

# **Evaluation of Disability Employment Services 2010–2013**

## **Final report**



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## Abbreviations

ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
DEEWR	Australian Government Department of Education, Employment and Workplace Relations
DEN	Disability Employment Network
DES	Disability Employment Services 2010–2013
DHS	Department of Human Services
DMS	DES Disability Management Service
DSP	Disability Support Pension
EAF	Employment Assistance Fund
ESS	DES Employment Support Service
ESAt	Employment Services Assessment
FL	Funding Level
JCA	Job Capacity Assessment
JSA	Job Services Australia
JSCI	Job Seeker Classification Instrument
PPM	Post Programme Monitoring Survey
VRS	Vocational Rehabilitation Services

## Executive Summary

Disability Employment Services 2010-2013 (DES) represented an important refinement of open employment assistance for people with disability in Australia. Most significantly, the removal of service caps that existed under the previous programmes transformed disability employment assistance into a fully demand-driven programme. The fee structure was weighted more heavily towards outcome fees and tighter rules around breaks in employment were intended to encourage service providers to find more sustainable jobs for DES participants. A new model of Ongoing Support aimed to assist workers who need help to maintain employment, whether on an intermittent or regular, ongoing basis.

Two DES programmes replaced four—two capped and two uncapped—streams under the previous Disability Employment Network (DEN) and Vocational Rehabilitation Services (VRS). The DES Disability Management Service (DMS), for people with temporary or permanent disability who are not expected to require ongoing support, replaced VRS, and the DES Employment Support Service (ESS), for people with permanent disability who need ongoing support to maintain employment, replaced DEN. DMS was established through a partial open tender process that resulted in a significantly expanded and more specialized field of service providers. An Invitation to Treat process was used to contract ESS business, whereby existing DEN providers were essentially rolled over to deliver services under the new programme.

More than 290 000 people accessed DES in the period covered by this evaluation, 1 March 2010 to 30 June 2012. On 30 June 2012 the caseload numbered 148 327 participants, about equally divided between DMS and ESS.

The last comprehensive evaluation of outcomes in disability employment services examined the performance of the DEN model in 2005-06 (DEEWR 2007). Outcomes under VRS were not formally evaluated until the present report. The strategy for the DES evaluation was to compare DES participant outcomes with outcomes in DEN/VRS using a consistent and valid methodology and taking into account prevailing labour market conditions. The picture that emerges is a story of two programmes: DMS, with virtually no change to policy from VRS but a new field of service providers, and ESS, delivered by the same providers as DEN but with some important policy changes.

### The DES service model at a glance

DES offered eligible people up to 18 months of assistance to build work capacity until they found suitable employment with the help of a DES provider (Employment Assistance phase), followed by a period of Post Placement Support until they achieved a 26 Week Employment Outcome (six months in continuous employment). After this, support could be ongoing if required (Ongoing Support phase). The Employment Assistance phase could be extended by up to six months if there was an assessed need. Data show that participants who obtained employment tended to do so at around 160 days after commencing with a DES provider but periods in Employment Assistance varied considerably from person to person.

**Figure 1: DES 2010-2013 service model**



The capacity-building objective of DES Employment Assistance and the nature and duration of support following placement in employment distinguished the DES service model from mainstream employment assistance in Job Services Australia 2009-2012 (JSA). The expectation that participants receive specialist assistance from their DES provider to help reduce disability-related barriers to employment was reflected in higher funding levels in DES. For example, Service Fees payable for Stream 3 participants in JSA (people with relatively significant barriers to employment) ranged up to a maximum of \$1120 over 12 months noting that, in JSA, Service Fees may be supplemented by Employment Pathway Fund credits. This compared with up to \$6050 in Service Fees over 18 months for DES-DMS and up to \$11 400 over 18 months for DES-ESS Funding Level 2.

Another point of difference is the way that specialisation was implemented. JSA providers can be recognized as specialists for a specified target group but must also accept referrals from outside that target group. In contrast, specialist providers in DES could accept referrals only from the specialist target group, for example, a provider that specialized in intellectual disability serviced only job seekers with intellectual disability. This allowed specialist providers in DES to gear their approach to service delivery around the needs of a certain group while also attending to the particular needs of individual job seekers.

### **Evaluation findings**

The evaluation of participant outcomes centred on a set of indicators developed in consultation with key non-government and government stakeholders. For the full evaluation strategy, see DEEWR (2010). Summarised in Table 1, these indicators were used to address four overarching questions about the programme's effectiveness in delivering employment outcomes.

**Table 1: Key indicators of participant outcomes in disability employment services**

Programme objective	Key Indicator	DEN/VRS 2006-2010	DES 2010-2013
<b>Improved access to disability employment services</b>	Average referrals per month	10,871	10,061
	Average commencements per month	6,972	7,917
	Proportion of referrals that result in the participant commencing in the recommended programme	VRS: 75% DEN: 59%	DMS: 77% ESS: 70%
	Programme participants as a proportion of estimated target population	35%	42%
<b>Participants receive skills development and skills transfer</b>	Proportion of participants who received training and skills development from or through their DES provider (PPM survey)	N/A	DMS: 77% ESS: 82%
	Proportion of participants satisfied with the training and skills development provided by their DES provider (PPM survey)	N/A	DMS: 58% ESS: 55%
<b>More effective services</b>	Proportion of participants who obtain employment within 18 months of commencing service (Job Placement rate)	VRS: 34.8% DEN: 40.5%	DMS: 40.7% ESS: 40.1%
	Proportion of participants who are employed for at least 6 months, within 18 months of commencing service (26 Week Employment Outcome rate)	VRS: 17.2% DEN: 24.4%	DMS: 23.0% ESS: 22.0%
	Proportion of participants who are employed 3 months after end of Employment Assistance/Post Placement Support (PPM survey)	VRS: 32% DEN: Not collected	DMS: 42% ESS: 37%
	Proportion of participants who are employed 3 months after exit from Ongoing Support (PPM survey)	VRS: Not applicable DEN: Not collected	DMS-OS: 79% ESS-OS: 68% All OS: 71%
	Proportion of DEN participants employed when surveyed (PPM survey) <sup>(b)</sup>	DEN: 39%	N/A
	Proportion of employed participants who would like to work more hours (Dynamics of Australian Income Support and Employment Services Survey)	VRS: 43% DEN: 41%	DMS: 40% ESS: 41%
	Participant satisfaction with services (PPM survey)		
	(a) 12 months in Employment Assistance/Post Placement Support		(a) 78%
	(b) Exited from Employment Assistance/Post Placement Support		(b) 74%
	(c) Exited from Ongoing Support	Data not comparable— see section 5.3	(c) 80%
	Service-related attrition—exits attributable to dissatisfaction with service	5%	5%
	Level of employer acceptance of services (percentage of employers who rate service as good or very good)	N/A	75%

Programme objective	Key Indicator	DEN/VRS 2006-2010	DES 2010-2013
<b>More timely and efficient services</b>	Proportion of referrals that result in service commencement within 4 weeks of referral	86%	78%
	Median days between first job placement and 26 Week Employment Outcome	VRS: 174 DEN: 189	DMS: 178 ESS: 178
	Median number of days to exit as independent worker	VRS: 315 DEN: 423	DMS: 359 ESS: 384
	Mean number of employers per 26 Week Employment Outcome	VRS: 1.19 DEN: 1.56	DMS: 1.35 ESS: 1.35
	Mean expenditure (programme payments) per 26 Week Employment Outcome	VRS: \$33,000 DEN: \$30,500	DMS: \$27,500 ESS: \$33,500
	Per cent of DES provider sites that reported reduced administrative load under DES	N/A	8%

n.a.: Not applicable; N/A: Not available.

PPM: Post Programme Monitoring.

(a) Estimated target population based on unpublished analysis by the Australian Institute of Health and Welfare of the 2009 ABS Disability, Ageing and Carers Survey confidentialised unit record file. AIHW estimates were adjusted to exclude people not in the labour force.

(b) Trigger points for the DEN PPM were achievement of a 13 Week Outcome and exit without a 13 Week Outcome (not comparable to DES PPM).

Source: DES administrative data unless specified otherwise.

## Evaluation question 1

**Do all eligible job seekers receive timely and appropriate service? The evaluation was to assess whether the removal of caps has enabled services to become demand-driven and the extent to which participants were satisfied with the quality and intensity of assistance.**

Participation in disability employment services had plateaued in the final 12 months of DEN and VRS owing to service caps that limited the number of places available, mainly affecting eligible people with no activity test requirements – Disability Support Pension recipients and other volunteer job seekers. The uncapping of services with the introduction of DES saw an immediate and marked increase in people commencing service, from an average of 7000 to 8000 per month, and from 35 per cent to 42 per cent of the target population participating in services (Chapter 2).

Success on the objective of increased access is tempered by poor results on the timeliness aspect. The DES Deed required providers to make every effort to commence a person within five working days of receiving the referral. In data to 30 June 2012, across both DES programmes, 37 per cent of referrals met the one week target and 78 per cent were commenced within 28 days of referral. Results were somewhat better under DEN/VRS: 44 per cent commenced within one week of referral and 86 per cent within 28 days. Average time to commence was higher in both DES programmes.

Commencement with a provider can take longer than expected if the person does not keep their appointment or if the provider seeks clarification of the referral. It is also known, anecdotally, that providers sometimes started delivering assistance before the person was recorded in the system as having commenced, an added complication when interpreting the administrative data. Taking these factors into account it is still clear that access was not more streamlined under DES either in terms of the five day target or by comparison with DEN/VRS. The evaluation links this at least in part to increased referrals of people with unstable or undiagnosed conditions or perhaps lacking the medical evidence required for a full assessment of employment barriers. In response, service suspension may have to some extent replaced the provider discretion to reject referrals that existed under DEN/VRS and removed with the introduction of DES.

On the question of service satisfaction an estimated 78 per cent of participants who had completed 12 months in Employment Assistance were satisfied with overall service quality (Chapter 5). Levels of satisfaction with services were largely unchanged since DEN and VRS.

Around 70 per cent of survey respondents confirmed that they had an Employment Pathway Plan and most expressed satisfaction with its content and direction. The participant survey was conducted some nine months after each person had commenced with a DES provider and it is reasonable to expect that by that time all would have had an Employment Pathway Plan. While acknowledging the possibility of imperfect recall, it is concerning that 30 per cent of respondents did not know about the Plan which is supposed to be at the centre of service delivery. This is not to say that Plans do not exist; rather, that there is scope for providers to more actively involve participants in service planning (Chapter 5).

## Evaluation question 2

Are levels of access to services similar across different groups of job seekers? This question concerns the use of services by young and mature age job seekers, school leavers, women and men, Indigenous job seekers, job seekers from diverse cultural and linguistic backgrounds, and with different primary disabilities.

A measure of the target population for disability employment services was developed using data from the Australian Bureau of Statistics Disability, Ageing and Carers Survey (Chapter 2). Findings are based on this model.

- Participation in services was higher among men than women (49 and 36 per cent of the male and female target populations, respectively). Both sexes recorded increased participation between 2009 and 2012 with women registering the highest increase, particularly at ages 50 to 64 years. The fully demand-driven model enabled DES to respond to increased demand from women impacted by changes to Age Pension eligibility age and other groups of mature-age job seekers.
- All disability groups registered increased participation in services following the introduction of DES and thus appear to have benefited from the removal of service caps. Participation was highest among eligible people with intellectual or learning disability and lowest among eligible people with physical disability (Table 2).
- Between June 2009 and June 2012, participation by Disability Support Pension (DSP) recipients increased from 3.5 per cent to 4.5 per cent of the DSP recipient population. This may be due to the removal of service caps and possibly also a policy change in 2008 that removed review of DSP from the eligibility assessment for employment services (Chapter 8).

**Table 2: Estimated percentage of target population participating in disability employment services as at 30 June, by primary disability**

Primary disability	2009	2010	2011	2012
Physical or diverse	24.9	29.4	32.5	31.6
Psychiatric	60.1	62.1	70.4	72.2
Intellectual or learning	88.0	93.3	98.7	93.3
Sensory, including speech	34.8	36.5	40.5	38.5

*Note:* DES commenced on 1 March 2010.

*Source:* Table 2.4.

Data limitations prevented the use of this method to estimate service participation by Indigenous Australians with disability and people with disability from culturally and linguistically diverse backgrounds.

## Evaluation question 3

**Has DES led to increased skills development and skills transfer and sustainable employment outcomes for participants? This should correspond to high levels of satisfaction with the programme as reported by participants and employers.**

Education Outcome fees were payable in both DMS and ESS where once they were available only in VRS. Very few Education Outcomes were recorded across the programme, suggesting that they are not a major focus of most providers. The DMS and ESS comparison groups achieved 13 Week Education Outcome rates of 1.8 per cent and 1.5 per cent respectively and 26 Week Education Outcome rates of 0.2 and 0.1 per cent. From these results it appears that education activities were of shorter, around 13 weeks, duration or that participants did not complete education programmes of longer duration. Note that training and skills development can be delivered in a range of formats and is not limited to activities that lead to paid Education Outcomes.

DES participants were generally less satisfied with skills development and training than with other aspects of service delivery. In a sample survey the proportion who were satisfied with this area ranged from 56 per cent to 66 per cent, depending on when they were surveyed, for example, during Employment Assistance phase or Ongoing Support phase (see Chapter 5: Service satisfaction). Participants with intellectual or learning disability reported low participation in training and skills development (37 per cent) and very low satisfaction with this area of service (36 per cent satisfied).

Most people with recent work history prior to DES were in casual or fixed-term jobs in the labouring and services sectors and jobs obtained in DES show a similar profile (Chapter 5). Some 40 per cent of DES participants surveyed about their jobs obtained under the programme expressed a desire to work more hours. This is not too dissimilar from a finding from the ABS Disability survey that 34 per cent of workers with disability who were employed for less than 16 hours per week wanted more hours of work (see Table 2.1).

The working hours issue does not appear to have lowered the job satisfaction of DES participants—more than 80 per cent were overall satisfied with their jobs. The more salient issue for participants seems to be that fewer than half considered that their job offered good long-term prospects, despite a common aspiration for career development and progression. Sustainable employment for people with disability has to do with service quality and with how people with disability are regarded by employers and wider society.

An estimated half of employers had some awareness of the DES programme and of these, an estimated three per cent had recently used the programme. Satisfaction with services was moderately high among service users, with 75 per cent of these employers rating service as good or very good. Challenges in employer engagement include: low awareness among employers of the range of assistance available through DES, increasing demand for skilled workers and fewer low-skilled job opportunities, the reluctance of many employers to consider hiring a person with disability, and an apparently widespread belief that DES can only offer low-skilled workers (Chapter 9).

## Evaluation question 4:

### Is the DES service model more effective and efficient than the previous model?

The evaluation counted and costed outcomes over 18 months from each participant's service commencement date for representative cohorts of participants in DMS, ESS and DEN/VRS (Chapter 3). Eighteen months was chosen because this is the maximum period of assistance typically available.

### Employment outcome rates

Raw outcome rates, not adjusted for participant characteristics and labour market conditions in different time periods, indicate substantially higher Job Placement and 26 Week Employment Outcome rates under DMS than VRS and little difference between the ESS and DEN rates (Table 3). VRS was a poor performer, compared to either DEN or the DES programmes.

**Table 3: Employment outcomes within 18 months (per cent)**

Outcome	DMS	ESS-1	ESS-2	All ESS	VRS	DEN
Job Placement	40.7	41.5	36.9	40.1	34.8	40.5
26 Week Employment Outcome	23.0	23.3	19.1	22.0	17.2	24.4
26 Week Conversion Rate	56.5	56.0	51.9	54.9	49.4	60.2 <sup>(a)</sup>

(a) DEN conversion rate is not directly comparable with other programme conversion rates.

Note: ESS-1=ESS Funding Level 1; ESS-2=ESS Funding Level 2.

Source: Table 3.2.

The data show that 41 per cent of the DMS participants obtained employment and 23 per cent spent at least six months in continuous employment, within 18 months of commencing service.

Corresponding results for the ESS participants were: 40 per cent and 22 per cent. A tightening of conditions for payment of 26 Week Employment Outcomes complicated the comparison of ESS and DEN outcome rates. ESS results were similar to DMS, which suggests that the higher levels of funding for ESS participants helped to address their higher labour market disadvantage. Within ESS outcome rates were somewhat lower for Funding Level 2 participants.

The 26 Week Conversion Rate, measured here as the proportion of placed participants who maintained their employment for at least 26 weeks shows DMS at 57 per cent conversion outperforming VRS (49 per cent). Job Placements at ESS Funding Level 1 converted to 26 Week Outcomes at approximately the same rate (56 per cent) as the DMS placements and the overall result of 55 per cent conversion for ESS also compared well with DMS.

The DEN 26 Week Conversion Rate is not a good indicator of sustainable job placements and is not directly comparable with conversion rates for other programmes. DEN did not have Job Placement Fees, only 4 Week Milestone Fees. The use of a 4 Week Milestone as a proxy for Job Placement artificially inflates the conversion rate. Little can be said using this measure.

In real terms, that is, after statistical adjustment for labour market conditions and participant characteristics, DMS outperformed VRS by 7 percentage points on both Job Placement and 26 Week Employment Outcome rates, while outcome rates in ESS were similar to DEN (Chapter 4). Factors

consistently and positively correlated with employment outcomes include recent work history and post-school qualifications. Factors negatively correlated with outcomes include: above average unemployment in the participant's local area; high labour market disadvantage as measured by the Job Seeker Classification Instrument; receipt of an income support payment (relative to not receiving income support); suspension from service for medical reasons; non-English speaking country of birth; premature exit from programme at participant request. Indigenous status and participant age were also found to be significant, although not consistently across DMS and ESS (see Tables 4.3 and 4.5).

With programme expenditure of \$27,500 per 26 Week Employment Outcome, DMS in the evaluation period was less expensive than VRS in nominal terms (\$32,900), making it the more effective and more cost effective of the two programmes. ESS expenditure per 26 Week Employment Outcome was higher than in DEN (\$33,500 versus \$30,500), although expenditure per participant of \$7400 was relatively unchanged compared to DEN. While the results might appear to indicate that ESS was less cost effective than DEN it is safer to conclude that ESS and DEN were equally cost effective, given that Employment Outcomes under the two programmes are not strictly comparable.

