

National Disability Employment Framework - Issues Paper NESAs Submission

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1 Introduction

About this Response

NESA welcomes the opportunity to respond to the National Disability Employment Framework Issues Paper. Our feedback is member driven and has been developed by NESA through the release of a member discussion paper, facilitated workshops held in Melbourne and Perth and the convening of our DES 2018 Taskforce comprised of senior industry leaders. In that context, references in this document to 'NESA' reflect the opinions and positions gathered from members through this process.

It is also important to note that this response builds on previous work NESA has undertaken on [*Strengthening Disability Employment Services in Australia*](#), and that our members strongly believe that now is the time to build on our strengths rather than 'throw the baby out with the bathwater'. We have approached this response from a position of review rather than reform, as it is our fundamental view that the current system is not 'broken', but a strong foundation on which to build any future framework.

We have not sought to answer all of the questions raised within the Issues Paper due to its broad nature and have focussed specifically on the Disability Employment Services (DES) programme. We aim to provide some important background and context that members believe is critical to the discussion, identify the current strengths and weaknesses of the programme and propose the key elements of a model for the future.

About NESA

As the peak body for all Australian employment services, NESA members have extensive coverage of Disability Employment Services (DES), the new jobactive services, the Remote Jobs and Communities Programme (Community Development Programme) as well as other critical complementary employment related programmes.

Established in 1997, NESA's focus remains on ensuring we have a vibrant and sustainable employment services industry, and we are dedicated to the development and improvement of employment services and related programmes to ensure that every individual who wants to participate in the world of work can do so.

Our membership is diverse and includes community, not for profit and private sector delivery organisations. NESA members have a great track record of delivering employment outcomes across all programmes including those for people with disabilities and we place great importance on our relationships with employers and industry.

2 Background and Context

Disability and Employment in Australia

For Australia to remain competitive in the global market and meet our future economic needs we need to ensure that as many people as possible are engaged in the labour market. A key component of this is increasing the participation of people with disabilities in economic life.

This challenge of increasing employment participation for people with disability has been a topic of significant focus over the past two decades. While there is much agreement on the objective of increasing employment participation for people with disability, there has been ongoing debate about the most effective and efficient methods for achieving this.

While the debate has been ongoing, Australia's Disability Employment Services (DES) have undergone continuous review and reform. Only a decade ago, capped service models provided assistance to 40,000 people at any given point in time, and today we see around 170,000 people participating in DES each month.¹

We know that DES is an integral part of a continuum of support and services necessary to ensure that people with disability are able to play active, integrated and valued roles in the Australian community.

The current iteration of the programme has achieved more than 260,000 job placements since it commenced in 2010, with almost one in three people assisted to maintain employment for at least 6 months.² These are great outcomes, but there is no doubt that they could be improved.

Even with the efforts to date of governments, people with disability, advocates, employers, industry groups and services providers, employment of people with disability remains low in comparison to working age Australians overall (53% to 83%).³

We know that increasing the employment rates for people with disability is not a problem with a simple, singular solution. While government programmes often operate in policy silos, individuals within a community do not. As noted in the Issues Paper, real solutions to increasing participation will only come through a holistic approach including welfare, participation, housing, education and training, infrastructure, labour market and workplace relations.

That being said, DES has a core role to play in this important objective. There is significant drive from both within the industry and outside it to make the system

¹ DES Monthly Data as provided and updated monthly on the Labour Market Information Portal <http://lmip.gov.au/default.aspx?LMIP/DisabilityEmploymentServicesData/MonthlyData>

² Ibid

³ ABS 2012 Survey of Disability, Ageing and Carers (cat no. 4430.0)

work optimally for people with disability and employers. We recognise this drive, but as mentioned above, NESAs hold a firm view that the current system is not 'broken'.

We acknowledge the need for continuous improvement in any programme and have long commented on the need for better co-ordination in key areas and across services if we are going to truly improve the opportunities for people with disabilities to meet their employment aspirations.

The Drivers for Change

NESA has long articulated the importance and the value of employment. Employment matters. When it comes to being of working age, what you do for a living is part of defining who you are. When you meet someone for the first time, more often than not, one of the first questions you'll be asked is "what do you do?" It is for this reason employment has long been one of the most significant markers of success in the rehabilitation environment. It not only gives people a job, but a connection to community and a sense of self-worth.

The reality remains that while approximately 15% of the working age population, or around 2.2 million people in Australia have a disability, only just over one million were connected to the workforce in 2012.⁴ This not only has a huge social impact, but a significant economic impact as well given that increasing the participation rate of people with disabilities in work by a third is estimated to deliver a more than \$40 billion boost to GDP over a decade.⁵

In his [speech to the Committee of Economic Development \(CEDA\)](#) Assistant Minister for Social Services, Senator the Hon. Mitch Fifield spoke to both the social and economic rationale for change and the Government's need to get a greater return on the investment of taxpayer dollars. He highlighted that currently government invests around \$1 billion annually in DES, which finds about one in three job seekers employment at a cost to taxpayers of around \$30,000 per job. Finding efficiencies in the model and creating greater outcomes is a significant driver of change, as well as the economic value of reduced welfare dependence.

