

Senate Standing Committee on Education Employment and Workplace Relations

QUESTIONS ON NOTICE Budget Estimates 2013-2014

Outcome 3 - Employment

DEEWR Question No. EW0056_14

Senator Boyce provided in writing.

Question

Employment Support Services program

1. In answers to questions put to the Department in the Budget Estimates of May last year DEEWR implied that organisations have not raised concerns about funding adequacy for the ESS. [Please see Estimates Hansard Extract- Attached]. Was that opinion factually correct?
2. Can you indicate what level of concern about funding adequacy was raised in the Exposure Draft Consultation?
3. Didn't the National Disability Services (NDS), Disability Employment Australia, and the National Council on Intellectual Disability all raise concerns about inadequate funding?
4. As I understand it DEEWR has made some positive changes in regard to future tenderers having to demonstrate their past record by primary disability groups. Will the Department move to fill gaps if providers demonstrate poor or little performance for particular groups of people with disabilities when results are eventually revealed?
5. Now that the Government has provided \$5.5 million in the budget over 4 years for a continuation of the MIDL program will it be setting up transparent, regular reporting and evaluation? Can what is currently available on the DEEWR website, (DES outcomes rates by primary disability on DEEWR web site to 31 March 2012.), be updated to May 2013?
6. It's pleasing to see that the Government has decided to continue the MIDL as part of the ESS funding model going. However the NCID has concerns that the MIDL report indicated that there was an urgent need for specialist services or units with the competence to provide the support needed by people with moderate intellectual disability. How is the government going to respond to meeting this gap?
7. The key finding from studies is that people with intellectual disability can work in the open labor market when provided with the right service support. In Australia, there is one long term (26-year) demonstration of evidence based service for people with significant intellectual disability which achieves high rates of open employment. • 76.5% of commencements achieve a 26-week employment outcome. • 68.6% of commencements achieve a 26-week job of 15 hours or more per week. These figures make the departments scores in this area look very ordinary, why is that?

8. Few people with intellectual disability currently enjoy the dignity of work with just 15% of adults employed in the open labor market. The Commonwealth Employment Support Services (ESS) program is achieving relatively low outcome rates for people with intellectual disability while ESS outcomes for people with significant intellectual disability are also low. Dependence on the pension is typical. Less than 3% of people with intellectual disability earn a wage as their main source of income (i.e. >\$282 per week). Many do not participate in the open workforce. Less than 1% of ADE participants move to ESS each year. Participation of people with intellectual disability in ADEs increased by 20% from 1999-00 to 2007-08, and by 18% in day programs from 2003-04 to 2009-10, yet participation in open employment assistance has stagnated. The number of all people with disability accessing open employment assistance experienced significant growth of 186% from 1998-99 to 2009-2010. In contrast, access by people with intellectual disability increased by only 3.2% for the same period. Given these facts how do your programs pass any test of an inclusive open employment program?
9. Can you explain why ESS funding has not been indexed since 2006, while ADE funding has been indexed by 14.5%?
10. Do you acknowledge that high performing open employment services for people with intellectual disability are the cheapest service funding option for government due to higher 26 week outcome rates, higher wage outcomes, reduction in pension payments, payment of income tax, and increased disposable income?
11. Do you have a plan to increase more of them? If not why not?
12. Why do we find the few that exist-only exist in Sydney and Melbourne? What happened to the rest of the country?
13. ESS funding will have lost 25% of its value by 2015. What groups are most affected by this?
14. Why under present arrangements can't ESS providers assist participants who are concurrently registered with state transition to work programs?
15. As I understand it the ESS program is meant to be for people with a permanent disability who need ongoing support to maintain employment, yet a substantial number of people who do not need ongoing support to keep a job enter the ESS program. Why is that being allowed to happen?