Raw outcome rates varied according to disability type; however, regression analysis showed that primary disability was not a significant factor once service suspension was accounted for. Relatively more participants with physical and psychiatric disabilities experienced suspension and this significantly reduced their likelihood of obtaining employment. Other things being equal, participants with physical or psychiatric disability who did not have a service suspension were no less likely to achieve an employment outcome than participants with other primary disabilities. This suggests that suspension, age and other factors aside, the programme is equally effective for different types of primary disability.

Service suspension for medical reasons indicates an unstable condition. This element of the caseload increased following the introduction of uncapped streams in 2006 and is noticeably higher after service caps were completely removed in 2010. This is believed to be the main reason for the drop in 26 Week Employment Outcome rates from 33 per cent for participants who commenced in DEN in 2005 (DEEWR 2007) to 24 per cent for the DEN cohort analysed for this evaluation. Changing labour market conditions would have played a part but the broadening of the target group through uncapping is thought to be the main reason for a marked change in outcome rates.

## **Sustainability of employment**

Programme effectiveness also needs to be considered from the perspective of sustainable employment that endures beyond participation in the programme. On this measure it was necessary to look at several indicators.

A first indicator, closely related to tightening of outcome payment rules, is the number of employers that contribute to a 26 Week Employment Outcome. DEN placed no restrictions on this, which meant that participants could be placed in any number of jobs and moved from one employer to another as they tracked towards an outcome. ESS recorded a decrease in the average number of employers per 26 Week Employment Outcome, 1.35 compared to 1.56 in DEN, consistent with the stricter rules around breaks in employment in DES. For DMS this indicator increased slightly from

1.19 under VRS to 1.35. At the time of the evaluation the two DES programmes were aligned on this indicator. A lower number of employers per job in ESS than in DEN suggests that the DES policy settings succeeded in encouraging better job matching (and possibly better employer servicing) than occurred under the previous looser regime for outcome payments.

Results from the department’s Post Programme Monitoring survey indicate more sustainable outcomes under DMS. An estimated 42 per cent of DMS participants who exited from Employment Assistance or Post Placement Support were employed three months later, compared with 32 per cent under VRS. The corresponding figure for ESS was 37 per cent. The survey is less useful on the question of relative sustainability of DEN and ESS because the survey sampling method changed.

Post Programme Monitoring revealed that around 70 per cent of people who had exited from DES Ongoing Support were employed three months later. It follows that the remaining 30 per cent had either lost their jobs while in Ongoing Support or within three months of leaving the programme (Table 4).

**Table 4: Proportion employed three months after an exit event (per cent)**

Exit event	DMS	ESS-1	ESS-2	All ESS	All DES
Exit from Employment Assistance or Post Placement Support <sup>(a)</sup>	41.8	40.1	31.9	36.8	39.2
Exit from Ongoing Support <sup>(b)</sup>	78.8	n.a.	n.a.	68.4	70.7

(a) Exit from Employment Assistance/Post Placement Support is not necessarily an exit from DES because this phase can be followed by Ongoing Support. Exit from Ongoing Support corresponds with exit from DES.

(b) DMS offers only Flexible Ongoing Support.

Source: Post Programme Monitoring survey, June 2012.

Rates of return to service after exit were examined to further investigate sustainability of employment. The results were inconclusive. The overall rate of return to service within six months of exit was 17 per cent for DMS and 14 per cent for ESS, including returns after exit for any reason other than inter-programme transfer and whether employed or not employed at time of exit. These are substantially lower than corresponding rates of return under VRS (19 per cent) and DEN (26 per cent).

Narrowing the focus to independent worker exits presents a different picture. An ‘independent worker’ is an employed participant who is exited from the programme at their own request or at the discretion of a DES provider or Ongoing Support Assessor to work without programme support. DES produced more independent workers than DEN/VRS: by December 2012 approximately 2000 participants were exited each month as independent workers. The return to service rate for independent workers during the evaluation period was 26 per cent for DES, compared with 15 per cent under DEN/VRS (Table 3.17) and higher for independent workers who exited from Ongoing Support (Table 3.18). A suspected interaction with activity testing for income support recipients and reports of DES providers inappropriately exiting participants as independent workers meant that no conclusion could be drawn from these data.

The most that can be said on this question is that participants tended to be exited as independent workers prior to, and not often as a result of, Ongoing Support Assessment. Anticipation of Ongoing Support Assessment rather than actual assessment is resulting in less time spent in Ongoing Support, in other words, more participants were exited to continue working without programme support. The

system therefore relies heavily on the accurate assessment of participants' ongoing support needs by DES providers.

## Other findings

### Innovation—trailing and testing new approaches

Two time-limited trials were established under DES. One tested expanded pathways into employment assistance for school leavers with significant disability (Extension to DES Eligible School Leaver Eligibility) and the other tested the effectiveness of additional financial assistance for DES participants with moderate intellectual disability (Moderate Intellectual Disability Loading). Specific findings are presented in Chapters 6 and 7—here we note some broader programme implications of the findings from these trials.

Carry-over of Eligible School Leaver policy into an uncapped service environment resulted in an unanticipated and dramatic increase in registrations, well beyond the intended target group. This highlighted the need for explicit programme guidelines and ongoing programme assurance, monitoring and evaluation to ensure that providers operate within the spirit and letter of the Deed.

The Moderate Intellectual Disability Loading trial demonstrated the value of specialist service delivery and the need for staff to be qualified and competent to work with people with high support needs. A clear message from this trial was that simply reducing caseloads may not be enough to increase outcomes, particularly at the very high end of specialist servicing.

### Job in Jeopardy Assistance

DES is primarily geared towards assisting unemployed people with disability to enter open employment. A small sub-programme called Job in Jeopardy Assistance, available in both DMS and ESS, was designed to help people who are in work but at risk of losing their job because of illness, injury or disability. Assistance is delivered through a three-way partnership between the employee, their existing employer and the DES provider.

In the reference period for this evaluation Job in Jeopardy Assistance achieved good outcomes, 'saving' more than 50 per cent of jobs referred (73 per cent of jobs in jeopardy referred to ESS providers and 52 per cent in DMS achieved a Job in Jeopardy 26 Week Outcome; see Chapter 3). The programme had limited reach, with fewer than 1000 Job in Jeopardy participants on 30 June 2012, or less than 0.1 per cent of the caseload. Subject to resource availability, there may be scope to assist more eligible people before they become unemployed. Job in Jeopardy Assistance tries to do this but fails because of its restrictive parameters.

Most people who enter DES with some recent work history were previously employed in fixed term or casual positions and this is also a common type of employment achieved in the programme. It seems reasonable to conclude that job loss is often because a position simply ends without necessarily being attributable to a person's disability (as required under Job in Jeopardy Guidelines). Needing to demonstrate a link between the end of employment and disability is highly problematic in practice.

A strategic decision is required to redesign (and rename) Job in Jeopardy Assistance to better address the needs of people with disability who face uncertainty in employment. Redesign has potentially significant resource implications; however, a continued focus of the programme almost exclusively on unemployment would fail to address potentially avoidable transitions out of the labour force. The report identifies groups of employed people with disability who could benefit from a more flexible approach, including people who exit DES as independent workers and recipients of Sickness Allowance. This type of assistance would need to be carefully designed to avoid creating a perverse incentive for service providers (Chapter 2).

## **Recommendations**

Based on the above key findings the evaluation makes four recommendations.

1. Review Job in Jeopardy Assistance and consider options for reaching more employed workers with disability to assist them and their employers.
2. Review the policy and implementation of the DES Employment Assistance Fund.
3. Review the treatment of activity-tested participants in different employment programmes and to the extent possible, make consistent.
4. Re-examine independent worker exits when sufficient data are available under the new DES Performance Framework and assess Ongoing Support Assessment policy.

## 1 Introduction

Disability Employment Services (DES) began on 1 March 2010 following a comprehensive review of the previous Disability Employment Network (DEN) and Vocational Rehabilitation Services (VRS). As the national programme of open employment assistance for people with disability, DES contributed to Budget Outcome 3 in the Education, Employment and Workplace Relations Portfolio: enhanced employability and acquisition of labour market skills and knowledge and participation in society through direct financial support and funding of employment and training services. The 2009-10 Budget allocated approximately \$2 billion for the DES programme in financial years 2009-10 to 2012-13.<sup>1</sup> DES 2010–2013 was administered under the terms of the *Disability Services Act 1986*.

Evaluation of DES covered the period 1 March 2010 to 30 June 2012, the term of the original Disability Employment Services Deed.<sup>2</sup> Over this period approximately 290 300 people received assistance through DES. Some completed a period in employment assistance and obtained employment (Employment Outcome) or completed a training activity for an Education Outcome. Some people left the programme without achieving an outcome. Exit can occur at any stage and for a range of reasons. This report compares participant outcomes across the caseload and with previous disability employment programmes and mainstream employment assistance.

### 1.1 Evaluation strategy

An evaluation strategy was developed in consultation with consumer and industry representatives including: ACE National (now Disability Employment Australia), National Disability Services, Jobs Australia, Australian Federation of Disability Organisations, Australian Council on Social Services, Australian Network on Disability (now the Australian Employers Network on Disability), Australian Rehabilitation Providers Association, Aboriginal Disability Network, and the National Ethnic Disability Alliance.<sup>3</sup> Consultation commenced in April 2010 and concluded in October 2010 with publication of the strategy.

The evaluation was designed to address four overarching questions and 20 key indicators of the accessibility, appropriateness, effectiveness and timeliness of disability employment services (Table 1.1):

1. Do all eligible job seekers receive timely and appropriate service? The evaluation will assess whether the removal of caps enabled services to become demand-driven and the extent to which participants were satisfied with the quality and intensity of assistance.
2. Are levels of access to services similar across different groups of job seekers? This question concerns the use of services by young and mature job seekers, school leavers, women and men, Indigenous job seekers and job seekers from diverse cultural and linguistic backgrounds, in different geographic locations, and with different primary disabilities.

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1. Portfolio Budget Statements 2009-10, Budget Related Paper No. 1.5, Education, Employment and Workplace Relations Portfolio: Table 2.4.3.

2. DES-Disability Management Service contracts were extended until 30 June 2015. Four and five star providers in the Employment Support Service were offered a contract extension to 30 June 2018. A Request for Tender process was implemented for the remainder of the Employment Support Service market, with new contracts taking effect on 3 March 2013.

3. The Disability Employment Services Evaluation Strategy Working Group.

3. Does DES lead to increased skills development and skills transfer and sustainable employment outcomes for participants? This should lead to high levels of satisfaction with the programme as reported by participants and employers.
4. Is the DES service model more effective and efficient than the previous model?

**Table 1.1: Key evaluation indicators**

<b>Programme objective</b>	<b>Indicator</b>
Improved access to services	Numbers of referrals and commencements per month
	Proportion of referrals that result in the participant commencing in the recommended service
Equitable access	Programme participants as a proportion of target population
Meet the training and skills needs of participants and employers	Proportion of DES participants who receive training/skills development from or through their DES provider
	Level of participant satisfaction with training and skills development provided by their DES provider
	Level of employer agreement that DES providers refer job applicants with relevant work skills and abilities
More effective services	Proportion of participants who commence in employment during their time in the programme
	Service-related attrition (exits attributable to dissatisfaction with service)
	Proportion of participants who are employed 3 months after ending Employment Assistance/Post-Placement Support.
	(i) Number and proportion of Ongoing Support or Maintenance participants who exit as independent workers and remain employed 3 months after exit
	(ii) Number and proportion of Ongoing Support or Maintenance participants who remain employed with support at 15 months after entering Ongoing Support/Maintenance
	Level of participant satisfaction with services
	Level of employer acceptance of services
More timely and efficient services	Proportion of referrals that result in service commencement within 4 weeks of referral
	Mean duration between first job placement and 26 Week Employment Outcome
	Mean duration to exit as independent worker
	Mean number of employers that contribute to 26 Week Employment Outcomes
	Mean cost (programme payments) per 26 Week Employment Outcome
	Extent to which providers agree that administrative load is lower under DES

*Source:* Evaluation Strategy for Disability Employment Services 2010–2012 (DEEWR 2010).

Analysis is at the programme level with separate reporting of outcomes for the two DES programmes, the Disability Management Service (DMS) and the Employment Support Service (ESS). It was not possible to isolate the effects of specific elements of DES or specific aspects of service delivery on participant outcomes.

Interim findings drew on administrative data up to 31 December 2010. Results were confined to early indicators of programme accessibility and effectiveness, qualified by transition influences still

working their way through the system (DEEWR 2012). To recap, by the end of its first year of operation DES appeared to be on track to achieving two main objectives: improved access and more sustainable employment for participants. Reporting on outcomes was limited to 13 Week Outcomes because at that early stage there were insufficient data to report 26 Week Outcome rates.

This final report quantifies, compares, and contextualises participant outcomes with a focus on the relative effectiveness of DES compared with previous programmes, DEN and VRS. The report uses administrative data up to 30 June 2012 in a longitudinal analysis of employment outcomes which accounts for labour market conditions and changes in participant profiles coinciding with the shift to a demand-driven programme. The report also draws on surveys, including longitudinal surveys, developed for the evaluation.

## 1.2 A brief overview of DES

Two main open employment programmes are available for job seekers with disability: DES and Job Services Australia (JSA). The target group for DES is people with substantially reduced capacity for work who are assessed as needing specialist support to build capacity or maintain employment.<sup>4</sup> DES was designed exclusively for people with disability, whereas JSA services a larger, broader job seeker population.

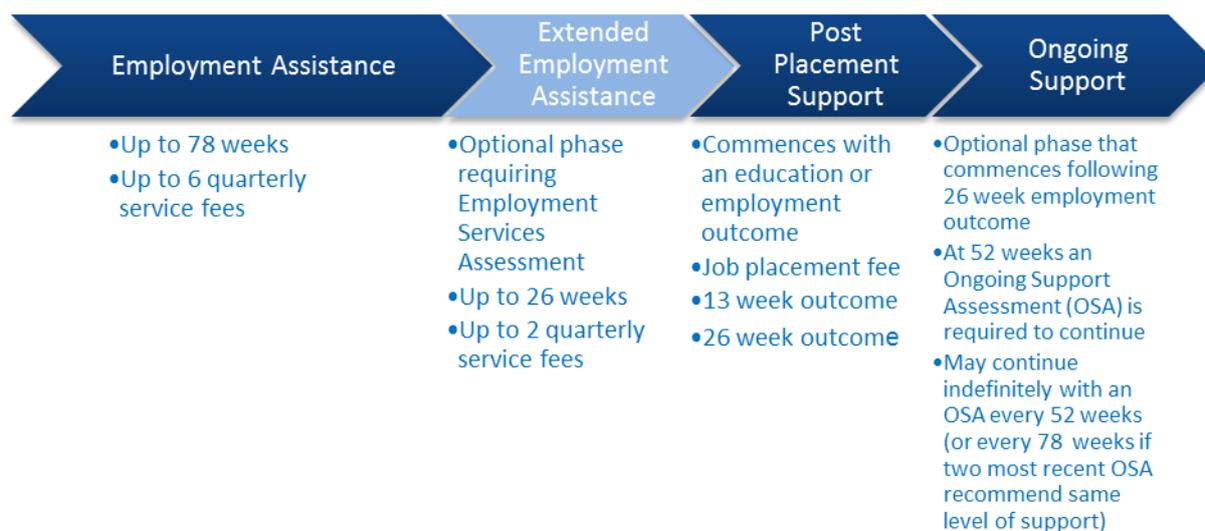
The overarching objective of DES was to help people with injury, disability or a health condition to secure and maintain sustainable employment in the open labour market, with the intent that DES providers help participants find employment that suits their individual goals and abilities. ‘Open’ employment exists where an employee with disability is engaged in the mainstream workforce, in a commercial setting, and alongside employees without disability. DES fees may be paid only where a participant is placed into a position that meets this definition of open employment.

A typical complete period of service includes employment assistance in which the DES provider works with the participant to build work capacity, find and apply for suitable jobs, followed by a period of support after starting work (Figure 1.1). The length of time in each phase—Employment Assistance phase, Post Placement Support phase, Ongoing Support phase—varies according to a participant’s individual needs and circumstances; a participant does not necessarily receive all three phases of assistance. Capacity building, the nature of Post Placement Support and the option of Ongoing Support are features which, in addition to a different fee structure, distinguish DES from JSA.

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4. And are assessed as able to benefit from specialist employment assistance to build work capacity. People who are assessed as unable to work for at least 8 hours per week are generally ineligible for DES.

**Figure 1.1: DES service model at a glance**



Built on the foundation of an existing case-based funding model, DES represented significant though not fundamental reform of disability employment services. Case-based funding in employment services is a form of individual funding whereby the employment service provider receives fees for participants on case-by-case basis, depending on the outcomes achieved. This method of funding disability employment services was initially trialled between 1999 and 2002 and by 2005 had fully replaced the earlier block grant funding model (see Box 1.1).

Policy changes in DES were primarily aimed at improving access to services and achieving more sustainable employment outcomes with the key objectives of: (see also Table 1.2)

- improving access to specialist employment assistance for eligible job seekers with disability
- delivering better quality employment outcomes by rewarding providers for jobs that last
- providing more flexible and better targeted support in the workplace for employed participants and their employers.

Two programmes replaced the four streams that existed in DEN/VRS and nine funding levels were reduced to three. DES-ESS was designed for people with permanent disability who need ongoing support in the workplace and DES-DMS for people with permanent or temporary disability who need capacity building to find and retain employment but who are unlikely to need ongoing support. A person does not need to be in receipt of an income support payment to be eligible for DES; however, eligibility for DMS does require that a person is receiving income support or meets the conditions of an income test for non-beneficiaries.<sup>5</sup> This test does not apply in ESS.