It is also clear that the Government is seeking closer alignment between the disability employment services and the National Disability Insurance Scheme (NDIS). In the same speech to CEDA Minister Fifield noted ideas for a new system which included "...where a component of support, NDIS-like, attaches to the individual to be deployed by them" and recommendations made by Professor Ian Harper in the [Competition Policy Review in relation to the delivery of Human and Social Services](#) that "...user choice should be at the heart of service delivery". These elements also show an inclination to a more market driven approach to services.

⁴ ABS 2012 Survey of Disability, Ageing and Carers (cat no. 4430.0)

⁵ Deloitte Access Economics, *The economic benefits of increasing employment for people with disability*, August 2011

NESA agrees with the Assistant Minister that there are key principles within the NDIS model such as individualised support, whole of life approaches to support, long term outcomes and consumer choice that any future DES model should be more closely aligned with and that these should be key considerations when developing policies for 2018 and beyond. But we also recognise some key tensions between NDIS supports and employment supports that must be considered which we will discuss further in this submission.

The Labour Market and Mutual Obligation

As a labour market assistance programme, it is important to consider the future of Disability Employment Services in the context of today's labour market. To start with, we have labour demand – or the availability of jobs. In June, there were just over 750,000 people listed as unemployed⁶ and around 153,500 advertised vacancies per month currently⁷. When you add the unemployed to those already in work who might be looking to change jobs or increase their hours through additional work (including the 1,061,800 workers considered underemployed)⁸ we realise just how limited the opportunities in the labour market are.

In addition, today's labour market is also highly flexible. Just over half of people employed today (51 per cent) are working on full-time, permanent basis.⁹ Around 20 per cent of people are employed on a casual basis (that is, without paid leave entitlements either full or part-time).¹⁰ There are also around 31 per cent of people working part-time (either casual or permanent).¹¹ Most often, the decisions about how employment is structured are decisions made by employers to meet their business need.

In considering the concept of user choice in human services, in the context of employment services we also need to consider the needs of employers as well as the needs of the job seeker. In 2011, research was undertaken into the employer experience of Disability Employment Services (see boxed case study below).¹² The overarching feedback was the importance of job-matching for providers to understand the needs of the business. This highlights the unique positioning of providers of employment services. A key consideration for the future is how to

⁶ Australian Bureau of Statistics (June 2015), Labour Force, Australia, Cat. 6202.0, Table 1, ABS, Canberra

⁷ Department of Employment (2015), Vacancy Report, May 2015, <http://lmip.gov.au/default.aspx?LMIP/VacancyReport> accessed 10/07/2015

⁸ Australian Bureau of Statistics (June 2015), Labour Force, Australia, Cat. 6202.0, Table 22, ABS, Canberra

⁹ Australian Bureau of Statistics (2014), Australian Labour Market Statistics, Cat. 6015.0, Table 1, ABS, Canberra

¹⁰ Ibid.

¹¹ Ibid.

¹² Department of Education, Employment and Workplace Relations (2011), *Employer perspectives on recruiting people with disability and the role of Disability Employment Services*, Employment Monitoring and Evaluation Branch, August 2011.

balance the needs of both employers with choice and control for people with disability.

Employer perspectives on recruiting people with disability and the role of Disability Employment Services...

1. Honesty upfront should be encouraged.
2. Employment is all about getting the right person for the job.
3. Workers with disability are often considered the most reliable and loyal employees.
4. DES support plays a large role in the employment decision.
5. Financial incentive is a decision helper, not a deal maker (for most).
6. Employer incentive is deemed to be more than just wage subsidies.
7. Ideally for employers, financial incentives are linked to worker productivity and paid in instalments.
8. Employers desire incentive to be longer term and more substantial.
9. DES providers highly praised.
10. Industry groups a good forum

Employers are most concerned with getting the right person for the job and this is the key to maximising productivity and motivation and securing long term employment. Financial incentive alone is not enough to achieve sustainable employment for DES participants. The role of DES providers in getting to know an employer's business so that they can recommend suitable candidates and deliver good post-placement support cannot be underestimated.

Most employers who use DES are satisfied with their provider. In encouraging new employers into the program it seems that DES providers will not be dealing with a substantially different mindset but in engaging with employers who facing business uncertainty will need to work harder to break through negative stereotypes of disability. Success will require:

- close attention to finding the right person for the job
- maintaining and improving the level of support, keeping in regular contact with the employee and their employer, and
- encouraging DES participants to be open and transparent about their skills, abilities, and disabilities so that employers can be confident that candidates will be able to fulfil their job duties with appropriate support from the DES provider.

