.7 million over four years to help strengthen the supported employment sector) are well underway.
- The Structural Adjustment Fund is a key component to enable supported employment services, social enterprises and other eligible organisations to evolve their business models.
- The Fund is being delivered over two grant rounds, with round one projects commencing from June 2024 and round two to be open for applications soon.

- We have also established the Disability Employment Advocacy and Information Program, which will support people with high support needs, their families and carers, with access to advocacy support and information to build their confidence and understanding about their rights and options at work.
- The Advocacy program is being delivered by Inclusion Australia and the Disability Advocacy Network Australia and commenced in May 2024.
- Another Budget initiative underway is the Disability Employment Expos, which will provide people with high support needs, and their families and carers, with information on a range of employment pathways and available support as well as an opportunity to connect with employers. The Expos are being delivered by the Impact Institute, with the first Expo to be held in Brisbane in November 2024 and at least eight expos to be delivered by 30 June 2025.
- All measures were designed in consultation with the sector and align with the guiding principles for the future of supported employment.
- The guiding principles were developed in 2022, in consultation with sector representatives, including people with disability, Australian Disability Enterprise representatives and peak bodies.

### *Survey for transition to SWS*

- As you might be aware, the Fair Work Commission introduced changes to the Supported Employment Services Award (the Award) which removed all productivity-based assessment tools under the Award, with the exception of the Supported Wage System (SWS) with modifications.
- The Fair Work Commission set a period of three years for supported employment services to transition to the new Award from 30 June 2023.
- The department administers Supported Wage System assessments through the National Panel of Assessors program.
- Since the transition period commenced, the department has been monitoring the demand for SWS assessments under the Award.

- We will soon be distributing a survey to seek information regarding expected demand for SWS assessments to allow the department to plan for the remaining transition period to 30 June 2026, and ensure there will be sufficient availability of assessment services. This will allow us to better support a smooth transition for employers to move to the Supported Wage System.

## Slide 12 / Feedback and next steps

- There is more detailed information on the reforms on DSS Engage at [engage dot DSS dot gov dot au](https://engage.dss.gov.au).
- The Department has released the Market Structure paper which has been published on the engage website. We expect to release a paper on the payment model shortly.
- The formal consultation period on the reforms will be when the Exposure Draft of the RFT is released, which is planned to be released shortly.
- The exposure draft will help support your understanding of the new model and will be an important mechanism for providing the department with feedback.
- The RFT is planned for the final quarter of 2024.
- All information will be made available on the website, including this presentation and speaking notes to meet the requirements of probity. I encourage you to keep connected.

## Slide 13/ Questions

- We have time for a few questions before we finish up this session today.
- Thanks everyone for your time today. I apologise i was not able to join you in-person. If you have any further questions and feedback, please email “DES Consultations at [DSS dot gov dot au](mailto:DES@dss.gov.au).
- As always, we welcome your feedback. We are tracking all the comments and questions we receive to inform our further communication and the final design.