## Box 1.1 Development of employment programs under the *Disability Services Act 1986, 1983–2010*

1983- 85	Commonwealth Government review of funding programs for people with disabilities (the Handicapped Person's Review).
1986	Passage of the <i>Disability Services Act 1986</i> , heralding reform of the disability service system. The Act came into effect on 5 June 1987.
1987	Two types of disability employment service were established under the new Commonwealth Disability Services Program: the competitive employment, training and placement (CETP) service and supported employment service (Part II of the <i>Disability Services Act 1986</i> ). The Commonwealth Rehabilitation Service continued to operate (Part III of the <i>Disability Services Act 1986</i> ).
1988	Commencement of the Workplace Modifications Scheme, to reimburse employers and employment service providers for the cost of workplace modifications and special equipment.
1991	Reform of Commonwealth income support payments for people with disabilities (Disability Reform Package). Access to rehabilitation, training and labour market programs was expanded. The first Commonwealth/State Disability Agreement (CSDA) clarified the roles and responsibilities of federal and state and territory governments, handing responsibility for employment, training and placement services to the Commonwealth.
1992-93	Federal Parliament passed the <i>Disability Discrimination Act</i> . The <i>Disability Services Act 1986</i> was amended to allow for the introduction of Disability Services Standards, which applied to all services provided under the <i>Disability Services Act 1986</i> .
1995	The Baume Review of employment-related components of the Disability Services Program handed down its findings. The 1995 Budget reflected Government's response, including definition of the Disability Services Program as a labour market program and development of a framework for performance-based funding of disability employment services.
1997	Centrelink was established as the gateway to income support and employment and related services.  An Employer Incentives Strategy was announced in August 1997. Elements included the Disability Recruitment Coordinator service, the Supported Wage System, and the Special Employment Placement Officer. A year later two more schemes were brought under the strategy: Wage Subsidy Scheme and Workplace Modifications Scheme.
1999–2002	Case Based Funding Trial, a trial of new funding arrangements for disability employment assistance. Under this model, fees are based on a job seeker's assessed level of support need and employment outcomes achieved by providers.
2003	The 2003 Budget announced new funding to implement case based funding for Disability Open Employment Services and Business Services.
2004	Disability Open Employment Services program transferred from the portfolio of the Department of Families and Community Services (FaCS) to the Department of Employment and Workplace Relations (DEWR) in November 2004. DEWR purchased disability open employment services from a national network of government and non-government organisations. Supported employment (Business Services) remained with FaCS.
2005	Case-based funding replaced block funding for Disability Open Employment Services from 1 July.
2006	In May 2006, prior to the issue of new service contracts, the program name was changed to the Disability Employment Network (DEN). Rehabilitation services continued to be delivered by CRS Australia under the Vocational Rehabilitation Services program (VRS). DEWR contracted for the provision of services under DEN and VRS from 1 July 2006 to 30 June 2009.  As part of the Welfare to Work introduced on 1 July reforms a new uncapped stream was introduced to DEN to complement the existing capped stream.
2007	Partial contestability was introduced to VRS; CRS Australia retained two-thirds of business.
2009	Contracts for DEN and VRS extended to 28 February 2010.
2010	Disability Employment Services 2010-2012 commenced on 1 March. A review of National Standards for Disability Services commenced in April.

Sources: Lindsay, 1996; FaCS, 2003.

**Table 1.2: Disability Employment Services policy objectives and drivers**

<b>Policy objective</b>	<b>How would this be achieved or improved?</b>
Improved access to specialist employment assistance for eligible job seekers	Fully demand-driven services: with no caps on services DES providers must accept all referrals.
Building participants' capacity	A participant's employment benchmark is based on their future work capacity with intervention. Employment outcome payments to providers are tied to employment at or above benchmark hours.
More sustainable employment	Changed definition of Employment Outcome through tighter rules on breaks in employment.
Increased training and skills development for participants	New Bonus Outcome payment for participants who receive training and, within 12 months, commence in employment directly related to the training. Apprenticeship bonus fees extended to cover all apprenticeships.
Increased resources for job seekers in remote areas	New 70 per cent loading on Service Fees and Ongoing Support Fees paid to providers for participants who reside in designated remote Employment Service Areas (excluding Excised Remote Areas). New Remote Education Commencement Outcome Fee and Remote Educational Achievement Outcome Fee.
Better support for participants with episodic conditions including mental illness	New Flexible Ongoing Support; specialist support from a recognised psychologist or psychiatrist through the Employment Assistance Fund.
Increased accountability through independent assessments	An IT based Funding Level Tool uses information in Employment Services Assessment reports to assign funding levels. Assessments for ongoing support in the workplace are conducted by external assessors.
Reduced administrative load for service providers	Streamlined funding model and programme guidelines. Simpler eligibility criteria, less complex assessment and referral processes. More flexibility in tailoring service for individual participants.

*Source:* Request for Tender for Disability Employment Services 2010–2012.

DES Service Fees are paid quarterly in amounts specified in the Deed, according to programme and funding level (DMS, ESS Funding Level 1 and ESS Funding Level 2). The total amount paid in Service Fees depends on a participant's funding level and time spent in Employment Assistance phase before getting a job or leaving the programme, which can be up to 18 months with a possible six month extension. Outcome Fees are paid for the achievement of employment and education outcomes, for example, getting a job, 13 weeks in the job, 26 weeks in the job, where the outcome meets specified conditions. The total amount paid for a DES participant comprises the Service Fee and Outcome Fee components plus any supplementary, bonus payments, special loadings and Ongoing Support fees that may apply.

For example, a DES participant who spends a full 18 months in Employment Assistance phase, obtains a job that qualifies for an outcome payment, and maintains the job for at least 26 weeks would attract between \$13,370 and \$25,370 in service and outcome fees for their provider (Table 1.3).

The DES funding model and payment guidelines placed greater emphasis on outcomes and outcome quality than previous programmes. Under VRS and DEN, intake and service fees accounted for 50 to 60 per cent of the amount that a provider could claim for delivering 18 months of Employment

Assistance followed by a 26 Week Employment Outcome. In DES the service fee component of a similar period of service was closer to 40 per cent and the outcome fee component, 60 per cent.

An important related change was the use of future work capacity to set the benchmark number of working hours required for payment of Employment Outcome fees. Future work capacity is the number of hours that a participant is assessed as being able to work within two years of programme support. This sets an individually assessed work capacity goal for each participant to be achieved with the assistance of their DES provider. To receive payment for an Employment Outcome, the provider must hold documentary evidence that the person has worked, on average, at or above their employment benchmark hours for the specified duration, 13 or 26 weeks. Some provision was made for breaks in employment but the rules were tighter than under the previous DEN programme.

**Table 1.3: DES Service and Outcome fees for 18 months in Employment Assistance, by programme and funding level (example only)**

DES fee type	DMS	ESS Funding Level	ESS Funding Level
		1	2
Service (x 6)	\$6,050	\$5,340	\$11,400
Job Placement (x 1)	\$770	\$770	\$770
13 Week Full Employment Outcome (x 1)	\$2,860	\$2,860	\$5,500
26 Week Full Employment Outcome (x 1)	\$4,400	\$4,400	\$7,700
<b>Total</b>	<b>\$14,080</b>	<b>\$13,370</b>	<b>\$25,370</b>

*Note:* Example excludes Ongoing Support Fees, bonus payments and special loadings that may be payable for certain participants; for example does not include Pathway Outcome Fees. Excludes wage subsidies and financial assistance through the Employment Assistance Fund.

*Source:* Disability Employment Services Deed 2010-2012.

### 1.3 DES providers

The Request for Tender for Disability Employment Services was released on 21 August 2009 and closed on 1 October 2009. For DMS, 55 per cent of business was awarded to the government service provider, CRS Australia, and the remaining 45 per cent was put to open tender.<sup>6</sup> Existing DEN providers were engaged to deliver the ESS programme through an Invitation to Treat process.

As a result of the tender, 66 DMS contracts (including CRS Australia) were offered resulting in at least 67 organisations successfully gaining business either in their own right or together with another organisation. When the programme commenced on 1 March 2010:

- 66 DMS providers were operating from around 1,100 sites, compared with 19 providers and 405 sites under the previous VRS
- 29 of the organisations were existing JSA providers
- 16 (25 per cent) of the non-government provider organisations were for-profit entities and 49 operated on a not-for-profit basis
- 23 DMS providers delivered specialist services, including specialists in spinal cord injury and other physical disabilities, autism spectrum disorder, mental health and psychiatric

6. The tender process to purchase Disability Management Services ('Program A' in the tender documentation) business not allocated to CRS Australia was also used to purchase a National Panel of Assessors, a National Disability Recruitment Coordinator and a JobAccess Service (DEEWR 2009).

disability, hearing disability, youth, and Aboriginal and Torres Strait Islander job seekers (VRS had one specialist service, for psychiatric disability).

Successful tenderers were contracted to provide services for the period 1 March 2010 until 30 June 2012, with options for the Australian Government to extend contracts by up to six years. The evaluation was not able to separate the effect of changed programme parameters from the effect of a new field of DMS providers.

The Invitation to Treat process for ESS allowed providers, irrespective of performance, to continue delivering employment services without the need to tender. Successful providers were contracted to provide services for the period 1 March 2010 to 30 June 2012, with options for an extension of contracts by up to six years. The ESS programme evaluated here was delivered by effectively the same field of providers that delivered DEN Capped and Uncapped services. ESS providers had had significant stability since 1986 without needing to tender for business prior to 2012.

Evaluation cannot separate the potential effects of purchasing processes and outcomes from simultaneous changes in programme policy. Suffice to say, DMS was similar to VRS in policy terms but as noted above there was significant change in providers; conversely, ESS represented considerable change in programme policy and operations for service providers but the providers were essentially the same ones as under DEN.

As at 1 March 2010, 66 DMS providers were delivering from 1105 sites and 210 ESS providers were delivering from 1136 sites nationally (Table 1.4).

**Table 1.4: Number of DES provider organisations and sites at the commencement of DES on 1 March 2010**

Type of service	Organisations	Sites
Disability Management Service only	14	863
Employment Support Service only	158	894
Disability Management Service and Employment Support Service	52	242
<b>Total</b>	<b>224</b>	<b>1,999</b>

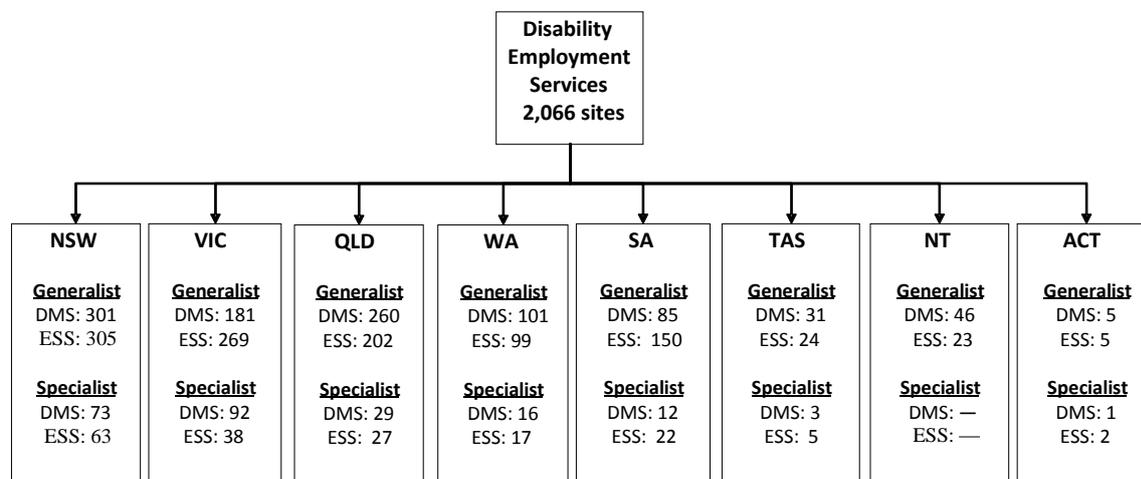
*Source:* Courtesy DES Policy Branch.

As at September 2012, services funded under the DES Deed were delivered by over 200 DES provider organisations operating at 2066 sites across Australia, including 1148 full-time, 199 part-time and 738 outreach sites (Figure 1.2).

One objective of DES was to reduce the administrative load for service providers. This was to be achieved by simplifying the funding model and streamlining assessment and referral processes and other changes to programme guidelines. Interim evaluation found that eight per cent of sites experienced a reduction in administration, compared with DEN/VRS and 79 per cent of sites reported increased administration in the first year of DES, with the new information technology system singled out as a main cause. The Employment Services System was originally designed for the JSA programme and then modified to also support DES. Some functions in the first release of the system for DES proved cumbersome to use and were subsequently redesigned. Teething problems also surfaced with the automated Funding Level Tool which replaced the administratively

burdensome Disability Pre-employment Instrument (DPI) that DEN providers were required to use to assess job seekers.

**Figure 1.2: Number of DES providers by state and territory, September 2012**



Specialty	NSW	Vic	QLD	WA	SA	Tas	NT	ACT	Aust
<b>Disability type</b>									
Psychiatric disability or mental illness	93	90	33	23	25	3	—	2	269
Sensory impairment (hearing or vision loss)	7	13	5	3	6	—	—	1	35
IQ<60 (moderate intellectual disability)	12	—	—	—	—	—	—	—	12
Intellectual or learning disability	4	—	—	—	3	5	—	—	12
Physical, neurological, and other conditions <sup>(a)</sup>	7	4	8	—	—	—	—	—	19
Autism Spectrum, incl Asperger's syndrome	3	8	4	3	—	—	—	—	18
<b>Population group</b>									
Aboriginal or Torres Strait Islander	8	—	6	4	—	—	—	—	18
Ex-offenders	—	15	—	—	—	—	—	—	15
Youth at risk	2	—	—	—	—	—	—	—	2

Includes specialists in physical disability, cerebral palsy, neurological conditions, spinal cord injuries, acquired brain injury, brain disorders and diseases, other disability.

**Notes:**

1. Site numbers may not sum to total because some sites provide services for more than one specialty.
2. A large number of specialist codes have been grouped to match as best as possible the five primary disability groups in the evaluation strategy and sub-populations of special interest.

*Source:* Administrative data as at 19 September 2012 covering 205 provider organisations including 62 DMS and 194 ESS providers.

Interviews with providers for the interim evaluation revealed differing views on the issue of administrative load. Some acknowledged that DES involved more administration but did not consider this as particularly problematic while others expressed concern about the changes. Adapting to an automated transaction processing system was clearly challenging staff at some sites, particularly those that had previously relied on manual and paper-based systems. The discussions highlighted the need to have providers distinguish between what they considered to be necessary and *unnecessary* administration, the latter being what might be termed 'red tape'. The question was put to DES providers in the 2011 and 2012 Survey of Employment Service Providers: "Are there any administrative requirements that you think are unnecessary administration, i.e. do not serve a useful purpose or are more complex/difficult than they need to be?"

In 2011, 28 per cent of sites responded "yes". Sites that operated only a DES contract were more likely to answer in the affirmative (36 per cent) than sites with both DES and JSA contracts (7 per cent). The figure was largely unchanged in 2012 (29 per cent) by which time evidence requirements, rather than the Employment Services System, topped the providers' list of perceived causes of unnecessary administration. The year 2012 was marked by increased programme assurance activity and a tightening of evidentiary requirements for the DES Eligible School Leaver programme following findings of inappropriate registrations of Eligible School Leavers by DES providers. This is likely to be reflected in the feedback on administrative load.

#### 1.4 Policy developments

Changes to a programme or its operating environment during the course of an evaluation can make it more difficult to link any changes in outcomes with the original objectives. Developments in the policy and operational environments of DES occurred since the programme's inception in March 2010. Depending on their nature and timing, changes may need to be taken into account when interpreting results.

- **Introduction of Employment Services Assessments.** In July 2011, Employment Services Assessment replaced Job Capacity Assessment as the mechanism for referring job seekers with disability to DES. Policy responsibility for Job Capacity Assessment (to determine eligibility for Disability Support Pension) moved to the then Department of Families, Housing, Community Services and Indigenous Affairs. The then Department of Education, Employment and Workplace Relations retained policy responsibility for Employment Services Assessment. Assessment Services within the Department of Human Services became responsible for the delivery of both Employment Services Assessments and Job Capacity Assessments; previously, both government and private providers had delivered Job Capacity Assessments.
- **Changed policy on Change of Circumstances Assessments.** A Change of Circumstances Assessment can be conducted when a change in a participant's individual circumstances is sufficiently substantial to warrant a review of the participant's level of assistance. Several changes to Change of Circumstances policy were made, with effect from 1 July 2011.
  - The ability of JSA providers to refer job seekers in Stream 1, 2 or 3 for a Change of Circumstances Assessment was removed.
  - Criteria for Changes of Circumstances Assessments were strengthened, for both JSA and DES.
  - Tightening of the requirement for medical evidence to be sighted when considering a Change of Change of Circumstances Assessment.

- **Senate Inquiry into purchasing arrangements for DES.** The Inquiry commenced on 18 August 2011. The Government's response, which expressed support for six of 11 recommendations in the Report, was presented to the Senate on 17 February 2012.
- **New contracting arrangements for DES.** Disability Management Service contracts due to expire on 30 June 2012 were extended to 30 June 2015 and the DES Employment Support Service Request for Tender was issued in 2012. Tender results were announced on 30 October 2012. The new and extended DES-Employment Support Service Deeds commenced on 4 March 2013.
- **Changes to the Disability Support Pension programme.** Starting on 3 September 2011 people claiming DSP who do not have a severe impairment need to demonstrate that they are unable to work independently, even after receiving assistance through a programme of support. People who do not have evidence that they cannot be assisted back to work have their DSP claim rejected and are referred to an employment service to build their capacity. New Impairment Tables for assessing eligibility for DSP came into effect on 1 January 2012. These two reforms have the potential to increase referrals to DES and JSA.
- **Changes to DES Eligible School Leaver Guidelines.** Updated Eligible School Leaver Guidelines took effect on 4 October 2012 following evaluation and programme assurance activities.
- **Introduction of new 26 week wage subsidies.** Prior to January 2012 the only wage subsidy available for employers of DES participants was the Wage Subsidy Scheme 13 week subsidy of up to \$1500 (GST exclusive) per eligible job placement. This Scheme was first introduced in 1998. New 26 week wage subsidies include Wage Connect (from 1 January 2012) and Enhanced Wage Subsidy (from 1 July 2012).
- **General Deed Variation.** A variation to the DES Deed and revisions to guidelines with effect from 1 July 2012 increased the number of Non Payable Outcomes to prevent payment to providers for employment placements that are non-ongoing, contrived, or not in open employment.
- **Announcement of the Remote Jobs and Communities Programme.** The new programme replaced DES and JSA services in remote communities from 1 July 2013.
- **Review of the DES Performance Framework.** The review recommended changes to some Key Performance Indicators. Changes were progressively implemented from 4 March 2013.
- **Announcement of a National Disability Insurance Scheme.**

Most of these developments, while significant in their own right, had little or no effect on the evaluation because of the approach taken to data extraction and analysis. The Employment Support Service Request for Tender in 2012 was evident in the data from September 2011 through to April 2012; however, the cohort analysis approach used in the evaluation effectively avoided data perturbations that coincided with the tender.