DEEWR (2011) pages 5 and 18.

Further, the issue of labour demand is just one side of the coin. We also need to consider labour supply. Requirements for people receiving income support to actively seek to engage in the world of work is a factor influencing labour supply. On this front, Australian policies are generally considered to be well placed.

An important aspect of labour supply is the competitiveness of those looking for work. For many people with disability, particularly those with a background of disadvantage, this is critical as in addition to any barriers through their disability, they may also lack the networks or knowledge within their direct social spheres to support labour market transitions. Breaking down isolation from the labour market, building opportunities and encouraging people to enter, or re-enter the workforce is a key challenge. Making sure tailored and holistic supports that include help to navigate the world of work and meet employer expectations are available is crucial to the future opportunities for people with disability.

Australia's activation policies, which include employment services and mutual obligation, are often looked to by other countries as highly successful in addressing the broader issues of moving people from welfare to work. The OECD cites the increasing effectiveness of quasi-market delivery in Australia's employment services as likely contributing to Australia's strong labour market compared to other OECD countries.¹³

The expectations inherent in mutual obligation also needs particular consideration in reforming Disability Employment Services. Government has a legislated requirement under the Disability Services Act¹⁴ to provide support to people with disability seeking to work, and additionally to provide access to support and activities that assist job seekers in meeting their mutual obligation under the Social Security Act.¹⁵ There are a finite number of participants in the market at any one time, yet they cover the breadth of the nation and services need to be available no matter where a job seeker is located. One of the advantages of a managed market through contracted out services is that this universal access is available to ensure that these requirements are met, and also that that choice is available for both job seekers and employers through a diversity of providers.

The DES programme has a very direct and important interaction with Australia's welfare and income support system. As a result of key activation policy changes over the last decade, the majority of people accessing DES are doing so because they are compelled under Social Security Law. Based on programme data as at the 31st of May 2015, less than 27% of DES participants were voluntarily participating in the programme.¹⁶ This figure is likely to be even lower, however it is difficult to access the data about Disability Support Pension (DSP) recipients with compulsory requirements, so all DSP recipients have been counted as voluntary. It is also worth noting that some people are required to participate in a programme of support such as DES to prove they don't have the capacity to work.

¹³ Organisation for Economic Cooperation and Development (2014), *Activating Job Seekers: How Australia Does It*, OECD Publishing

¹⁴ Disability Services Act 1986 <http://www.comlaw.gov.au/Series/C2004A03370>

¹⁵ Social Security Act 1991 <http://www.comlaw.gov.au/Details/C2013C00660>

¹⁶ DES Monthly Data as provided and updated monthly on the Labour Market Information Portal <http://lmip.gov.au/default.aspx?LMIP/DisabilityEmploymentServicesData/MonthlyData>

In recent years, governments have increased the requirements of job seekers in relation to mutual obligation. There has also been an increased role for employment services with many of the tasks undertaken by the Department of Human Services now undertaken by contracted employment service providers. For example, employment services now make the decision as to whether or not to report job seekers who do not attend appointments through Non Attendance Reports (NARs), resulting in cessation of income support until the job seeker re-engages. Since July 1 this has also applied to job seeker attendance at activities.

Employment service providers act as an Agent of the Commonwealth in delivering services and in carrying out the requirements of mutual obligation. There is a question of how this could operate in a more market-based system, particularly when the direction of reform from government has been an increase in outsourcing of these responsibilities under the current contracted model. In any future model of Disability Employment Services, it will be important to ensure that there is an alignment between different policy objectives of government.

Barriers to Employment – the impact of perception

One of the greatest barriers faced by people with a disability is perceptions and low expectations of their capacity to contribute to the workplace. While advances have and continue to be made in many areas, the major barriers people with a disability face are perennial. Without a significant shift in the attitudes and understanding of the Australian community as a whole towards disability, employment participation is likely to continue to pose challenges for policy makers for years to come.

What we know is that as much of what prevents people with disability from engaging in the workforce stems from environmental and logistical implications as it does from perception, misconception and discrimination. Employer attitudes, lack of understanding and awareness of supports and services available to assist, and lack of exposure to disability often compound the issues people with disability have when trying to engage in the workforce.

Employers often have significant misconceptions of not only what disability is, but also the impacts that disability may have within the workplace environment. These concerns include areas such as perceived risk to workplace safety, excess sick leave use, costly workplace modification requirements and potential industrial relations issues. It is apparent from a range of research that these concerns are unfounded, however they persist.

Learning from History

As already mentioned, DES has undergone significant review and reform over time. One of the biggest changes to have occurred in the history of the disability employment services framework in Australia was the move from Block Grant to Case Based Funding (CBF) arrangements.