Answer

1. At 2012–13 Budget Estimates on 29 May 2012, it was not the intention of the Department of Education, Employment and Workplace Relations (DEEWR) to imply that no organisations had raised concerns about funding adequacy for Disability Employment Services—Employment Support Service (DES-ESS).
2. During the consultation period for the DES-ESS Exposure Draft, DEEWR undertook face-to-face consultations nationally and invited written submissions. In the face-to-face consultations, some attendees requested information on funding. There were 38 written submissions received on the Exposure Draft, and 11 of these expressed views on funding adequacy over the life of the Deed.
3. Yes. These three organisations expressed a view in their Exposure Draft Consultation submissions that funding for DES-ESS should be indexed.

4. During the period of the Disability Employment Services Deed, DEEWR will undertake business review processes as detailed in the Deed. These processes may result in the reallocation of business from organisations with poor performance to higher performing organisations.
5. From 1 July 2013 the Moderate Intellectual Disability Loading (MIDL) is an ongoing part of Disability Employment Services (DES) and will be included as part of the DES program reporting and evaluation arrangements.
1. DEEWR is working with consumer representatives and the disability employment services sector to release outcome rate information by primary disability type by the end of 2013.
6. The Government requires all Disability Employment Services (DES) providers to deliver effective, tailored support to all Australians with disability, regardless of their disability type.
2. The Government will continue to ensure that DES providers understand the challenges and opportunities for specific disability groups, such as people with intellectual disability, by facilitating practical training including awareness of information resources available on specific job seeker groups.
7. DEEWR is unable to comment on the findings as they are not referenced.
8. Since 2010 Disability Employment Services has been demand driven. Any job seeker with disability who meets the eligibility criteria and is assessed as being able to work more than 7 hours per week can enter DES. This has resulted in a 46 per cent increase in the number of people accessing services and a doubling of job placements compared to the previous programs.
9. There has been no indexation of fees since the start of the DES-ESS contract in 2010. In 2012, DES-ESS was subject to a competitive tender process and the fees that DES-ESS providers can claim are the highest across the Government's employment services programs.
3. The Australian Disability Enterprises program is administered by the Department of Families, Housing, Community Services and Indigenous Affairs, and questions on the payment of fees should be referred to them.
10. There is evidence that selecting high performing employment service providers to assist people with disability, including intellectual disability, is the most effective way to enhance outcomes for this group. Based on data from the previous DES contract, a person with disability is seven times more likely to get a sustainable employment outcome with a five-star provider compared to a one-star provider.
11. The Government is committed to ensuring the highest performing providers are delivering high quality Disability Employment Services to all job seekers with disability rather than having any specified number of service providers. A competitive tender process, such as the recently completed tender for the Disability Employment Service - Employment Support Service, is the best process to achieve this outcome.
12. In the Sydney and Melbourne regions, the need for specialist intellectual disability services was clearly demonstrated by tenderers, along with how their organisation's service strategies would offer better value for money and deliver better outcomes for the client group than a generalist provider might deliver. While the same case was not demonstrated elsewhere in the country, DEEWR is working with a range of organisations to improve services for people with intellectual disability in other areas.

13. DEEWR is unable to find any evidence to support this analysis. Fees paid to DES-ESS providers are based on performance. Therefore fees will vary by provider. Providers who perform very well by placing people with disability into sustainable jobs will continue to receive the highest level of fees. For example, DES-ESS Funding Level 2 clients attract Service Fees of \$1900 per quarter, Job Placement Fees of \$1540; 13 Week Outcome Fees of \$5500; and 26 Week Outcome Fees of \$7700. From 1 July 2013, participants with Moderate Intellectual Disability will attract an 88 per cent loading on Job Placement and Outcome Fees.
14. State Transition to Work programs and the Disability Employment Services Program have common aims, and objectives and service elements. Concurrent participation in these two programs would mean Commonwealth, state, territory or local government funding being duplicated for the same or similar services. This would require funding to be reduced for disability services in other areas and for other clients.
15. At the time of entering DES-ESS, participants must be assessed as likely to need Ongoing Support. In the previous 6 months to 31 March 2013 an average of 8 per cent of the DES-ESS caseload of employed participants were exited as independent workers. A DES Participant may no longer require Ongoing Support because their DES Provider has worked with the DES Participant and/or their employer to individually tailor support and find employment that matched their skills and ability.