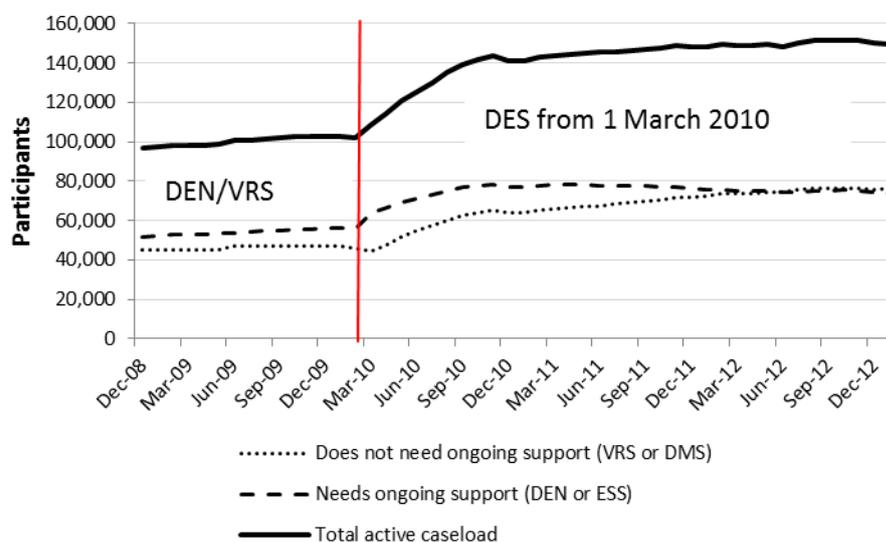
One issue that did need to be taken into account was an expansion in the Eligible School Leaver registrations during the evaluation period. This was an unintended consequence of uncapping, as revealed by an evaluation of DES Eligible School Leaver pathways (see Chapter 6). This evaluation reports on Eligible School Leavers separately and excludes them from overall results for DES in order to make valid comparisons of DES and DEN/VRS.

## 2 Participation in disability employment services

### 2.1 Background

The final twelve months of DEN and VRS registered very modest increases in participant numbers, with growth largely confined to the uncapped streams. Following the introduction of DES there was a rapid rise in the number of people using services, which reflected a level of unmet demand under the previous programmes (Figure 2.1).

**Figure 2.1: Number of participants in disability employment services, by need for ongoing support, December 2008 to December 2012**



*Note:* Data are active caseload as at the end of each month.

*Source:* Caseload for March 2010 to December 2012 from the Disability Employment Services Monthly Report January 2013 (data as at 31 January 2013); caseload prior to March 2010 from the DEN/VRS weekly reports.

Between March and November 2010 DMS caseload increased from approximately 44 000 to 65 000 participants and ESS from 64 000 to 78 000—an overall increase of 33 per cent in the first nine months. Growth then eased as the caseload reached the level of demand. From the start DES appeared to be fulfilling the objective of improved access to specialist employment assistance.

Young (under 21) and mature (50 years and over) age groups of participants recorded the highest growth in registrations. Strong growth in the number of young participants stemmed from a rapid expansion in full-time school student registrations via the Eligible School Leaver direct registration pathway—an unintended consequence of the demand-driven environment. Chapter 6 contains findings from an evaluation of DES Eligible School Leaver pathways.

This chapter compares the DES caseload to the target population and investigates whether the removal of service caps coincided with any marked changes in the caseload profile. The evaluation's key indicator of access to services, *Programme participants as a proportion of the target population*, is used to measure the effect of uncapping.

## 2.2 The DES target group

The *Disability Services Act 1986* defines the target group for disability employment and rehabilitation services as people with disability attributable to an intellectual, psychiatric, sensory or physical impairment, or a combination of such impairments, which results in *substantially reduced capacity*. This is a subset of the larger population of working-age people with disability along the spectrum from mild to profound. Part II of the Act identifies people with permanent disability who need ongoing support services as a distinct sub-group. In practice this is the target group for ESS. The concepts of substantially reduced capacity and need for ongoing support are operationalized in the Employment Services Assessment that is used to stream job seekers into employment programmes.

At around the time that DES replaced DEN and VRS an estimated 2.2 million working-age Australians had some level of disability (ABS 2011). Almost one million of these people were not in the labour force, more than half of whom considered that they would never work again (Table 2.1). The target group for DES was among the remaining 1.2 million labour force participants with disability—the vast majority employed. According to the ABS survey, in 2009, unemployed persons with disability numbered around 92 000 (not working but actively looking for work).

**Table 2.1: Estimated household population aged 15 to 64 years by disability and labour force status, Australia, 2009**

Labour force status	With disability '000	With disability Per cent	Without disability '000	Without disability Per cent
<b>In the labour force</b>				
Employed full-time	672.1	31.0	6,838.5	54.5
Employed part-time, want to work more hours <sup>(a)</sup>	60.0	2.8	338.3	2.7
Employed part-time, do not want to work more hours <sup>(a)</sup>	114.6	5.3	819.7	6.5
Employed part-time, more than 15 hours a week	239.8	11.0	1,866.8	14.9
<i>Employed total</i>	<i>1,086.5</i>	<i>50.1</i>	<i>9,863.3</i>	<i>78.6</i>
Unemployed: looking for full-time work	53.9	2.5	340.6	2.7
Unemployed: looking for part-time work	38.1	1.8	188.1	1.5
<i>Unemployed total</i>	<i>92.0</i>	<i>4.2</i>	<i>528.7</i>	<i>4.2</i>
<i>Subtotal—in labour force</i>	<i>1,178.5</i>	<i>54.3</i>	<i>10,392.0</i>	<i>82.8</i>
<b>Not in the labour force</b>				
Want to work—actively looking	19.8	0.9	59.3	0.5
Want to work—not actively looking, discouraged	26.0	1.2	66.6	0.5
Want to work—not actively looking, other reason	143.1	6.6	932.0	7.4
Do not want to work—permanently unable to work	590.4	27.2	—	—
Do not want to work—other reasons	213.6	9.8	1,098.0	8.8
<i>Subtotal—not in the labour force</i>	<i>992.8</i>	<i>45.7</i>	<i>2,155.9</i>	<i>17.2</i>
<b>Total</b>	<b>2,171.3</b>	<b>100.0</b>	<b>12,547.9</b>	<b>100.0</b>

(a) "Would you like to work more hours?" was asked of people who were working 15 or fewer hours per week.

Source: Estimated numbers from ABS analysis of the 2009 Disability, Ageing and Carers Survey master file (custom data request June 2012); percentages are based on the ABS estimates.

In late 2009 the target group therefore numbered somewhere between the DEN/VRS caseload of around 115 000 and the ABS survey estimate of 1.2 million people with disability. The evaluation engaged the Australian Institute of Health and Welfare to model DES eligibility criteria using the 2009 ABS Disability, Ageing and Carers Survey. From this it proved feasible to estimate the target group for disability employment services<sup>7</sup> (see Chapter 2 Technical Notes for a description of the method, its strengths and limitations).

For the purpose of estimating the target group for DES we considered persons outside the labour force to be outside the target group. Including employed and unemployed persons who appear to have met programme eligibility criteria, the target group on 30 June 2009 numbered around 267 000 people of whom more than three-quarters were employed (Table 2.2).

The large employed segment warrants explanation. Most DES participants are job seekers who enter the programme as unemployed people. Some remain in the programme after starting a job to receive Post Placement Support or Ongoing Support, which means that the caseload includes employed persons even though this not how they entered the programme. In addition, two programme elements targeted employed persons: Job in Jeopardy Assistance and the Employment Assistance Fund (EAF). A person already in a job could enter DES as a Job in Jeopardy participant if their employment was at risk of ending because of disability.<sup>8</sup> The EAF provides financial assistance for eligible employed persons and their employers towards workplace modifications and a range of specialist assistance. Use of Job in Jeopardy and the EAF is covered at the end of the chapter; for now it is enough to know that through these mechanisms employed persons are part of the DES target group.

The method used here to estimate the target group takes an inclusive approach because we assume that employed people with a qualifying level of disability are at higher than normal risk of becoming unemployed should their current employment end. A practical difficulty arises because the ABS survey cannot be used to distinguish people who are at imminent risk of job loss. The result is that the modelled target population is larger and more employed than might be expected if there were a way to identify 'at risk' workers. It is useful to consider the number of employed people who appear to have a level of disability that would make them potentially eligible for DES assistance. A change in circumstances can mean a transition to unemployment and the ABS survey shows that most of these people believe that it would be hard to find suitable work.

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7. The target population was estimated over the age range 25 to 64 years. It was not possible to identify eligible full-time students in the ABS survey data.

8. Job in Jeopardy Assistance is available for an employed person who is likely to lose their employment in the immediate future as a result of their injury, disability or health condition. The person must have been employed for a minimum of eight hours a week on average over the previous consecutive 13 weeks or where there is an expectation that the employment will last 13 weeks. This allowed workers employed for less than 13 weeks to receive assistance, with the exception of where the job was very short term (DES Job in Jeopardy Assistance Guidelines v2.4).

**Table 2.2: Estimated target group for disability employment services at ages 25 to 64 years, by sex and age group, 30 June of reference year**

<b>Sex/age group</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Males 25–34	31,700	32,300	33,000	33,800
Males 35–49	49,100	49,300	49,500	49,600
Males 50–64	44,300	45,200	46,200	46,700
<i>Males 25–64</i>	<i>125,000</i>	<i>126,900</i>	<i>128,700</i>	<i>130,000</i>
Females 25–34	22,600	23,000	23,500	23,900
Females 35–49	66,900	67,100	67,300	67,500
Females 50–64	52,200	53,400	54,700	55,500
<i>Females 25–64</i>	<i>141,700</i>	<i>143,600</i>	<i>145,500</i>	<i>146,900</i>
Persons 25–34	54,300	55,400	56,600	57,700
Persons 35–49	116,000	116,500	116,800	117,100
Persons 50–64	96,500	98,700	100,900	102,200
<b>Persons 25–64</b>	<b>266,800</b>	<b>270,500</b>	<b>274,200</b>	<b>277,000</b>

*Notes:*

1. Target group includes employed and unemployed persons only; excludes people not in the labour force.
2. Projected target group as at on 30 June 2009, 2010, 2011 and 2012 calculated by applying the survey-derived estimated numbers of eligible employed and unemployed persons by sex and age group in 2009 to the ABS Estimated Resident Population for 30 June of each year. This assumes that the prevalence of employment restrictions by age and sex observed in 2009 prevailed over the three year projection period.
3. The projected increase in numbers from 2009 to 2012 is largely a result of population ageing.
4. Due to rounding, totals may not be exactly the sum of the parts.

*Source:* Based on unpublished analysis by the Australian Institute of Health and Welfare (AIHW) of the 2009 ABS Disability, Ageing and Carers Survey confidentialised unit record file. AIHW estimates of the potentially eligible population have been adjusted to exclude people not in the labour force. Projections use ABS Estimated Resident Populations for 30 June 2009, 2010, 2011 and 2012.

One in three employed persons in the target population usually worked less than 16 hours per week, of whom some 34 per cent would have liked to work more hours. This indicates a level of underemployment among the employed (the question of preferred hours is not asked of people who usually work more than 15 hours per week). A range of occupations was represented, most commonly labouring (22 per cent) and management/administration and professional occupations (24 per cent).

The most common employment restriction, ‘restricted in type of job’ (81 per cent), highlights the importance of job matching services. Almost three-quarters of the employed persons cited difficulty in changing jobs or finding a suitable job and 60 per cent were restricted in the number of hours they could work. Though the ABS survey does not collect information on the risk of job loss, the data indicate the vulnerability of this group of workers if their current employment were to end.

Almost 30 per cent expected their restricting health condition to worsen within the next two years and 13 per cent were unsure how their condition would progress. The rest expected their condition to remain the same or improve. More than 50 per cent experienced a level of pain that interfered with work to a moderate or extreme extent (department’s analysis of ABS survey).

An estimated 55 per cent of the unemployed members of the target group had been without work for up to six months and 29 per cent were long-term unemployed. Health problems and disability were the most common reasons for difficulty in finding work (38 per cent). Reasons other than

disability were also given, including labour market conditions and competition for jobs (17 per cent) and inadequate skills, education or work experience (15 per cent).

### 2.3 Use of services by the target group

Having estimated the size of the target group the question of access can be examined by looking at the proportion of the group who were in the programme.

On 30 June 2012, the DES total caseload, 'on the books', numbered 148 327 participants, evenly divided between DMS (74 182) and ESS (74 145)<sup>9</sup>. This represented 42 per cent of the target population, up from 35 per cent on 30 June 2009 (Table 2.3).

Participation in services was higher among men (49 per cent) than women (36 per cent). Both sexes recorded an increase in service participation between 2009 and 2012 with women registering the highest increase, particularly at ages 50 to 64 years. Mature-age women participated in services at around the same level as younger women, whereas in 2009 there was a difference of eight percentage points. Increased take-up of services by mature-age women is most likely to be linked to increases in the Age Pension eligibility age for women. Women in receipt of activity-tested income support who are unable to transfer to the Age Pension have a greater incentive to seek employment. The fully demand-driven programme enabled DES to respond to increased demand from this and other groups of mature-age job seekers.

**Table 2.3: Estimated percentage of the target group aged 25 to 64 years participating in disability employment services, by sex and age group, 2009 to 2012**

<b>Sex/age group (years)</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Males 25–34	45.3	48.0	50.3	45.8
Males 35–49	45.9	50.8	55.3	51.7
Males 50–64	36.1	42.2	47.9	48.9
<i>Males 25–64</i>	<i>42.3</i>	<i>47.0</i>	<i>51.4</i>	<i>49.2</i>
Females 25–34	33.3	34.9	38.8	37.9
Females 35–49	27.9	30.2	33.7	32.9
Females 50–64	24.9	29.7	34.7	38.4
<i>Females 25–64</i>	<i>27.7</i>	<i>30.8</i>	<i>34.9</i>	<i>35.8</i>
Persons 25–34	40.3	42.5	45.4	42.5
Persons 35–49	35.5	38.9	42.8	40.9
Persons 50–64	30.1	35.4	40.8	43.2
<b>Persons 25–64</b>	<b>34.5</b>	<b>38.4</b>	<b>42.6</b>	<b>42.1</b>

Source: Appendix tables A2.2 and A2.5.

9. Employment Services Monthly Report, data as at 31 January 2013.

Each of the four broad disability groupings registered increased participation in services following the introduction of DES and thus appear to have benefited from the removal of service caps. The year 2011 recorded a peak participation rate for some groups but not others. This is also seen in caseload numbers.

People with intellectual or learning disability have a higher rate of participation in disability employment services than other disability groups. According to the target population model, programme participants with intellectual or learning disability accounted for nearly the entire segment of the target group with these disabilities (Table 2.4). Most DES participants with intellectual disability are volunteers in ESS. It is more difficult to identify intellectual disability than other disabilities in the ABS survey data, making these estimates possibly less accurate than others.

**Table 2.4: Estimated percentage of target population aged 25–64 years participating in disability employment services, by primary disability, 2009 to 2012**

Primary disability <sup>(a)</sup>	2009	2010	2011	2012
Physical/diverse	24.9	29.4	32.5	31.6
Psychiatric	60.1	62.1	70.4	72.2
Intellectual/learning <sup>(b)</sup>	88.0	93.3	98.7	93.3
Sensory/speech	34.8	36.5	40.5	38.5

(a) Primary disability for members of the target population is inferred from ABS survey data item Main condition. It is not possible to report separately for intellectual and learning disabilities.

(b) Relatively more programme participants with intellectual disability or learning disability, compared with other primary disabilities, are under 25 years of age. Table does not show service participation for this age group.

Source: Appendix tables A2.4, A2.6, A2.9.

This disability population-based measure of service participation indicates substantially higher rates of participation by each primary disability group than service participation rates calculated using income support data (for the latter, see DEEWR 2012). The population-based method makes it possible to exclude people who are not in the labour market and to include people who are participating even though they do not receive an income support payment.

The analysis provides strong evidence that the removal of service caps has improved access to specialist employment assistance for eligible job seekers. Further evidence is seen in the proportion of referred persons who commenced in the programme recommended for their needs. Based on Job Capacity Assessments and Employment Services Assessments conducted between 1 March 2010 and 30 June 2012 and finalised by 18 September 2012:

- 70 per cent of people recommended for ESS commenced in ESS—up from 59 per cent for DEN.<sup>10</sup>
- 77 per cent of people recommended for DMS commenced in DMS—up from 75 per cent for VRS.

In summary, the removal of service caps coincided with a higher proportion of the target group ‘on the books’ and more people in the most appropriate programme for their needs. It is still the case that a significant minority, around one in four referrals, do not take up the recommended assistance.

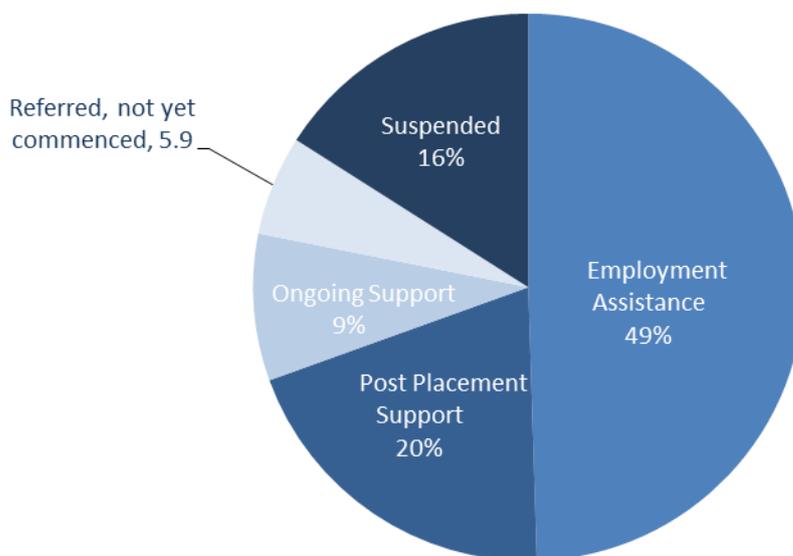
10. DEN and VRS data from January 2008 to December 2009. Results are based on people having a first assessment for disability employment services.