Between 1999 and 2002, the CBF approach was trialled extensively through two phases. The Phase One Model ran from November 1999 until June 2000. The phase was evaluated and refined and the Phase Two Model had an intake phase from January 2001 until June 2002.

The evaluation of the CBF Trials indicated that they delivered improved employment outcomes for job seekers with disability; and improved administrative and operational practice for service providers and in July 2005 the CBF model was rolled out across all disability employment services. The process in total took 6 years.

While the model has continued to be refined and reworked since then, the changes have been incremental in nature, and remained based on the CBF model. If government commits to such significant change for the future disability employment framework as is suggested in the Issues Paper, it will be critical to ensure that it is taken on in a similar way to the move from Block Grant to CBF, i.e. small scale trial, evaluation, refinement, expansion, evaluation, refinement, further expansion and so on until a model that meets the objectives is achieved.

Experience locally and from other jurisdictions indicates that significant change in models is costly, for all stakeholders in financial terms and, importantly, in performance. Given that the Australian contracted employment services model is viewed as a leader on the world stage, the suggested reforms are risky, particularly when much of the change could be achieved by adjusting the mechanisms within the current framework.

3 The Current Environment

The DES programme - Strengths and Weaknesses

Strengths of the current programme

There are a number of key strengths within the current DES programme that should be considered in the context of any future model, these include:

- **Focus on employment outcomes**

One of the key drivers of success in the current DES programme is the focus on outcomes. Programme changes over time that have sought to increase this focus have continually resulted in increased employment outcomes.

This focus is driven primarily through the payments model – which is weighted towards outcomes, and the performance framework, which rewards the achievement of sustainable ongoing employment.

- **Expertise of the sector**

Providers within the DES programme have extensive experience gained over many years in working both with people with disability and also employers. DES is a

specialised and specific programme and the level of expertise within the industry must be maintained and developed.

- **Managed but flexible market**

Australia's employment services landscape, including DES, is unique, not just geographically, but also in response to the legislated requirements to provide supports for people with disability to gain and maintain employment, and in government responsibility to ensure those with Mutual Obligations have support to meet those obligations. It is important to ensure not only service coverage, but quality and ongoing performance, and Australia's contracted employment services markets are considered world leading in this respect.

- **Performance Framework and STAR ratings system**

The implementation of the competitive performance framework has improved programme results with more people with disabilities accessing services and achieving outcomes than ever before.

The Star Ratings system is at the heart of the employment services performance framework. Business reallocation and purchasing processes are heavily linked to the performance framework and particularly the Star Ratings.

The Star Ratings system is a statistical regression analysis that is used to allow comparison of provider performance across Australia in the areas of efficiency and effectiveness using Job seeker characteristics and Labour market characteristics.

The period of performance assessment is six monthly milestone periods that conclude at the end of June and December.

Star Ratings are used by:

- job seekers to assess the comparative performance of providers in their local area
- providers to measure their contractual performance
- Department of Social Services to measure performance and allocate business share to providers (ie providers who underperform may have some or all of their business allocated to other higher performing providers)

- **A Quality System**

A further strength of the current system is the capacity for ensuring quality through the Disability Service Standards. The Disability Services Standards outline the Australian Government's expectations of service quality and link directly to core organisational processes and outcomes. All Disability Employment Services Programme Providers are required to be certified as complying with the standards, and compliance with the standards is regularly assessed by independent third party auditors.

- **Ongoing Support**

Ongoing support is a cornerstone of the DES programme and one of its key defining features. For those participants who require support to maintain their employment, Ongoing Support is available from a Disability Employment Service for as long as it is required. There are three levels of Ongoing Support (Flexible, Moderate and High) to cater for the varying needs of workers with disability and their employers. Flexible Ongoing Support provides a safety net for participants who are placed into work, but who may require irregular or less predictable access to support to maintain employment. This provides better options for some participants such as those with mental health or episodic conditions.

- **Job in Jeopardy**

Job in Jeopardy assistance is a core component of the Disability Employment Services programme. It is designed to recognise that sometimes, as a direct result of an injury, health condition or disability, a person's connection to work can become strained and ultimately be at risk. The policy is intended to minimise the periods of unemployment and help keep people in work. It is good policy and has the potential to not only reduce job losses but reduce instances of welfare assistance and the risk of long term welfare dependence for some.

- **The Employment Assistance Fund**

Another core component of DES is the Employment Assistance Fund. This fund supports people with disability and mental health conditions by providing financial assistance to purchase a range of work related modifications and services. It is an important component of the system because it addresses financial costs (real or perceived) associated with employing people with disability.

