



# Disability Employment Reforms

30 July 2024

## Disability Employment Reforms National Employment Services Association (NESA)

### The Park Royal Melbourne Airport

30 July 2024, 10.00 to 11.00am

## Slide 1: Introduction

- Ms Kellie Spence, Group Manager, Disability Employment, Department of Social Services (DSS)

## 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 4: 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 Department's website and 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 3: Overview

- To start, I will recap some key changes in the new specialist disability employment program for those who may have missed previous meetings.
- I will cover some of the changes proposed in our recently released information on the Market Structure paper 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 and where we are up to with Supported Employment.

## Slide 5: Summary of the new program design

- The new program commences from 1 July next year.
- 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 or your participants and employers feedback to inform service delivery.
- 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 with monitoring and assurance on those service levels and the suitability of the stream decision.
- 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.

- 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.
- 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 supporting multiple cohorts of PWD 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 are specialists in disability employment to multiple cohorts. It is just as important in delivering high quality services to PWD and employers as specialists.
  - 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 be essential 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.
- Cohort specialist providers would also be promoted to new participants who match their specialisation at the point of referral.

## Slide 7: National Panel of Assessors and Disability Employment Centre of 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.
- 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, including the new specialist disability employment program, Workforce Australia, remote employment services, the National Disability Insurance Scheme and supported employment services.
- 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: Supported employment

- I also wanted to touch on the DRC and supported employment
- A Government response to the Royal Commission's report can be expected soon with work happening across jurisdictions to respond to this major review.
- Supported employment is an area with 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.
- 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.

- I am pleased to announce that round two is now open for applications and will close on the 5<sup>th</sup> of September 2024.
- The Government is investing up to \$14.7 million for the period 2024-25 to 2025-26 for the second round of grants under the Fund.
- These grants are open to applications from registered NDIS providers, and we note that organisations who were successful in receiving funding under round one of the Fund are not eligible to apply for Round 2. There is also a priority focus on applicants supporting first nations people, people from cultural and linguistic diverse backgrounds and from regional and remote, NT and SA.
- Applicants can apply for these grants through the GrantConnect website.
- 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, developed collaboratively in 2022 in consultation with sector representatives, and Australian Disability Enterprise.

### **ABS SDAC: Labour force participation for people with disability**

- There has been a new release of data regarding the Survey of Disability, Ageing and Carers released by the Australian Bureau of Statistics, where we can see some small but encouraging changes since the previous release in 2019.
- Labour force participation for people aged 15-64 with disability has increased to 60.5% in 2022, up from 53.4% in 2018.



- There is still much more progress to be made, as this is still well below the participation rate for people without disability at 84.9% in 2022.
- It is encouraging to see that the labour force participation for people with a profound or severe limitation has increased by 10% at 37.2% in 2022, compared with 27.2% in 2018.
- The unemployment rate for people with disability was 7.5% in 2022 down from 10.3% in 2018, but I note this is still more than twice the rate for people without disability at 3.1%.
- While it is encouraging to see these increases, we know we have a lot more work to do to support more people with disability in the labour force.

## Slide 9: Feedback and more information

- There is more detailed information on the reforms on DSS Engage at [engage dot DSS dot gov dot au](http://engage.dss.gov.au).
- The first of these information papers has been released on the Market Structure and is available DSS Engage. We have received feedback already including from NESAs on behalf of their members. We are considering all information that we have received to date.
- We are also expecting to release an information paper on the payment model shortly.
- The information papers are one way that we are seeking feedback. The other formal way we will be conducting consultation is through the exposure draft of the tender for the new specialist disability employment program and new National Panel of Assessors which is planned to occur in the last quarter of this year.
- The Exposure Draft of the Request for Tender is being drafted for public Consultation and will be released on [engage@dss.gov.au](mailto:engage@dss.gov.au) soon.
- We are encouraged by the comprehensive feedback stakeholders and participants have provided to date and we are using this feedback to refine our program design and communications for the new program.
- We encourage continued feedback as we design and implement the reforms.
- If you have any ideas or comments, you can also email [DESConsultations@dss.gov.au](mailto:DESConsultations@dss.gov.au). We welcome your feedback and will be keeping track of all of the comments and questions we receive to inform our further communication and the final design.



## Slide 10: Questions

- I would like to invite any questions from the floor. I have five minutes but will try my best to answer as many as possible.
- 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.

### DES Star Rating Process:

- We can't give specific date, but it is in the final stages of internal government approval processes. Committed to progress as quickly as possible.
- Can assure providers that the errors in DES Star Ratings will not impact on any procurement process.
- Some themes from this feedback that we are considering include:
  - How specialists may work in areas with high concentrations of a particular cohort.
  - Some suggested larger cohorts should not be considered as cohort specialists.
  - Others raised how market shares may work and whether including caps would support greater confidence from applicants.
  - There was feedback on all providers being specialists in Disability Employment - both the labelling or name generalists and some preferring not to limit applications as both cohort specialists and generalists.
  - Request also include greater market information then is currently available on data.gov.au and information on potential numbers of providers expected in ESA's