This has to do with the voluntary nature of employment assistance for DSP recipients and other income support recipients with a future work capacity between eight and 14 hours (who, at the time of the evaluation were not required to participate in employment services). Some people might find employment after referral to DES but before commencing with a service provider and this would also contribute to less than 100 per cent commencement.

## 2.4 Characteristics of DES participants

The total caseload on 30 June 2012 (148 327) included 23 662 participants who were suspended and another 8748 people referred but not yet commenced with a DES provider and therefore not in service (DES Monthly Report 30 June 2012, data as at 2 July 2012). Almost half of people on-the-books were in the Employment Assistance phase and another 29 per cent were employed and receiving Post Placement Support while tracking to a 26 Week Employment Outcome or in Ongoing Support after achieving an Outcome (Figure 2.2).

**Figure 2.2: DES caseload by current phase of assistance, 30 June 2012**



Source: DES Monthly Report 30 June 2012 (data as at 2 July 2012).

The rest of this chapter describes the DES ‘commenced caseload’ based on the 90 per cent, approximately 132 900 participants, who were in service on 30 June 2012.<sup>11</sup> This included some people who had commenced but were suspended as at 30 June. Suspension from service can be for a number of reasons, most commonly, medical. Tables 2.5 to 2.8 compare the profile of commenced participants with DEN/VRS participants in service on 30 June 2009.

11. “A participant is considered to be receiving Services in a Program from the time they Commence in that Program until they achieve a 26-week Outcome or until the Program ends, after either 18 or 24 months if an additional six months of service has been granted.” (Request for Tender for Disability Employment Services 2010–2012).

More than half of participants were male, consistent with the higher male rate of service participation. DMS had an older caseload than ESS, similar to the contrasting age profiles of VRS and DEN (Table 2.5). The DES caseload had a younger age profile than DEN/VRS, owing to a higher proportion of participants under 21 years of age. This is associated with an increase in registrations of full-time secondary school students under the DES Eligible School Leaver guidelines between 2010 and 2012. The unanticipated change in the number and profile of full-time student registrations was also responsible for a change in the disability profile of the caseload. Following a clarification of conditions for eligibility in the DES Eligible School Leaver guidelines in late 2012, the intake of full-time students returned to expected levels. Differences in the age and disability profiles of DES and DEN/VRS are expected to be a temporary effect relating to the Eligible School Leaver intake during this period.

**Table 2.5: Participants in disability employment services by sex and age group, percentage of commenced caseload on 30 June 2012 and 2009**

Sex/ age group	DMS	ESS-1	ESS-2	Ongoing Support <sup>(a)</sup>	ESS Total	VRS (2009)	DEN (2009)
Male <21	6.1	3.9	22.3	10.6	11.8	1.4	9.4
Male 21–24	3.2	5.5	7.9	9.4	7.1	3.4	7.1
Male 25–34	8.9	10.9	11.3	15.7	11.9	11.0	14.1
Male 35–49	18.4	17.9	13.6	16.5	16.1	22.7	18.1
Male 50–64	18.0	17.7	7.2	9.1	12.3	17.6	11.8
Male 65+	0.1	0.2	<0.1	0.3	0.1	<0.1	0.2
<i>Male total</i>	<i>54.7</i>	<i>56.1</i>	<i>62.3</i>	<i>61.5</i>	<i>59.4</i>	<i>56.0</i>	<i>60.6</i>
Female <21	4.0	2.3	11.6	4.1	6.0	1.2	4.7
Female 21–24	2.5	3.2	4.1	5.1	3.9	2.2	4.2
Female 25–34	5.3	6.7	5.6	9.3	6.8	5.4	7.7
Female 35–49	16.9	15.8	8.9	11.9	12.6	20.5	13.7
Female 50–64	16.6	15.9	7.5	8.0	11.4	14.7	9.1
Female 65+	<0.1	<0.1	—	0.1	<0.1	<0.1	<0.1
<i>Female total</i>	<i>45.3</i>	<i>43.9</i>	<i>37.7</i>	<i>38.5</i>	<i>40.6</i>	<i>44.0</i>	<i>39.4</i>
Persons <21	10.1	6.2	33.9	14.7	17.8	2.5	14.0
Persons 21–24	5.7	8.7	12.0	14.5	11.0	5.6	11.3
Persons 25–34	14.2	17.6	16.9	24.9	18.7	16.4	21.8
Persons 35–49	35.3	33.7	22.5	28.4	28.7	43.2	31.8
Persons 50–64	34.6	33.6	14.6	17.1	23.6	32.3	20.8
Persons 65+	0.1	0.2	<0.1	0.4	0.2	<0.1	0.2
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>65,545</b>	<b>30,309</b>	<b>24,325</b>	<b>12,685</b>	<b>67,319</b>	<b>44,375</b>	<b>57,930</b>

(a) ESS participants in the Ongoing Support phase. DMS participants in Flexible Ongoing Support are counted under DMS. See Table A2.9 for a breakdown of Ongoing Support.

Notes:

1. ESS-1 and ESS-2 denote Employment Support Service Funding Levels 1 and 2 respectively.
2. Ongoing Support includes Job in Jeopardy participants.
3. Data for DES is as at 30 June 2012; DEN and VRS data are as at 30 June 2009.

Source: Administrative data.

The two DES programmes differed in their disability profiles. While all types of disability were present in both programmes, DMS serviced relatively more people with physical disability and ESS serviced a higher intellectual and learning disability caseload (Table 2.6). This is reflected in different employment support needs with relatively more DMS participants needing mobility support contrasted against more in ESS with needs around communication, learning and workplace behaviour.

The DEN caseload included people who received support after starting a job. DEN did not have an independent assessment equivalent to the Ongoing Support Assessments in DES, which meant that some DEN participants stayed in Maintenance phase for longer than necessary. The principle behind Ongoing Support Assessment in DES is that a person who is capable of working independently after a period of Ongoing Support, broadly speaking the equivalent to DEN Maintenance phase, is more likely to be exited from the programme and therefore less likely to remain on the caseload indefinitely, than would have been the case in DEN. The introduction of Ongoing Support Assessments would account for a lower proportion of employed participants on the ESS caseload compared with DEN (Table 2.7).

The DES caseload was largely but not exclusively income support recipients: 18 per cent of participants on 30 June 2012 were not receiving income support when they commenced in DES, though fewer than 10 per cent had not received income support at some point in their lifetime (Table 2.7). Recipients of Newstart Allowance or Youth Allowance made up two-thirds of DMS participants whereas ESS was more evenly divided between people receiving these payments and DSP recipients. Notable differences between DES and the previous programmes include:

- a higher proportion of non-Allowees particularly in DMS (18 per cent) compared with VRS (10 per cent)
- lower proportions of people who have been on income support for two or more years
- relatively more volunteers (not activity tested) in DMS than in VRS; relatively fewer in ESS compared with DEN (Table 2.8).

Income support status and payment type often change during a period of service. For example, a person might commence in the programme as a non-Allowee or Newstart recipient and transfer to DSP when a pending claim is approved (income support is typically backdated to the claim date). Depending on when the data is extracted for analysis the record may show the person's original or updated status. A person's income support status can also change if they become employed. In the analysis of outcomes, receipt of income support and payment type must be taken into account, especially when current and previous caseloads differ on these characteristics.

Most people enter DES via a referral from the Department of Human Services (DHS) following an Employment Services Assessment but 18 per cent of the caseload on 30 June 2012 had entered by directly registering with a DES provider. Volunteer job seekers can enter by direct registration or by referral. The volunteer component is reflected in numbers of participants with no activity test requirements, 27 per cent and 43 per cent of participants in DMS and ESS respectively (Table 2.8). A high level of voluntary participation is a main difference between DES and JSA.

**Table 2.6: Participants in disability employment services by primary disability and age group, percentage of commenced caseload on 30 June 2012 and 2009**

Primary disability and age group	DMS	ESS-1	ESS-2	Ongoing Support <sup>(a)</sup>	ESS Total	VRS (2009)	DEN (2009)
Psychiatric <21	3.7	1.4	5.6	1.2	2.9	0.9	1.7
Psychiatric 21–24	2.7	2.9	3.1	1.3	2.7	2.6	2.9
Psychiatric 25–34	6.6	8.9	7.8	5.1	7.8	7.2	9.5
Psychiatric 35–49	12.3	15.6	10.8	9.0	12.6	13.6	14.1
Psychiatric 50–64	7.6	10.0	4.8	5.1	7.2	6.4	6.3
Psychiatric 65+	<0.1	<0.1	<0.1	0.1	<0.1	<0.1	<0.1
<i>Psychiatric total</i>	<i>32.9</i>	<i>39.0</i>	<i>32.0</i>	<i>21.7</i>	<i>33.2</i>	<i>30.7</i>	<i>34.5</i>
Physical <21	1.7	1.4	2.3	1.4	1.7	1.3	1.7
Physical 21–24	2.4	2.0	1.2	2.1	1.7	2.7	1.8
Physical 25–34	7.0	5.0	2.5	4.1	3.9	8.5	4.5
Physical 35–49	22.0	14.7	6.7	8.4	10.6	28.2	11.4
Physical 50–64	26.0	21.5	8.1	8.1	14.2	24.5	12.0
Physical 65+	0.1	0.1	<0.1	0.3	0.1	<0.1	0.1
<i>Physical total</i>	<i>59.2</i>	<i>44.7</i>	<i>20.9</i>	<i>24.3</i>	<i>32.3</i>	<i>65.2</i>	<i>31.5</i>
Intellectual <21	0.4	0.6	7.8	3.6	3.8	<0.1	3.3
Intellectual 21–24	0.1	0.7	3.0	5.1	2.4	<0.1	2.6
Intellectual 25–34	0.1	0.7	3.0	8.9	3.1	<0.1	3.7
Intellectual 35–49	0.0	0.5	2.3	6.4	2.3	<0.1	2.5
Intellectual 50–64	0.0	0.2	0.6	1.7	0.6	<0.1	0.6
Intellectual 65+	—	—	<0.1	<0.1	<0.1	—	<0.1
<i>Intellectual total</i>	<i>0.6</i>	<i>2.8</i>	<i>16.8</i>	<i>25.7</i>	<i>12.2</i>	<i>0.1</i>	<i>12.7</i>
Learning <21	3.9	2.4	16.9	7.9	8.7	0.1	6.3
Learning 21–24	0.3	2.4	4.3	5.2	3.6	0.2	3.2
Learning 25–34	0.3	2.0	2.9	5.3	3.0	0.2	2.7
Learning 35–49	0.2	1.0	1.3	2.1	1.3	0.1	1.4
Learning 50–64	0.1	0.3	0.4	0.5	0.4	0.1	0.4
Learning 65+	0.0	—	—	<0.1	<0.1	—	<0.1
<i>Learning total</i>	<i>4.8</i>	<i>8.1</i>	<i>25.8</i>	<i>21.1</i>	<i>16.9</i>	<i>0.7</i>	<i>14.0</i>
Sensory <21	0.2	0.4	1.2	0.6	0.7	<0.1	0.8
Sensory 21–24	0.1	0.6	0.5	0.8	0.6	0.1	0.6
Sensory 25–34	0.3	1.0	0.7	1.4	1.0	0.2	1.2
Sensory 35–49	0.7	1.8	1.3	2.5	1.8	0.6	2.1
Sensory 50–64	0.9	1.6	0.8	1.7	1.3	0.7	1.5
Sensory 65+	<0.1	<0.1	<0.1	0.1	<0.1	<0.1	<0.1
<i>Sensory total</i>	<i>2.3</i>	<i>5.4</i>	<i>4.5</i>	<i>7.1</i>	<i>5.4</i>	<i>1.6</i>	<i>6.2</i>
Missing primary disability	0.1	<0.1	0.1	0.1	0.1	1.6	1.1
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>65,545</b>	<b>30,309</b>	<b>24,325</b>	<b>12,685</b>	<b>67,319</b>	<b>44,375</b>	<b>57,930</b>

(a) ESS participants in the Ongoing Support phase. DMS participants in Flexible Ongoing Support are counted under DMS.

Notes:

1. ESS-1 and ESS-2 denote Employment Support Service Funding Levels 1 and 2 respectively.
2. Ongoing Support includes Job in Jeopardy participants.
3. Data for DES is as at 30 June 2012; DEN and VRS data are as at 30 June 2009.

Source: Administrative data.

**Table 2.7: Participants in disability employment services by other characteristics, percentage of commenced caseload on 30 June 2012 and 2009**

Characteristic	DMS	ESS-1	ESS-2	Ongoing Support <sup>(a)</sup>	ESS Total	VRS (2009)	DEN (2009)
<b>Aboriginal or Torres Strait Islander</b>							
	4.6	2.7	8.9	3.3	5.0	4.3	4.2
<b>Non-English speaking country of birth</b>	22.1	15.0	17.8	7.6	14.6	24.4	12.6
<b>Vulnerability indicators</b>							
Drug/alcohol dependence	1.5	1.3	1.8	0.2	1.2	2.4	1.8
Significant lack of literacy and language skills	1.3	0.9	2.6	0.3	1.4	2.8	1.8
Homeless	0.4	0.4	0.5	0.1	0.4	0.1	0.1
Any combination of the above	0.1	0.1	0.3	<0.1	0.2	0.1	0.1
<b>Remoteness</b>							
Major City	61.6	61.7	62.7	61.4	62.0	63.6	59.9
Inner Regional	24.2	23.8	21.0	20.5	22.2	22.1	23.2
Outer Regional	12.0	12.6	13.5	15.0	13.4	12.0	14.0
Remote	1.2	1.2	1.5	1.9	1.4	1.2	1.7
Very Remote	1.0	0.7	1.2	1.2	1.0	1.0	1.1
Unable to determine	<0.1	<0.1	<0.1	<0.1	<0.1	0.2	0.1
<b>Educational attainment</b>							
Less than Year 10	13.9	9.8	23.6	9.5	14.7	22.4	17.5
Year 10	29.3	27.2	30.3	23.5	27.6	34.4	27.9
Year 12	13.8	15.0	12.6	13.8	13.9	15.9	13.8
Vocational <sup>(b)</sup>	27.9	33.2	11.9	17.5	22.6	18.4	14.0
Tertiary	7.6	9.7	1.8	5.1	6.0	5.7	4.3
Not stated <sup>(c)</sup>	7.4	5.2	19.8	30.6	15.3	3.3	22.5
<b>Employed<sup>(d)</sup></b>	26.3	23.1	23.9	100.0	37.9	17.2	39.5
<b>Payment type</b>							
Newstart or Youth Allowance	67.9	53.5	36.8	13.0	39.9	71.9	38.1
DSP	6.4	29.2	40.1	51.6	37.3	5.4	40.7
Parenting Payment <sup>(e)</sup>	6.0	3.4	2.7	1.0	2.7	11.0	3.9
Other payment	1.9	1.7	2.9	1.4	2.1	1.5	1.6
Non-allowee	17.8	12.1	17.5	33.0	18.0	10.2	15.8
<b>Lifetime duration on income support<sup>(f)</sup></b>							
Nil	7.1	3.6	13.3	12.1	8.7	0.8	5.5
Less than 6 mnths	2.0	1.9	1.4	1.5	1.6	1.5	1.9
6 to less than 12 mnths	4.0	2.6	2.4	1.9	2.4	3.1	2.4
12 to less than 24 mnths	8.8	6.7	6.7	4.7	6.4	6.8	5.4
2 or more years	78.1	85.1	76.2	79.8	80.9	87.8	84.8

Characteristic	DMS	ESS-1	ESS-2	Ongoing Support <sup>(a)</sup>	ESS Total	VRS (2009)	DEN (2009)
<b>Duration of current spell on income support<sup>(g)</sup></b>							
Not on income support	17.8	12.1	17.5	33.0	18.0	10.2	15.8
Less than 6 mnths	15.4	12.5	10.1	3.8	10.0	6.5	6.2
6 to less than 12 mnths	14.2	11.0	8.8	3.2	8.7	10.4	7.3
12 to less than 24 mnths	19.6	16.9	14.0	7.3	14.0	20.6	13.7
2 or more years	33.0	47.4	49.7	52.8	49.3	52.1	57.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) ESS participants in the Ongoing Support phase. DMS participants in Flexible Ongoing Support are counted under DMS.

(b) Trade or TAFE qualification, non-trade vocational qualification, Associate Diploma or Diploma.

(c) Includes those who attended special school.

(d) 'Employed' defined by in Post Placement Support or Ongoing Support phase.

(e) Partnered or Single.

(f) Total duration of income support (all payment types) to 30 June of reference year.

(g) Duration of current income support payment type to 30 June of reference year.

**Notes:**

1. ESS-1 and ESS-2 denote Employment Support Service Funding Levels 1 and 2 respectively.
2. Ongoing Support includes Job in Jeopardy participants.
3. Data for DES is as at 30 June 2012; DEN and VRS data are as at 30 June 2009.

Source: Administrative data.