Assistance is available for people who are about to start a job or who are currently working, as well as those who require assistance to find and prepare for work. Work related modifications and services including that may be funded can include:

- the cost of modifications to the physical work environment
- modifications to work vehicles
- adaptive equipment for the workplace
- information and communication devices
- Auslan interpreting
- specialist services for employees with specific learning disorders and mental health conditions
- disability awareness training
- Deafness awareness training, and
- mental health awareness training.

Weaknesses of the current programme

There are a number of weaknesses that would improve the effectiveness of the current system if addressed. NESAs believe that we could achieve the goals of increased choice and control for people with disability by making changes to the

existing framework of Disability Employment Services. The mechanisms within DES could work better to help achieve these goals. This would assist people with disability by better meeting their individual needs, as well as being more responsive to employer requirements.

- **Funding**

The current environment has seen continued erosion of service funding for DES. While it is critical for services to keep up with the real cost of doing business, particularly when it comes to human resources, such as wages and salaries, a lack of indexation has meant that programme funding has not kept pace.

Between 2010 and 2013 – our research indicated that the average annual wage for employment services frontline staff has risen by around 3.5% annually each year¹⁷, with CPI increasing by 9.4%.¹⁸ However funding against the Deed remained static.

Such rises in costs erode the funds available to be allocated to service provision and ultimately impact on the quality of service.

Ensuring that future models include the provision of annual indexation will be critical to the ongoing sustainability of the DES programme.

- **Administration and red tape**

Members recognise that there has been work undertaken to reduce the amount of administration and red tape within the programme however it remains a significant burden and diversion of time and resources from core services.

Members also recognise that a key challenge in achieving a reduction in red tape is balancing the impact on providers against the expenditure of public monies. Accountability for taxpayer funds is critical to the ongoing success of the non-government sector – but it is important to ensure that the difference between quality and compliance are recognised. A continued over-emphasis on prescription as an approach to managing risk comes at the expense of resources for service delivery and industry sustainability.

- **Assessment and eligibility**

One of the biggest concerns raised by members in relation to services is that currently assessments are medically based and done outside of the context of the skills and experience of providers, such as their expertise with particular disability types, knowledge of the local labour market, qualification and specialisation of key staff etc. Without such context being considered – assessment results can lead to people being denied access to supports or conversely being assessed as having a greater capacity than they display.

¹⁷ NESAs & Maguire Consulting, *Survey of Remuneration and HRM Performance 2012: Employment Services Workforce*, June 2013

¹⁸ ABS Consumer Price Index Australia December 2013 (cat. no. 6401.0)

Further to that – issues continue to arise in relation to the availability of assessments, and the fact that anecdotally – more and more appear to be conducted by phone, particularly in regional and rural areas.

Along with concerns about assessment, members believe current eligibility for services are too narrowly defined and results in people being unable to access employment related supports they require.

- **Lack of flexibility in employment outcomes**

While the outcomes focus in DES is a core strength, the rigidity of the approach in the current programme also limits the extent to which the needs of individuals and employers can be effectively met. For example, while 6 hours of work a week might fit perfectly with an individual's wants and needs, and an employer's business requirements, it would not be considered an outcome as it does not meet any of the artificially created employment outcome bandwidths, which begin at 8 hours per week.

Challenges for the future framework

In taking stock of the background, context and current realities of the disability employment services environment, there are a number of challenges that will need to be recognised and considered if we are to move towards a framework that improves the current state of play and meets the ideas and objectives outlined by the Minister.

These challenges include:

- implementing individualised funding in an outcomes driven programme;
- balancing individualised choice and control with mutual obligation;
- supporting and meeting individual aspirations while meeting employer needs; and
- ensuring service quality and access in a market driven environment.

NESA's position is that these challenges are more complex than they appear on paper and that they need to be fully explored and tested prior to making any form of wholesale change to the framework.

4 Principles for Change

Feedback on the Principles

NESA members indicated broad support for the principles for change outlined in the Issues Paper, particularly related to whole of life supports, career planning and government coordination.

There were also some concerns raised that the principles:

- were very broad,
- did not recognise the interaction with the welfare system,
- focussed on people whose disability was disclosed and were eligible for an NDIS package; and
- assumed a disability confident labour market currently existed

Through the consultation process we looked to create a set of principles that better reflected members views for building a disability employment framework for the future.

Additional Principles for Change

Members felt it was important that the following should be included in an expanded set of principles:

- **Work is a normalised aspiration for all people with disability**

We know that currently, for many people with disability, and especially those with significant impairment, employment is often not on the radar at an early enough juncture in their life course, sometimes if at all. The aspiration of employment and a career must be encouraged for all people with disability, and put on the agenda, not only for the individual, but also their families and carers, at the same time it occurs for their peers without disability, normalising the process, and removing the notion that disability needs are 'special' or should be treated separately to the needs of all people seeking access to employment.

This also requires a significant cultural shift in the community and employer perceptions of the abilities of people with disability.

- **The model is based on an entitlement to supports and not deficits based**

Currently in Australia, much of the support, including access to employment services, is based on assessment of deficits rather than assessment of actual need and potential. All people with disability should be given the opportunity to seek employment, and be entitled to adequate supports to enable this. Additionally, no one should be deemed to have no capacity to benefit. It is critical to shift this notion of deficit based supports if we are to see individuals reach their potential, and move to a model of entitlement to supports based on goals and aspirations.

- **Recognise and maintain the sectors expertise**

Maintaining the skills and experience of the sector through the transition to a new model will be paramount to the level of service provided to participants and ongoing stability and success of the programme.

- **Ensure access to quality service provision**

The National Disability Service Standards remain paramount as a measure and protection of service quality and that all service providers maintain a requirement to accreditation under these standards.

- **There is no financial disadvantage to participation**

For people with disability it is important that work is incentivised and actually pays, that is, the cost of participation is outweighed by the economic (and social) benefits of employment. For employers there should be no cost to engage. We need to better assess the cost impacts of disability on employment over and above normal recruitment practice, and ensure employment is based on job fit and value for the business and rather than an out-dated concept of corporate social responsibility or charity.

- **There is clear and transparent programme marketing**

The disability employment services framework is complex. Awareness of the services, supports and parameters of the programme are often low and result in confusion and frustration for those seeking supports. Clear and transparent information and promotion of services needs to be at the heart of the framework to ensure individuals and employers can fully understand their options and exercise informed choice in service access.

- **Systems support a truly joined up approach to services**

Currently services across supporting people with disability are often siloed and fragmented in their approach to support. It is important that if the principle of supports across the life course are to be realised, that systems are in place that truly support a joined up approach to supporting people with disabilities. In the current arrangements, there are often tensions within the objectives of different services and supports, which is exacerbated by lack of information flows or considered and consistent coordinated case management approaches. These barriers need to be addressed and overcome for increased success.

- **Supports are individually tailored but remain outcomes focussed**

One of the identified risks in a model of individualised funding is the tension between purchasing services and outcomes. It is important that employment supports are appropriately funded based on individual need and able to be flexibly tailored, however to ensure ongoing success, the programme must remain focussed on the purchasing of employment outcomes as the critical transaction. This also requires that funding be set at a level that reflects the real cost of services, supports and outcomes.

5 Towards 2018

In light of the principles above, NESAs considers that the following elements should be addressed to give the framework the best possible footing for 2018 and beyond.

Disability Confident Communities and Employers

If we are going to make any headway into improving the rates of employment for people with disability it is not enough to look at the services and supports alone. As outlined earlier, the impact of perception and misconception are some of the most significant barriers people with disabilities face when it comes to participation.

Strategic, planned and funded processes to effect cultural change within our community and build disability confidence must support any framework. This needs to include shifting attitudes so that we have:

- a public perception of disability that has moved from deficits to barriers,
- work as a normalised aspiration from a young age,
- empowered self-determination for people with disabilities,
- a culture where disclosure is seen as positive; and
- reduced stigma around disability and particularly mental health.

When it comes to building disability confidence in employers particularly, there has been much work done by organisations such as the Australian Chamber of Commerce and Industry (ACCI) to promote the benefits of workforce diversity and employment of people with disability.¹⁹

To build on these positive developments, policy targeted at better equipping employers, and businesses generally, to work with people with barriers to participation is essential.

The more employers are exposed to the supports and assistance available to them to aid the employment of people with disability, the less daunting situations involving disability in the workplace will become. This is not only good for their business, but for anyone they may come into contact with that experiences disability, reducing stigma and future barriers to participation as a result.

Additionally, empowering employers to assist employees with disability better negotiate barriers as they arise while they are in work and access required supports to help them stay in work makes economic and social policy sense.

Furthermore, in the current environment much of the focus is on supporting large employers. While the opportunities that exist amongst large employers should be maximised, creating a stronger workplace diversity culture for people with a disability requires a focus across all employer groups.

¹⁹ ACCI, *The Business Case for Employing People with Disability*
http://www.acci.asn.au/getattachment/Research-and-Publications/Publications/Employ-Outside-the-Box/A5_EOTB_DisabilityFINAL_WEB.pdf.aspx

There should be greater recognition of the contribution that small and medium enterprises currently make to the participation of people with disability. Australian employment services including specialist Disability Employment Services currently have the greatest success in supporting people with disability into employment through local partnerships with small and medium enterprises (SMEs).

It is therefore critical that supports and services like the National Disability Recruitment Coordinator (NDRC) which are tasked with increasing disability awareness and confidence in large employers, are expanded to support SMEs.