**Table 2.8: Participants in disability employment services by key programme parameters, percentage of commenced caseload on 30 June 2012 and 2009**

Programme parameter	DMS	ESS-1	ESS -2	Ongoing Support <sup>(a)</sup>	ESS Total	VRS (2009)	DEN (2009)
<b>Employment support need</b>							
Build work capacity	71.4	70.7	56.7	45.0	60.8	82.4	57.1
Maintain employment	86.4	93.8	77.2	66.9	82.7	91.0	76.2
Communication	4.5	8.6	17.9	15.1	13.2	5.4	13.0
Mobility	52.3	45.0	23.5	21.6	32.8	59.3	29.9
Personal care	0.6	1.2	2.5	2.0	1.8	0.1	1.7
Learning	37.6	52.5	62.8	51.0	55.9	46.7	55.1
Social behaviour	48.1	62.6	60.6	47.0	58.9	50.5	55.2
<i>Any of the above</i>	<i>90.6</i>	<i>97.8</i>	<i>80.1</i>	<i>69.9</i>	<i>86.1</i>	<i>98.5</i>	<i>80.5</i>
Not recorded	2.3	1.7	1.7	1.0	1.6	1.2	1.9
<i>Total valid JCA/ESAt</i>	<i>92.8</i>	<i>99.5</i>	<i>81.8</i>	<i>70.9</i>	<i>87.8</i>	<i>99.7</i>	<i>82.4</i>
No valid JCA/ESAt	7.2	0.5	18.2	29.1	12.2	0.3	17.6
<b>Employment benchmark hours</b>							
Zero	0.1	0.2	0.2	0.1	0.2	0.3	n.a.
8	13.4	31.5	60.2	69.6	49.1	7.7	100.0
15	58.5	57.3	35.9	18.5	42.3	64.4	n.a.
30	27.4	11.0	3.6	3.9	7.0	27.6	n.a.
Job in Jeopardy	0.5	—	—	7.7	1.4	n.a.	n.a.
Missing	<0.1	<0.1	<0.1	0.1	<0.1	n.a.	n.a.
<b>Registration type</b>							
Eligible School Leaver	6.6	0.1	21.1	10.3	8.1	—	4.0
Other direct reg.	4.8	15.9	11.4	21.3	10.1	1.5	8.8
Referred	88.6	84.0	67.5	68.4	81.8	98.5	87.3
<b>Participation status</b>							
Full activity tested	22.5	8.3	5.1	2.6	14.2	36.6	13.0
Part activity tested	50.6	48.3	34.1	11.3	43.3	45.8	28.6
Not activity tested	26.8	43.4	60.8	86.1	42.5	17.6	58.4
<b>Remote job seeker<sup>(b)</sup></b>	<b>0.9</b>	<b>0.4</b>	<b>0.9</b>	<b>0.9</b>	<b>0.7</b>	<b>2.2</b>	<b>21.1</b>

(a) ESS participants in the Ongoing Support phase. DMS participants in Flexible Ongoing Support are counted under DMS.

(b) Definitions vary. DES figures reflect participants eligible for the Remote Services Loading. DEN and VRS figures reflect participants eligible for the Job Seeker Locational Loading. A loading applied to DEN sites located in accessible, moderately accessible, remote and very remote as classified by Accessibility Remoteness Index of Australia (ARIA) for travelling to DEN participants. A single fee supplement for VRS participants residing in Remote and Very Remote areas as defined by ARIA+ at commencement.

Notes:

1. ESS-1 and ESS-2 denote Employment Support Service Funding Levels 1 and 2 respectively.
2. Ongoing Support includes Job in Jeopardy participants.
3. Data for DES is as at 30 June 2012; DEN and VRS data are as at 30 June 2009.

Source: Administrative data.

## 2.5 Time to commence

The DES 2010-2012 Deed required providers to make every effort to commence a person within five working days of receiving a referral from DHS. In some cases commencement takes longer than expected, for example, if a person does not keep their appointment or if the provider seeks clarification of the referral. It is also known, anecdotally, that providers sometimes start delivering assistance before the person is recorded in the Employment Services System as having formally commenced. It is nevertheless expected that the five day target can usually be met. Interim evaluation found this to be an area where DES was not meeting its objective of more streamlined access to services. Based on data in the first year of DES, participants were taking longer to commence than under DEN/VRS (DEEWR 2012).

In the larger data set up to 30 June 2012, across both DES programmes 37 per cent of commencements met the one week target and 78 per cent commenced within 28 days of referral (corresponding results for DEN/VRS: 44 per cent and 86 per cent respectively). Median days from referral to commencement was higher in both DMS and ESS (Table 2.9).

**Table 2.9: Time from referral to commencement in services, DES and DEN/VRS**

Days	DES-DMS	DES-ESS	VRS	DEN
Mean	26	25	11	22
50th percentile (median)	10	23	7	14
75th percentile	23	27	13	27
95th percentile	108	92	36	71

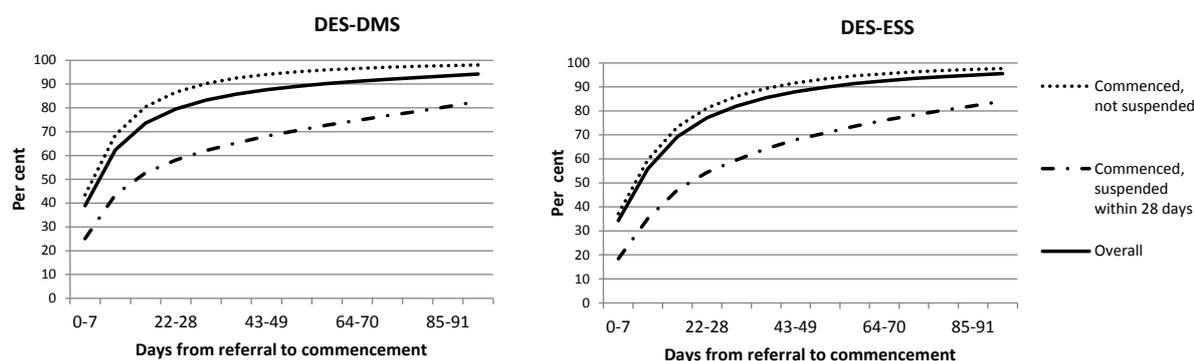
*Note:* Based on DES commencements from 1 March 2010 to 30 June 2012 and DEN/VRS commencements from 1 July 2008 to 30 June 2009.

*Source:* DES administrative data.

Delayed commencement is often followed almost immediately by a suspension from service, suggesting that factors which delay commencement persist after commencement. People who are suspended within 28 days of commencement tend to be the same ones who experience up-front delays in commencing (Figure 2.3). Relatively more DES participants than DEN/VRS participants had a suspension during their period of service and this is a main reason for DES recording longer average time to commence. The removal of service caps appears to be associated with more people in the programme who are suspended early on, and at different times throughout their time in assistance. This might have to do with a lack of supporting evidence at the time of assessment and/or unstable, undiagnosed or undisclosed conditions. A higher proportion of participants in this category has coincided with the introduction of DES, which this has implications for the analysis of programme effectiveness (Chapter 4).

A related effect can be seen in the self-reported labour force status of participants shortly after commencement. A longitudinal survey of DES participants found that one in four of a representative sample of newly commenced participants were not actively looking for work at three to six months after commencing in DES (Table 2.10). This includes people who commenced and exited shortly after, people who were suspended for medical reasons, and others who, though not suspended, were not genuinely participating. Questioned on the reasons why, 40 per cent of this group attributed their non-participation to temporary poor health, 29 per cent to being permanently unable to work because of health problems, and smaller numbers for other reasons including study and home duties.

**Figure 2.3: Days from referral to commencement by whether suspended within 28 days**



Note: Based on commencements from 1 March 2010 to 30 June 2012.

**Table 2.10: Labour force status of DES participants at three to six months after commencing service (per cent)**

Labour force status	DMS	ESS	Total
Employed	22.6	21.5	22.1
Unemployed	50.9	54.5	52.7
Not in labour force	26.0	23.6	24.8
Not stated	0.5	0.4	0.4
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Weighted population<sup>(a)</sup></b>	<b>13,948</b>	<b>13,314</b>	<b>27,262</b>

(a) Sample of 3244 DES participants who commenced between October 2010 and January 2011. Weighted population is the estimated number of commencements in the period.

Source: Dynamics of Australian Income Support and Employment Services longitudinal survey, Cohort 3, Wave 5; weighted data.

Programme data and large-scale surveys paint similar pictures of a target group and programme caseload with medical conditions and disability ranging from stable to unstable. The interim evaluation report linked the issue of delayed commencement to reports from service providers of “inappropriate” referrals and difficulties servicing people who they regarded as not “work ready”. Work-readiness in this context is an interesting concept given the capacity-building objective of DES, recalling that DES is exclusively a program for people with disability, injury or illness. Though, where one draws the line on exactly when a job seeker with disability or serious health condition is able to benefit from employment assistance is a complex issue.

While it is appealing to think that all participants are actively engaged in the labour market, the data presents a different picture. The caseload includes people who are engaged and others who are only marginally attached, or unattached. And though we excluded people outside the labour force from our target population, mutual obligation means that some of this group do enter the programme. Estimates from sample surveys put the number at one in every four commencements. That a significant minority of people referred to DES do not have an employment goal is a significant challenge for policy makers and service providers.

## 2.6 Assistance for employed persons

Three programme elements target assistance at people who are already employed:

- Post Placement Support and Ongoing Support—DES participants can receive Post Placement Support from their service provider up to the achievement of a 26 Week Employment Outcome. If required, Ongoing Support can be delivered to help maintain the employment after the achievement of a 26 Week Outcome (Flexible, Moderate, or High Ongoing Support).
- Job in Jeopardy Assistance, available for eligible workers who are at risk of losing their jobs in the immediate future as a result of an injury, disability or health condition.
- The Employment Assistance Fund—provides access to workplace modifications and a range of specialist services for eligible employed persons and their employers.

On 30 June 2012, approximately 10 per cent of commenced participants were receiving Ongoing Support and fewer than one per cent were Job in Jeopardy participants (Table 2.11).

**Table 2.11: DES Ongoing Support and Job in Jeopardy participants, 30 June 2012**

Support type	Number of participants	Per cent of commenced caseload
Flexible Ongoing Support	4,009	3.0
Moderate Ongoing Support	6,170	4.6
High Ongoing Support	2,869	2.2
<b>Ongoing Support total<sup>(a)</sup></b>	<b>13,048</b>	<b>9.8</b>
Job in Jeopardy	827	<0.1

(a) Total includes six records where level of Ongoing Support could not be determined.

Source: DES administrative data.

### Job in Jeopardy Assistance

Eligibility for DES Employment Assistance usually requires that a person is not currently employed although it is sometimes possible for an employed person to enter DES because their employment is at risk. This part of the programme is called Job in Jeopardy Assistance. To be eligible a person must have been employed for a minimum of eight hours a week on average over the previous consecutive 13 weeks or where there is an expectation that the employment will last 13 weeks. Job in Jeopardy participants may register directly with a DES provider. They do not need an Employment Services Assessment and once the DES provider confirms that a person is eligible, they can be commenced in either the DMS or ESS (Job in Jeopardy Assistance Guidelines version 2.4).

The DES provider is required to work flexibly with the Job in Jeopardy participant to help them retain their employment. Essentially this is job tailoring or job matching with the person's existing employer and workplace support in much the same way as a DES provider would assist other participants as they reach the job placement and Post Placement Support phase. Job in Jeopardy outcomes are paid when the participant has been working at their normal hours of employment or at a level appropriate to their capacity for 26 weeks, whether in the same job they occupied on commencing Job in Jeopardy or in another job with the same employer, as agreed by the parties.

The idea of intervening early, before employment ends, is sound but Job in Jeopardy has limited impact. Given the size of the employed segment of the DES target population it is reasonable to

expect more than 827 Job in Jeopardy participants (as at 30 June 2012). The small number relates to the programme's restrictive parameters. Demonstrating that a job is at risk *because of* sickness or disability seems problematic in practice because it may be seen as needing to demonstrate discrimination, when that is not the intent. Secondly, by the time a person realises that their job truly is in jeopardy they might not be able to evidence 13 *consecutive* weeks of employment. Job in Jeopardy needs to be redesigned if it is to prevent people with disability moving from employment to unemployment, or worse, out of the labour force altogether.

People who exit DES as independent workers, currently around 2000 per month, may benefit from knowing about Job in Jeopardy Assistance because it would enable fast reconnection with services should they experience difficulties in their employment. Another group is people who receive Sickness Allowance, a short-term payment for people who are employed or self-employed but temporarily cannot work because of a medical condition. In 2011, 1.2 per cent of new entrants to DSP (1010 people) had been receiving Sickness Allowance (FaHCSIA 2012: Table 34). In 2012, 28 846 people received Sickness Allowance<sup>12</sup>, approximately 80 per cent of whom had previously received an income support payment, Sickness Allowance or other government benefit.

Analysis of the ABS Disability, Ageing and Carers survey shows that a sizeable number of employed people with a level of disability that would potentially qualify them for DES are outside disability employment services. A proportion of this group which includes Sickness Allowance recipients, past DES participants, and other workers with disability could benefit from knowing about or receiving a timely referral for this type of assistance. A review of Job in Jeopardy Assistance to increase awareness and take-up could potentially stem flows to DSP. In 2011, 44.5 per cent of new entrants to DSP (37 618 people) were not in receipt of income support payments just prior to starting DSP (FaHCSIA 2012: Table 34). Some of this group might at some stage have benefited from assistance to help maintain employment.

Redesign of the programme would need to ensure a degree of separation between the providers of DES Employment Assistance and providers of assistance to employed persons in order to avoid creating a perverse incentive to place DES participants in unsustainable jobs.

### **Employment Assistance Fund**

The EAF provides financial assistance to purchase workplace modifications and work-related services which are required to perform employment tasks. The Fund came into effect on 1 March 2010, replacing the Workplace Modification Scheme and the Auslan for Employment programme and incorporating new enhancements that offer specialised assistance for employees with mental health conditions or learning disability and their employers. Employees with disability and their employers are able to apply for assistance and are not required to participate in a DES programme to access the EAF. As a result, not all recipients of EAF assistance are counted in DES caseload numbers.

Enhancements to the Employment Assistance Fund from 1 March 2010.

- Up to \$1,500 per annum was made available to employers for eligible employees for specialised services designed for people with mental illness. These services may include professional psychological counselling and specialist support to develop resilience and manage stress.

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12. Data courtesy of Income Support Group.

- Up to \$1,500 per annum was made available to employers for eligible employees for specialised services to help people with specific learning disorders. These services could include professional assistance for the development of work instructions and procedures, implementation of training and learning packages that are targeted to specific learning disorders and individualised assistance from a job coach.
- Up to \$1,500 per annum was made available to employers for disability awareness training, for example Deaf Awareness Training, Mental Health Awareness Training and general Disability Awareness Training. Previously, only Deaf Awareness Training was available through Auslan for Employment and it was included in the \$5,000 one-off allocation for interpreting.
- Extending EAF assistance to assist people to look for and prepare for work. This enables eligible people to access financial assistance for obtaining assistive technology to help them get a job and to become proficient in its use before starting a job.
- Allowing individuals to make their own applications for EAF, without needing to go through an intermediary such as their employer or an employment service provider.
- Extending the funding for Auslan interpreting Level 1 assistance from \$5,000 which was a once-off provision aimed at helping new employees who require Auslan to communicate, to participate fully in induction programmes, OHS training, on-the-job training and staff meetings, to \$6,000 annually. If people change jobs, they are entitled to re-start the \$6,000 allocation.
- The maximum amount for building modifications was extended from \$25,000 to \$30,000.

Assistance must be clearly directed to the specific needs of people with disability and be essential to completing a substantial part of a person's employment duties. Under guidelines at the time of the evaluation, to be eligible for assistance through the EAF a person had to demonstrate that they were employed or had an offer of employment and met specified criteria. Individuals and their employers could apply online, directly to JobAccess. On receiving an application, a JobAccess provider determined whether the requested EAF assistance was directed at the specific work requirements of the person with disability.

Examples of the range of assistance and support available through the EAF include: physical workplace and vehicle modifications and purchase of adaptive equipment; workplace assistance and support services, for example, specialised training and support packages and disability awareness training for workplaces; and Auslan assistance to help people who are deaf to find work and achieve workplace independence.

Just over 10 000 EAF applications were received between 1 March 2010 and 30 June 2012. Applications were most commonly submitted by employment service providers (Table 2.12). Around 58 per cent of applications were for people with sensory or speech impairment as their primary disability and 37 per cent for physical disability; a combined 6 per cent were for people with intellectual, psychiatric or learning disability. One application can result in one or more claims, depending on the number of modifications and services in the application.

**Table 2.12: Employment Assistance Fund applications by applicant type and primary disability, 1 March 2010 to 30 June 2012**

<b>Applicant</b>	<b>Per cent</b>
Employment Service Provider	57.7
Employer	19.7
Individual	15.2
Self-employed	4.0
Australian Disability Enterprise	3.4
<b>Total (per cent)</b>	<b>100.0</b>
<b>Total applications (number)</b>	<b>10,107</b>

*Note:* An application in a specified time period may result in a claim in a later time period.

*Source:* Administrative data.

Over the same period around 6100 people received EAF assistance, 56 per cent of whom were in DES or JSA (Table 2.13). Almost as many EAF recipients were not registered in an employment programme, highlighting the role of the EAF in targeting a broader group. While almost half of all persons assisted by the EAF were in ESS, only one per cent of DES participants had an EAF claim.

EAF expenditure totalled approximately \$31 million (Table 2.14).

**Table 2.13: Persons assisted by the EAF, by participation in employment services**

<b>Employment service at time of EAF claim</b>	<b>Percentage of persons assisted</b>
DES-Employment Support Service	45.0
DES-Disability Management Service	11.3
Job Services Australia	<0.1
Not in DES or Job Services Australia	43.6
<b>Total (per cent)</b>	<b>100.0</b>
<b>Total (numbers)</b>	<b>6,081</b>

*Note:* Number of unique individuals associated with EAF claims paid between 1 March 2010 and 30 June 2012. Includes people who transitioned to DES from DEN/VRS. Claims in this period may relate to applications made in an earlier period.

*Source:* Administrative data.

**Table 2.14: Expenditure on EAF claims by claim type, 1 March 2010 to 30 June 2012**

<b>Claim type</b>	<b>Claims (per cent)</b>	<b>Expenditure (per cent)</b>	<b>Minimum per person assisted</b>	<b>Maximum per person assisted</b>
Workplace modification	73.8	90.4	\$21	\$243,815
Auslan	25.8	9.2	\$70	\$18,128
Awareness training	0.4	0.3	\$150	\$2,880
Mental health assistance	<0.1	<0.1	\$424	\$1,500
Specialist learning assistance	<0.1	<0.1	\$910	\$1,485
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>n.a.</b>	<b>n.a.</b>
<b>Total</b>	<b>28,132</b>	<b>\$31,077,896</b>	<b>\$21</b>	<b>\$243,815</b>

Note: Persons can make multiple claims and for different claim types.

Source: Administrative data.