In the further refinement of these services as outlined in Budget 2015, NESAs believes that the key role for this service is to enable sustainable working partnerships between employers and providers of Australian employment services. NESAs believes the following are important principles:

- The role enhances and promotes the service delivery of Disability Employment Services to employers and job seekers by attracting vacancies from employers who, for many reasons, do not currently use DES.
- The core purpose is to facilitate relationships between the demand and supply side – employers and employment services providers. This requires a solid understanding of both employers and employment services providers, with a focus on relationship building.
- The role does not impact on existing local, regional or national relationships, but rather builds new relationships with employers, and facilitate relationships between employers and provider and encourages job creation activities, and also include working with multiple providers to share placements.
- Extensive coverage to ensure understanding of local labour market dynamics, given the diversity of recruitment approaches discussed above.
- The function continues to incorporate a key role of building disability confident employers.

Address disincentives to participation

For people with disabilities, the desire to participate in employment is often balanced and restricted by consideration to the cost of participation including the impact of earnings on income support and related benefits such as health care and other concessions. That is, work must 'pay'.

In a system as complex as Australia's welfare system, it is often difficult to work out what the true cost of participation will be for an individual, but if we are going to achieve real improvements to employment participation of people with disabilities it is necessary to address the real and perceived disincentives within the system.

Consideration to the wider economic and social benefits of improving participation should underpin both the obligations that we place on people in return for income

support as well as the broader range of assistance and incentives that are provided to encourage and support them realise aspirations.

A funding model based on actual need

It is important that any funding of the disability employment services framework recognises the true cost of services and is not set at arbitrary levels of support which don't match individual needs, nor the realities of the local labour market.

If we are to move to an environment where more thorough and appropriate assessment of need is undertaken, and in which participant aspirations and goals are the centre of the planning process, it will be critical to ensure that funding is appropriate to meet these needs. Otherwise we could see a mismatch between service expectations and its ability to deliver.

One of the issues currently arising in the NDIS environment relates to the amount and allocation of funding – and whether the allocation is realistic to meet the individual needs – an example given included the allocation of one hour of employment support per month (funded at \$53.24 an hour) to support someone to become an actor.

We also see circumstances within the current DES environment where arbitrary caps on support funding can mean that adequate supports are not available for the individual to be supported in the workplace. An often referenced example is the case of Auslan for Employment. While the cap of \$6 000 annually may be adequate for an individual working in a warehouse who only requires access to interpreting supports for a monthly meeting and other intermittent occasions, a lawyer who relies on communicating with a wide variety of people daily in the natural course of their role, could exhaust that cap in a month.

Funding also needs to keep pace with the cost of doing business, and as such annual indexation or funding review and adjustment should form a cornerstone of any funding model.

Service Access and Eligibility

Under the *Disability Services Act* of 1986, governments have an obligation to provide employment support to people with disabilities. Disabilities come in a wide variety of shapes, sizes and ultimately levels of impairment, and some areas of disability, such as mental health, are episodic in nature. It is vitally important that specialist disability employment services are available to all people with disability who need them.

In practice, this should mean that where a person's primary barrier to employment arises because of their disability, regardless of diagnosis, location and/or personal circumstance, specialised supports to engage in work are available. Assessed work capacity (or lack thereof) should not be the determining factor in service access.

Additionally, to support servicing across the life course – access to services should be extended to young people still at school looking to access outside school hours employment, people in work looking to change roles and those seeking support to make a graduated exit from the workforce as they reach that point.

Assessments

For assessments to support holistic service provision across the life course, they need to be undertaken in a way that contextualises the individuals goals and aspirations, their disability, the skills and experience of services providers, such as their expertise with particular disability types, knowledge of the local labour market, qualification and specialisation of key staff etc.

Without such context being considered – assessment results can lead to people being denied access to supports or conversely being assessed as having a greater capacity than they display.

Under a previous disability employment services model, providers conducted an assessment over a period of 4 – 6 weeks utilising a tool known as the Disability Pre-employment Instrument (DPI), an holistic assessment which allowed a range of evidence to be considered, including vocational and non-vocational barriers to work and in situ observation which allowed the assessors to view how the job seeker responded to a range of work like situations, tasks and environments, and consider the organisation's own skills and abilities in the context of the assessment.

Such assessments were also able to look at the impact of episodic or fluctuating disabilities or illness over time and make a more thorough assessment of the likely impact on a person's ability to obtain work.

NESA believes it is crucial that context, time and experience be returned to the assessment process. This would no doubt result in more accurate and useful assessments being undertaken that are relevant to truly assessing the needs of the individual when it comes to the world of work.

Further improvements would be gained by also ensuring assessments are:

- well resourced;
- based on an holistic and whole of life approach which includes regular reassessment/review;

and that they:

- provide tailored and well evidenced suggestions/service referrals/packages; and
- advocate for clear pathways to economic participation.

Getting assessments right will be increasingly important, particularly in a model that features any element of individualised funding.

Flexible and holistic services across the life course

Connecting to the workforce is often only the first link in the chain of a person's working life. Assistance is often required to support ongoing success in that role, participation in opportunities for career advancement, or to change roles. While many of us are able to navigate this process easily through our own support networks, others may not be in such a fortunate position. This can often lead to problems in maintaining work, or disengagement from the labour market due to dissatisfaction and cycles of unemployment.

It is important that the framework produces flexible and holistic services that enables interventions across the life course – from a person's first job and beyond, including to retirement, depending on need. Assistance focussed towards career development has the potential to improve the sustainability and quality of employment for those that are disadvantaged from the labour market, such as people with a disability. A more sustainable presence and progression of people with a disability, for example, across all levels of the workforce would increase the recognition of the contribution that they make in the workplace, and overcome many of the barriers related to perception.

Ongoing support needs to remain a central feature of any disability employment service, as it plays a vital role in ensuring that people with disability have an ongoing attachment to the labour market. Ongoing, tailored support to assist with transitions to work and any needs that may arise during employment has proven to be valued both by individuals and employers.

Complementary programmes also play an important role, and as outlined earlier the Job in Jeopardy programme is an important intervention to assist people with disability in maintaining their employment. The challenge for this service is that it is currently not widely known and is therefore under-utilised, yet offers great potential and long term benefit to governments, communities and employers. It is for this reason NESAs recommends that investment be made in a broad scaled education and awareness campaign to promote Job in Jeopardy assistance and its associated benefits.

As identified in the Issues paper, achieving increased employment participation for people with disability can only be achieved through an holistic approach. This highlights the need for joined up approaches, and for employment to be on the radar of all services. This can be achieved through funded case coordination, which facilitates an holistic approach to service delivery to meet individual needs.

Service and support plans for people with disability can also benefit from advocacy and input from all stakeholders. Again this highlights the importance and value of joined-up approaches.

It is also important to ensure that programmes/services are not considered a destination but rather a support/tool in development throughout the life course as needed. Further, there is a need for people to have the capacity to move seamlessly between programmes and more transitional models of services and supports offered

through Australian Disability Enterprises (ADEs) and DES to help people achieve open employment goals.

For some people, their experience of disability is episodic rather than constant. This has different implications for managing disability, and it is important that there is appropriate recognition and interventions which support the episodic nature of some disabilities.

Definition of Employment Outcomes

As noted earlier, one of the main barriers to achieving employment outcomes is the current rigidly set definitions that apply. Not only do these definitions not necessarily reflect the nature of the labour market, they fail to account for individual aspirations and circumstances, and as such are often a cause for frustration for both people with disabilities and employers accessing the system.

However we must not discount the impact that a focus on outcomes has on system performance in terms of achieving the objective of employment participation. This is one of the key differences between NDIS and other individualised funding supports, and employment supports, and a key area of potential tension that must be addressed.

Individualised funding is generally used to purchase a service or item. Something that can be delivered in a particular way, over a particular timeframe and is only dependent on the individual purchasing and the provider of that service or item. It is a straightforward transaction that is easily defined.

As discussed earlier, achieving employment outcomes is not straight forward given the complexities of the labour market. In addition, while the operational requirements of the DES programme put parameters around what constitutes an outcome – they recognise that there are a number of variables that impact on the delivery, and that not all service participants will be able to achieve an outcome due to factors outside of the control of the individual and provider – such as the local labour market.

There is an inherent question that is not raised in the Issues paper within the proposition of moving DES to an individualised funding based model: how are employment outcomes defined, purchased, achieved and rewarded when an individual is in control of their funding, and so many factors are outside of both their and the service provider's control?

Creating a definition for employment outcomes that recognises the individual, the labour market and employer needs would not only quickly improve the outcomes of the programme on paper, it would achieve the goal of increased choice and control for the individual, as well as being more responsive to employer requirements.

A managed market

Disability employment services in Australia operate in a very unique managed market environment. We have already discussed how a managed market through contracted services ensure coverage to enable universal access to meet legislative requirements. The current contracted market also provides choice for job seekers and employers through a diversity of providers.

The contracted approach has also enabled mechanisms to be embedded which ensure the quality of the services offered, as well as a focus on employment outcomes. As outlined earlier, the performance management framework and the STAR Rating system have been an effective approach to ensuring quality and performance (eg through business reallocation so that poor performing providers lose business and high performing providers gain business).

These areas have been identified earlier as important strengths of the current system, and should be maintained for the future.

6 Conclusion

NESA recognises that this is just the first step in the process of developing a new Disability Employment Framework for 2018 and beyond. We look forward to continuing to participate in the dialogue around review and reform of the system. We would be very happy to discuss the comments contained within this submission.