Workplace modifications were the most common claim type and accounted for more than 90 per cent of EAF expenditure. Relatively few claims were for the new mental health and specialist learning assistance, consistent with only three per cent of applicants having psychiatric or learning disability as their primary disability. Claims for employer awareness training, which can include disability, deafness or mental health awareness training for employers, numbered less than one per cent of claims, possibly indicating low awareness of the EAF among employers and employees.

Auslan services accounted for one in four claims and one tenth of EAF expenditure. EAF assistance for Auslan is provided at three levels:

- Level 1—Work-related Auslan interpreting for participants, workers and individuals who are deaf (capped at \$6,000 per annum and include reimbursement for Auslan interpreter travel fees).
- Level 2—Reimbursement or payment of Auslan interpreting for employers, participants, workers and individuals for job search purposes.
- Level 3—Reimbursement of participation costs in Certificate II in Auslan courses for co-workers of employees who are deaf and use Auslan as their main method of communication.

Over 93 per cent of EAF expenditure on Auslan was for Level 1, almost 7 per cent for Level 2 and less than one per cent for Level 3. Auslan assistance in the EAF is intended to help people when they first begin a new job, which is the reasoning behind the Level 1 assistance cap (which increased from a \$5,000 one-off payment to \$6,000 per annum, from 1 March 2010). The EAF also provides opportunities for deaf workers to be self-sufficient, by using the EAF for workplace modifications to obtain assistive technology for captioned conversations.

For both mental health and specialist learning assistance, the maximum amount claimed by any one individual was around \$1,500, which is the maximum claimable amount for these types of assistance (Table 2.15). The cost of workplace modifications ranged from as little as \$21 to \$243,815 per person assisted.<sup>13</sup> Fewer than one per cent of people who received workplace modifications had costs in excess of \$50,000. Generally speaking, these high cost claims involved vehicle modifications which, in addition to the cost of modification, require safety compliance testing, driver training and freight costs. While such high cost claims are uncommon the longevity of employment is clearly an issue for

13. Where the indicative cost of a modification exceeds \$10 000, a Workplace Modification Assessment by the National Panel of Assessors is required. Very high cost applications are referred to the department.

cost-effectiveness. Where practical, equipment and modifications purchased through the EAF should follow the person if they stop working for the current employer. The data do not reveal if this works in practice, for example, whether a work vehicle owned by an employer at the time of customisation, remains the property of the employee if they leave that employer.

The EAF appears to be a necessary and useful strategy for job retention but at this point in time it is not possible to measure its effectiveness. The evaluation recommends a review of EAF policy and implementation.

**Table 2.15: Percentage of EAF claims by expenditure amount and claim type, claims between 1 March 2010 and 30 June 2012**

<b>Expenditure per person assisted</b>	<b>Workplace modification</b>	<b>Auslan</b>	<b>Employer awareness training</b>	<b>Mental health assistance</b>	<b>Specialist learning assistance</b>	<b>Total</b>
Less than \$500	12.3	87.5	19.8	8.3	—	13.9
\$500-\$999	17.4	2.1	22.9	16.7	11.1	16.3
\$1,000-\$2,499	21.2	3.9	56.3	75.0	88.9	20.5
\$2,500-\$4,999	15.5	2.9	1.0	—	—	15.8
\$5,000-\$9,999	21.3	2.8	—	—	—	20.9
\$10,000-\$50,000	11.7	0.8	—	—	—	12.2
More than \$50,000	0.5	—	—	—	—	0.4
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Persons assisted</b>	<b>5,439</b>	<b>984</b>	<b>96</b>	<b>12</b>	<b>9</b>	<b>6,081</b>

*Source:* Administrative data.

### 3 Employment outcomes

This chapter describes the outcomes that participants achieve during their time in the programme and which result in payments to DES providers. It examines the rate at which these outcomes were achieved in DEN, VRS and DES. A range of paid outcomes exist in DES but the ones of most interest to the evaluation are Job Placements and 26 Week Employment Outcomes. Education Outcomes, where a participant completes a qualifying training activity, are also discussed occur so infrequently that analysis is mainly confined to employment outcomes. Sections 3.1 to 3.4 outline the methodology. Results start in section 3.5.

#### 3.1 Using commencement cohorts to measure outcome rates

The evaluation used a cohort methodology to measure the outcomes achieved by individual participants over time. This involved forming a group of people who begin a programme at around the same time (in this case, within a specified intake period) and tracking them for a set period of time to count outcomes. Outcome rates are expressed as the percentage of each group who obtained at least one employment outcome over the tracking period. Participants who obtained multiple employment outcomes are counted once. For example, a participant might be placed in more than one job during an 18 month period but only one is counted so that the resulting Job Placement rate is the proportion of a group who got a job, and likewise for 26 Week Employment Outcomes. The resulting outcome rate is a clear expression of a participant's chance of achieving an outcome during their time in the programme, which may be a full 18 months or less. This is different to most programme monitoring approaches which report outcomes per month or other time period, sometimes with reference to the caseload but rarely in terms of an individual's likelihood of success. Monitoring data are important for quantifying volumes of outcomes at a programme level but say little about the experience of a typical participant, which is the main focus here.

The cohort method can be used to compare different programmes and similar programmes that operate in different time periods. The same methodology was used in the 2007 DEN Case-based Funding evaluation (DEEWR 2007) and is being used in the evaluation of Job Services Australia 2009-2012. Principles of the method were endorsed by an independent expert review of the department's approach to measuring the effectiveness of its employment programmes.<sup>14</sup>

Changes over time in a programme's operating environment can affect comparability. Programmes compared in this evaluation were exposed to the effects of changing economic and labour market conditions following the shock of the global financial crisis in 2008. This chapter reports 'raw' outcome rates, that is, rates that are not adjusted for this and other factors that impact on employment outcomes. Chapter 4 uses statistical techniques to account, as best as practicable, for changing labour market conditions and other differences between the groups under comparison, such as demographic and disability-related characteristics. Both chapters are needed to present a full outcomes picture.

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14. Advice provided by the Social Policy, Evaluation, Analysis and Research Centre, Australian National University.

### 3.2 Intake and tracking periods

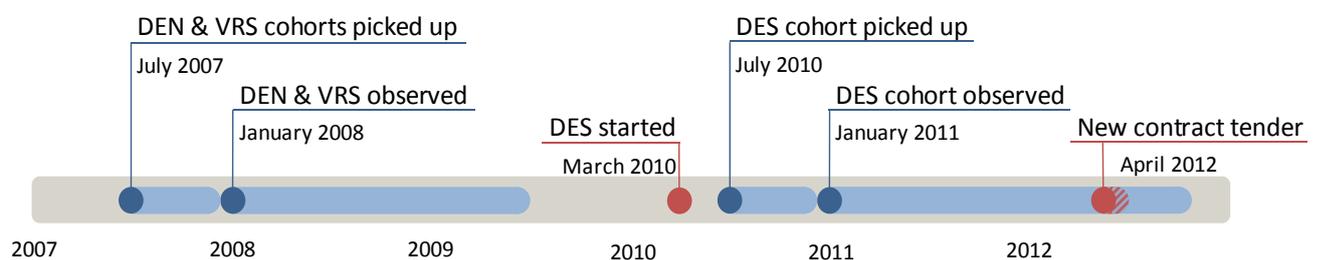
In order to cover the range of seasonal effects seen in employment programmes the intake period for selecting participants into the study would be one or more full years. The programmes compared in this evaluation gave participants up to 18 months of assistance with a possible six month extension. This suggests an ideal minimum tracking period of two years. To satisfy both requirements of a full year intake period plus at least two years to track outcomes would require a full three years of data during a period free of significant programme events. No such three year period exists for DEN, VRS and DES which placed a constraint on the choice of intake and tracking periods. Significant events to be avoided were the transition from DEN/VRS to DES and the ESS tendering process which began in May 2012, both of which were observed to have temporary effects on outcome rates.

In order to minimise the effects of these events on comparisons, intake periods were chosen as follows (Figure 3.1):

- DEN/VRS comparison groups— six month intake period from 1 July 2007 to 31 December 2007.
- DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010.
- Tracking period of 18 months from the day of commencement for each member of each group.

This scheme has the advantage of negating seasonal effects on the comparison by ensuring that the intake periods cover matching times of year and tracking covers the typical length of programme participation. It generates comparison groups that are suitably large as to be representative of all people who commenced in the programme over the reference period and avoids significant programme events that potentially affect outcome rates and muddy the comparison. A trade-off is that the analysis does not capture the experience of each and every person who has ever been in the programme.

**Figure 3.1: Comparison group intake and tracking periods and significant programme events**



The DMS group selected by this method had very similar demographic characteristics to its comparison VRS group and likewise for the ESS and DEN comparison groups. Similar profiles aid the comparison of outcomes across groups. The comparison groups have similar profiles to the corresponding programme caseloads shown in Chapter 2 with one notable difference being the exclusion of Eligible School Leavers from the comparison groups. This means that the caseload profiles show a higher proportion of participants under the age of 21 years than the comparison groups. For further information about the comparison groups see Appendix A: Chapter 3. In summary, the intake periods produced sufficiently large and representative groups of DEN/VRS and DES participants to compare participant outcomes.

Restricting the tracking period to 18 months placed some limitations on the measurement of outcomes. In order to achieve a 26 Week Outcome within the tracking period, a participant would have to be placed in a job within their first year of service. Analysis of the comparison groups shows that 75 per cent of the Job Placements recorded within the 18 month (546 day) tracking period happened within 300 days of commencement. This implies that 26 Week Outcome rates would be a little higher if we were able to track people for a full two years. The focus of the current analysis is on producing outcome rates which are comparable between DES and DEN/VRS. For this purpose, a truncated tracking period is unimportant. However, when comparing the outcome rates calculated here with rates from other sources, any differences in the length of the tracking period must be taken into account.

### **3.3 Analysing subgroups within the comparison groups**

Many of the tables in this chapter show outcome rates for subgroups of the comparison groups. When interpreting the differences in outcome rates between these subgroups, it is important to remember that other correlated factors may lie behind these differences. For example, Chapter 4 shows that differences which at first glance appear to be associated with primary disability may be driven by correlated variables such as age or an unstable medical condition.

In some cases, a subgroup can be very small. In this chapter, wherever a subgroup has 30 members or fewer, no statistics are presented (denoted 'n.p').

### **3.4 Paid outcomes in DES, DEN and VRS**

A valid and reliable comparison of outcomes relies on outcome measures that are consistently defined and measured. The DES programme offers a range of outcome fees that service providers may claim when a participant achieves certain outcomes. Because these outcomes attract payments, they are clearly and accurately recorded in the administrative data, making them a good measure of programme performance and more accurate than estimates from sample surveys which can be subject to various kinds of sampling and response error. The main limitations of paid outcomes are that they do not allow for long-term tracking and are unable to address all of the questions about programme effectiveness. Later chapters draw on other sources of information to supplement the analysis of paid outcomes.

DES fees for employment outcomes include:

- Job Placement Fee, paid when a participant is placed in employment that meets programme criteria

- 13 Week Employment Outcome Fee, paid when a participant retains their employment for 13 weeks
- 26 Week Employment Outcome Fee, paid when a participant retains their employment for 26 weeks.

Every participant has an employment benchmark that specifies the number of hours they need to work in order to attract a Full Employment Outcome Fee. Where a participant is employed for fewer hours than their benchmark, they may attract a Pathway Outcome Fee. In DES most Outcome Fees claimed are for Full Outcomes —only one to two per cent of DES participants attract Pathway Outcomes. For the purposes of the current analysis, Full and Pathway Outcomes have been combined to create a single measure of Employment Outcome.

The focus is on the proportion of participants who achieved a job placement and a 26 Week Employment Outcome within 18 months of commencing service. This provides two clear outcome measures to analyse when comparing DES with DEN and VRS. Ideally the outcomes should be defined in exactly the same way in all of the programmes being compared though in practice some differences exist, particularly between DEN and other programmes. Detailed criteria apply to the payment of Job Placement Fees and 26 Week Employment Outcome Fees but the key differences to note for a comparative analysis are summarised in Table 3.1.

The more marked departures from DES outcome definitions were in DEN. Use of the DEN 4 Week Milestone to approximate job placement is likely to underestimate the number of placements that occurred in DEN. In DEN Capped, participants who achieved 208 hours of work attracted a 26 Week Outcome Fee regardless of how long it took to accumulate those 208 hours and all participants defaulted to an eight hour Employment Benchmark. This makes the 26 Week Employment Outcome rate appear higher in DEN than in other programmes but the outcome being measured is not the same. These two effects combined are likely to result in overestimation of 26 Week conversion rates (26 Week Outcomes as a proportion of Job Placements) for DEN relative to other programmes.

**Table 3.1: Outcome definitions in disability employment programmes**

<b>Outcome</b>	<b>DES</b>	<b>DEN</b>	<b>VRS</b>
<b>Job Placement</b>	<p>Employment Benchmark is set to future work capacity (hours per week) as determined by Employment Services Assessment (Job Capacity Assessment prior to July 2011).</p> <p>A Job Placement Fee is payable when a job seeker is placed in employment that meets their Employment Benchmark hours and there is a reasonable expectation that employment will continue for a minimum of 13 consecutive weeks.</p>	<p>Job placements did not attract a fee in DEN. DEN paid a 4 Week Milestone Fee (the evaluation uses this as a proxy for job placement).</p>	<p>No substantial differences from DES.</p>
<b>26 Week Employment Outcome</b>	<p>A 26 Week Employment Full Outcome Fee is payable where a participant remains each week in employment and, after commencement, works an average number of hours per week, calculated over 26 consecutive weeks, equal to or greater than their employment benchmark. A cumulative total of up to 20 business days of breaks in employment is permitted.</p>	<p><b>DEN Uncapped</b> A 26 Week Employment Outcome Fee was payable when a participant had worked a minimum of 390 hours (average 15 hours per week) within the previous 26 consecutive weeks of employment and had worked an average of 15 hours per week over a consecutive four week period immediately prior to claiming this fee.</p> <p><b>DEN Capped</b> A 26 Week Employment Outcome Fee was payable when a participant had worked a minimum of 208 hours (equivalent to 26 weeks at 8 hours per week) and had a minimum of 26 working weeks (a working week was any week in which a participant worked at least one hour). There was no maximum number of weeks over which the 208 hours must be worked.</p>	<p>A 26 Week Employment Full Outcome Fee was payable where a participant completed 26 consecutive weeks of employment and worked an average number of hours per week, calculated over 26 consecutive weeks, equal to or greater than their employment benchmark. In addition, average weekly working hours must be at or above the employment benchmark, calculated over both the first 13 and the second 13 consecutive weeks of employment.</p>

### 3.5 Results

Under DEN/VRS, DEN clearly outperformed VRS whereas the two DES programmes recorded similar outcome rates (Table 3.2).

- 41 per cent of the DMS group obtained employment and 23 per cent achieved a 26 Week Employment Outcome within 18 months, both substantially higher than in VRS.
- ESS and DEN groups recorded similar results for Job Placement and 26 Week Employment Outcome. A slightly lower 26 Week Employment Outcome rate in the ESS group, 22 per cent compared with 24 per cent for DEN, is consistent with stronger requirements for payment of 26 Week Employment Outcome fees. In the ESS group Funding Level 2 participants recorded lower outcomes than Funding Level 1 participants.

A risk of tighter rules around breaks in employment was that ESS would record fewer jobs than DEN. With a commensurate Job Placement rate of 40 per cent this does not appear to have happened.

**Table 3.2: Employment Outcome rates (per cent)**

	DMS	ESS FL1	ESS FL2	All ESS	VRS	DEN
Comparison group size	23,388	15,276	6,364	21,640	19,066	13,965
Job Placement	40.7	41.5	36.9	40.1	34.8	40.5
26 Week Employment Outcome	23.0	23.3	19.1	22.0	17.2	24.4
Conversion Rate	56.5	56.0	51.9	54.9	49.4	60.2 <sup>(a)</sup>

(a) Not comparable with conversion rates for other programmes (refer Section 3.12).

Notes:

1. Excludes Job in Jeopardy and Eligible School Leaver participants.
2. DEN placement figures are based on 4 Week Milestones.
3. Conversion Rate shows 26 Week Employment Outcomes as a proportion of Job Placements.

Source: Administrative data.

An evaluation of DEN using a similar cohort methodology found that participants who commenced in DEN in 2005 had a 26 Week Outcome rate of 33 per cent over 18 months (DEEWR 2007a), considerably higher than the 24 per cent DEN outcome rate shown here. In part this demonstrates the effect that economic conditions can have on employment outcomes although the introduction of an uncapped stream to DEN in 2006 is likely to have been a more significant factor.

Across all comparison groups male participants were more likely to achieve Job Placements and 26 Week Employment Outcomes than females. At ages over 20 years, younger participants had a better chance of being placed in employment. Conversion rates indicate that, once employed, older participants were more likely to keep their jobs, perhaps because of greater experience with employment (Table 3.3). This overall pattern is unchanged from DEN and VRS.

**Table 3.3: Conversion Rate by sex and age at commencement (per cent)**

Sex	Age group (years)	DMS	ESS FL1	ESS FL2	ESS	VRS	DEN <sup>(a)</sup>
Male	15-20	44.9	54.5	51.7	53.1	42.3	57.0
Male	21-24	47.3	58.9	48.2	54.5	39.5	54.7
Male	25-34	55.1	49.6	54.1	51.1	45.7	58.2
Male	35-49	57.0	55.8	56.2	55.8	49.1	61.9
Male	50-64	59.0	58.7	50.4	57.8	53.1	61.5
<i>Male</i>	<i>15-64</i>	55.8	55.3	52.7	54.6	48.5	59.3
Female	15-20	48.7	48.0	43.7	46.1	47.4	62.9
Female	21-24	54.0	54.0	49.5	52.5	43.2	58.6
Female	25-34	57.1	55.2	47.7	53.0	49.7	59.5
Female	35-49	57.6	57.2	52.3	56.3	51.4	63.4
Female	50-64	59.5	62.1	65.7	62.4	52.1	60.3
<i>Female</i>	<i>15-64</i>	57.4	57.1	50.1	55.5	50.7	61.6
<b>Total</b>	<b>15-64</b>	<b>56.5</b>	<b>56.0</b>	<b>51.9</b>	<b>54.9</b>	<b>49.4</b>	<b>60.2</b>

(a) DEN rates not comparable with conversion rates for other programmes (refer Section 3.12).

Notes:

1. Conversion Rate is the number of 26 Week Employment Outcomes divided by number of Job Placement.
2. Data excludes Job in Jeopardy and Eligible School Leaver participants.

Source: Administrative data.

Tables 3.4 and 3.5 show outcome rates by primary disability; more detailed breakdowns are given in Appendix Tables A3.5 and A3.6. Participants with intellectual disability had lower outcome rates than other participants in DMS and VRS but higher 26 Week Employment Outcome rates than all other disability groups in ESS and DEN. There were very few participants with intellectual disability in DMS and VRS and their low outcomes may reflect a lack of experience of servicing these participants in those services.

**Table 3.4: Job Placement rate by primary disability (per cent)**

Disability	DMS	ESS FL1	ESS FL2	ESS	VRS	DEN
Psychiatric	41.8	41.6	31.2	38.3	39.4	42.5
Physical	39.9	37.1	27.7	35.7	33.1	33.3
Intellectual	36.0	55.3	49.1	51.5	32.3	52.7
Learning	51.6	55.8	47.0	51.2	48.3	52.0
Sensory	45.8	47.7	40.0	45.9	39.0	47.6
<b>Total</b>	<b>40.7</b>	<b>41.5</b>	<b>36.9</b>	<b>40.1</b>	<b>34.8</b>	<b>40.5</b>

(a) Excludes Job in Jeopardy and Eligible School Leaver participants.

(b) The figures show the percentage of members of each comparison group who obtained at least one outcome (i.e. participants who obtained an outcome multiple times are counted only once). Outcomes are counted only where they occurred within 18 months of commencement.

Source: Administrative data.

**Table 3.5: 26 Week Employment Outcome rate by primary disability (per cent)**

Disability	DMS	ESS FL1	ESS FL2	ESS	VRS	DEN
Psychiatric	22.6	21.8	14.2	19.4	18.4	23.6
Physical	23.0	21.6	15.8	20.7	16.7	20.9
Intellectual	13.3	32.5	26.7	29.0	12.9	34.0
Learning	26.8	31.3	25.2	28.2	21.4	30.3
Sensory	27.7	29.3	25.0	28.3	20.7	34.2
<b>All</b>	<b>23.0</b>	<b>23.3</b>	<b>19.1</b>	<b>22.0</b>	<b>17.2</b>	<b>24.4</b>

(a) Job In Jeopardy participants and Eligible School Leavers are excluded from these figures.

(b) The figures show the percentage of members of each comparison group who obtained at least one outcome (i.e. participants who obtained an outcome multiple times are counted only once). Outcomes are counted only where they occurred within 18 months of commencement.

Source: Administrative data.

As noted earlier, age is correlated with outcomes and to some extent the differences in outcome rates between disability groups could reflect the different age profiles of these groups. For example, participants with intellectual disability tend to be younger than other participants. This younger profile is part of the explanation for higher outcome rates. Participants with learning disability also have a young age profile and relatively high outcome rates, while participants with psychiatric and physical disabilities have older age profiles and lower outcome rates.

Tables 3.6 and 3.7 show outcome rates by a number of key characteristics. The data reveal a gap between employment outcomes of Indigenous and non-Indigenous participants, though this appears to have narrowed slightly in DES. There is a larger gap between participants born in English speaking countries and those born in non-English speaking countries, though again this gap appears smaller in DES than in previous programmes.

Surprisingly, outcome rates are slightly lower for participants from major cities than for other participants. Participants in remote areas recorded relatively high outcome rates and outcomes in very remote areas were only slightly below average. Tables 3.8 and 3.9 show that for participants who attracted payment of a 70 per cent Remote Services Loading (introduced with DES), outcome rates were substantially lower in DMS and in ESS Funding Level 2.

Participants who did not receive income support recorded higher outcome rates than income support recipients. The length of time spent on income support appears to have less of an effect than might be expected, only becoming obvious when duration on income support is two years or longer. However, the majority of participants in the comparison groups, some 75 to 80 per cent, had spent more than two years on income support over their lifetime and between 25 and 45 per cent had been on their current spell of income support for more than two years at commencement (Appendix Table A3.10).

In the DMS group, outcome rates were higher at higher employment benchmark hours, consistent with the expectation that a person who can work longer hours has a higher chance of finding employment. However, ESS participants with an eight hour employment benchmark achieved relatively more outcomes than ESS participants with a 15 hour benchmark on both job placement and 26 Week Employment Outcome (Tables 3.8 and 3.9).

Participants who directly registered with a provider achieved higher outcome rates than referred participants. This may reflect different levels of participant motivation, for instance, if those who seek out a provider and register directly are more motivated than those who are referred to a provider.

Across all programmes, outcome rates were much higher for participants with recent work experience (Tables 3.8 and 3.9).

Where a participant undergoes a period of suspension from services within one month of commencing with a service provider this has a pronounced effect on outcomes (Table 3.10). Many such suspensions are for medical reasons. Since suspension is more prevalent in some disability groups this may be a factor in explaining differences in outcome rates between primary disabilities, an issue that is examined further in Chapter 4.

Given the dramatic effect of suspension, it is worth noting that under DES many more participants spend time suspended than under DEN and VRS. During the 18 month observation periods, 48 per cent of the DMS group spent at least one day suspended, compared to 37 per cent of the VRS group; 41 per cent of the ESS group were suspended for at least one day compared to 25 per cent of the DEN group. The proportion of participants suspended within their first month of service in DES was more than twice that in DEN and VRS.

**Table 3.6: Job Placement rate by key characteristics at commencement (per cent)**

Characteristic	DMS	ESS FL1	ESS FL2	ESS	VRS	DEN
<b>Indigenous status</b>						
Indigenous	37.4	38.9	31.7	34.5	29.7	35.5
Not Indigenous	40.9	41.6	37.4	40.4	35.1	40.8
<b>Cultural and linguistic diversity indicator</b>						
Non-English speaking country of birth	32.9	28.8	20.3	27.0	23.8	25.6
English-speaking country of birth	43.2	44.3	39.1	42.7	38.7	43.6
<b>Remoteness</b>						
Major City	39.6	38.7	34.1	37.3	33.1	38.5
Inner Regional	42.7	45.5	40.4	44.1	36.8	42.3
Outer Regional	43.3	46.6	41.8	45.1	39.3	45.9
Remote	42.5	47.6	50.9	48.8	38.9	43.2
Very Remote	38.0	48.4	28.6	40.2	36.3	37.6
<b>Educational attainment</b>						
Less than Year 10	30.3	34.7	32.9	33.8	27.5	34.2
Year 10	39.8	40.5	39.4	40.1	37.3	42.5
Year 12 or higher	44.4	44.7	38.6	43.6	38.4	42.7
Not stated	39.1	36.7	36.4	36.7	24.0	42.8
<b>Income support type</b>						
Newstart/Youth Allowance(other)	41.3	38.7	31.2	36.8	36.8	40.1
Disability Support Pension	32.7	43.4	41.1	42.5	20.6	40.7
Parenting Payment	40.1	35.2	20.1	30.9	30.8	31.4
Other pension/allowance	29.1	39.6	52.9	42.9	29.6	41.0
Non-Allowee	47.3	52.2	52.5	52.2	41.3	53.6
<b>Lifetime duration on income support</b>						
Nil	43.7	49.3	54.9	49.9	34.2	57.9
Less than 6 months	44.2	40.3	38.2	39.9	38.3	39.3
6 to less than 12 months	45.7	42.5	39.9	41.9	42.0	49.1
12 to less than 24 months	46.6	43.4	46.3	44.1	42.3	42.0
2 years or more	39.1	41.0	35.8	39.3	33.5	39.4
<b>Duration of current spell on income support</b>						
Not on income support	46.6	51.1	49.7	51.0	40.6	53.1
Less than 6 months	45.0	41.7	36.1	40.4	39.8	40.6
6 to less than 12 months	40.6	42.2	38.5	41.3	39.3	44.4
12 to less than 24 months	40.2	41.6	39.1	40.9	34.4	41.5
2 years or more	33.0	38.9	35.7	37.7	28.1	37.3
<b>All participants</b>	<b>40.7</b>	<b>41.5</b>	<b>36.9</b>	<b>40.1</b>	<b>34.8</b>	<b>40.5</b>

(a) Excludes Job in Jeopardy and Eligible School Leaver participants.

(b) The figures show the percentage of members of each comparison group who obtained at least one outcome (i.e. participants who obtained an outcome multiple times are counted only once). Outcomes are counted only where they occurred within 18 months of commencement.

Source: Administrative data.

**Table 3.7: 26 Week Employment Outcome rate by key characteristics at commencement (per cent)**

<b>Characteristic</b>	<b>DMS</b>	<b>ESS FL1</b>	<b>ESS FL2</b>	<b>ESS</b>	<b>VRS</b>	<b>DEN</b>
<b>Indigenous status</b>						
Indigenous	19.3	19.5	15.1	16.8	11.9	17.5
Not Indigenous	23.1	23.4	19.5	22.3	17.4	24.8
<b>Cultural and linguistic diversity indicator</b>						
Non-English speaking country of birth	18.5	15.6	8.9	14.1	11.4	15.3
English-speaking country of birth	24.4	24.9	20.5	23.6	19.3	26.3
<b>Remoteness</b>						
Major City	22.1	21.0	17.2	19.9	16.5	23.4
Inner Regional	24.4	27.2	21.5	25.5	17.8	25.1
Outer Regional	24.9	26.7	23.0	25.5	19.3	27.3
Remote	29.2	23.6	23.6	23.6	20.0	27.5
Very Remote	21.7	25.8	14.3	21.0	17.4	23.5
<b>Educational attainment</b>						
Less than Year 10	16.3	19.7	16.6	18.2	12.8	19.3
Year 10	21.7	22.0	19.6	21.2	18.0	25.3
Year 12 or higher	25.6	24.9	21.2	24.3	19.5	26.2
Not stated	25.2	23.8	23.0	23.7	15.4	27.9
<b>Income support type</b>						
Newstart/Youth Allowance(other)	23.1	21.2	13.6	19.3	17.5	22.8
Disability Support Pension	16.0	24.2	23.0	23.7	10.5	25.7
Parenting Payment	23.1	19.4	10.9	17.0	16.4	18.9
Other pension/allowance	17.0	22.0	25.5	22.9	20.6	22.2
Non-Allowee	31.5	32.4	31.3	32.3	24.6	37.0
<b>Lifetime duration on income support</b>						
Nil	29.9	30.2	31.7	30.4	20.6	39.8
Less than 6 months	27.0	24.2	18.2	23.0	23.8	23.6
6 to less than 12 months	27.6	26.6	19.7	25.1	23.2	30.8
12 to less than 24 months	27.9	26.9	24.3	26.3	22.0	25.8
2 years or more	21.4	22.3	18.6	21.1	15.9	23.4
<b>Duration of current spell on income support</b>						
Not on income support	30.8	31.7	29.7	31.5	24.2	36.7
Less than 6 months	26.3	24.4	18.0	22.9	20.4	24.6
6 to less than 12 months	22.4	22.1	17.3	20.9	17.5	26.1
12 to less than 24 months	21.1	22.1	18.1	20.9	15.8	22.5
2 years or more	17.3	21.3	19.5	20.6	13.6	22.3
<b>All participants</b>	<b>23.0</b>	<b>23.3</b>	<b>19.1</b>	<b>22.0</b>	<b>17.2</b>	<b>24.4</b>

(a) Excludes Job in Jeopardy and Eligible School Leaver participants.

(b) The figures show the percentage of members of each comparison group who obtained at least one outcome (i.e. participants who obtained an outcome multiple times are counted only once). Outcomes are counted only where they occurred within 18 months of commencement.

Source: Administrative data.

**Table 3.8: Job Placement rate by key programme parameters at commencement (per cent)**

<b>Programme parameter</b>	<b>DMS</b>	<b>ESS FL1</b>	<b>ESS FL2</b>	<b>All ESS</b>	<b>VRS</b>	<b>DEN</b>
<b>Employment benchmark</b>						
Zero to 7 hours	2.0	17.4	n.p.	15.8	n.p.	33.6
8 hours	34.0	43.8	40.4	42.5	32.2	38.7
15 hours	38.6	37.4	30.7	35.8	33.5	36.4
30 hours	44.8	49.6	40.1	48.0	39.1	48.8
<b>Registration type</b>						
Referred participant	40.3	39.6	35.7	38.4	34.7	39.6
Direct registration	52.0	52.8	45.0	50.8	44.2	56.9
<b>Participation status</b>						
Activity tested	41.2	38.4	30.4	36.4	35.6	38.5
Not activity tested	38.4	45.1	41.7	44.0	30.1	43.7
<b>Remoteness</b>						
Not remote	40.8	41.5	37.0	40.2	34.8	40.5
Remote	35.0	45.2	27.5	38.2	36.0	n.p.
<b>Recent work experience</b>						
Has recent work experience	49.4	50.2	49.7	50.1	45.7	52.0
No recent work experience	32.7	36.2	34.4	35.6	27.4	35.7
<b>All participants</b>	<b>40.7</b>	<b>41.5</b>	<b>36.9</b>	<b>40.1</b>	<b>34.8</b>	<b>40.5</b>

(a) Excludes Job in Jeopardy and Eligible School Leaver participants.

(b) Rates are not shown in cells where fewer than 30 participants were in the relevant comparison group.

(c) Employment benchmarks did not exist in DEN. Future work capacity with intervention has been used to assign a proxy benchmark to members of the DEN comparison group.

(d) Remote participants were defined as those with at least one remote loading claim.

(e) The figures show the percentage of members of each comparison group who obtained at least one outcome (i.e. participants who obtained an outcome multiple times are counted only once). Outcomes are counted only where they occurred within 18 months of commencement.

Source: Administrative data.

**Table 3.9: 26 Week Employment Outcome rate by key programme parameters at commencement (per cent)**

<b>Programme parameter</b>	<b>DMS</b>	<b>ESS FL1</b>	<b>ESS FL2</b>	<b>All ESS</b>	<b>VRS</b>	<b>DEN</b>
<b>Employment benchmark</b>						
Zero to 7 hours	—	10.9	n.p.	10.5	n.p.	20.1
8 hours	16.8	24.4	22.5	23.7	18.7	24.5
15 hours	22.3	21.5	13.8	19.7	16.9	20.9
30 hours	25.2	26.4	18.6	25.0	17.2	30.0
<b>Registration type</b>						
Referred participant	22.8	21.9	18.0	20.7	17.1	23.6
Direct registration	28.6	31.1	26.8	30.0	24.9	38.1
<b>Participation status</b>						
Activity tested	23.2	21.0	13.5	19.1	17.3	22.0
Not activity tested	21.9	25.8	23.3	25.0	16.7	28.1
<b>Remoteness</b>						
Not remote	23.1	23.2	19.2	22.1	17.2	24.4
Remote	16.6	26.0	14.5	21.4	16.9	n.p.
<b>Recent work experience</b>						
Has recent work experience	29.8	30.8	28.0	30.3	24.2	33.6
No recent work experience	16.7	18.7	17.4	18.3	12.5	20.5
<b>All participants</b>	<b>23.0</b>	<b>23.3</b>	<b>19.1</b>	<b>22.0</b>	<b>17.2</b>	<b>24.4</b>

(a) Excludes Job in Jeopardy and Eligible School Leaver participants.

(b) Rates are not shown in cells where fewer than 30 participants were in the relevant comparison group.

(c) Employment benchmarks did not exist in DEN. Future work capacity with intervention has been used to assign a proxy benchmark to members of the DEN comparison group.

(d) Remote participants were defined as those with at least one remote loading claim.

(e) Figures are the percentage of members of each comparison group who obtained at least one outcome (i.e. participants who obtained an outcome multiple times are counted only once). Outcomes are counted only where they occurred within 18 months of commencement.

Source: Administrative data.

**Table 3.10: Outcome rates by suspension within 28 calendar days of commencement (per cent)**

Whether suspended within 28 days	DMS	ESS FL1	ESS FL2	ESS	VRS	DEN
Not Suspended	92.6	93.6	95.3	94.1	97.2	97.5
Suspended	7.4	6.4	4.7	5.9	2.8	2.5
<i>Comparison group size</i>	23,388	15,276	6,364	21,640	19,066	13,965
<b>Job Placement rate</b>						
Not Suspended	41.9	42.8	37.7	41.3	35.3	41.1
Suspended	26.5	22.5	20.1	21.9	17.3	20.0
<b>26 Week Employment Outcome rate</b>						
Not Suspended	23.7	24.0	19.6	22.7	17.5	24.8
Suspended	14.9	12.3	n.p.	11.6	8.9	10.3

(a) Excludes Job in Jeopardy and Eligible School Leaver participants.

(b) Rates are not shown in cells where fewer than 30 participants were in the relevant comparison group.

(c) Figures are the percentage of members of each comparison group who obtained at least one outcome (i.e. participants who obtained an outcome multiple times are counted only once). Outcomes are counted only where they occurred within 18 months of commencement.

Source: Administrative data.

### 3.6 Outcomes for Job in Jeopardy participants

Job in Jeopardy Assistance provides a way for DES providers to assist employed people with disability who may be in danger of losing their job. Job in Jeopardy was not heavily utilised by the comparison groups (Table 3.11, see also Table 2.11 for caseload data).

Job in Jeopardy Assistance in DES pays a 26 Week Outcome Fee if a participant maintains their employment for 26 consecutive weeks after entry to the programme, either in the same job or in another job with the same employer. This was also the case for Job in Jeopardy under VRS. DEN did not pay 26 Week Outcome Fees for Job in Jeopardy participants and there is consequently no way to assess the performance of Job in Jeopardy in DEN.

DMS maintained the VRS record of keeping slightly over half of Job in Jeopardy participants in employment for 26 weeks while ESS retained almost three-quarters of Job in Jeopardy participants in their jobs.

**Table 3.11: Job in Jeopardy participants in evaluation comparison groups, 26 Week Employment Outcome rate (per cent)**

	DMS	ESS	VRS	DEN
26 Week Employment Outcome	52.4	73.2	55.8	n.a.
Number of participants	170	343	95	405

(a) Outcome rate not available for DEN.

(b) The figures show the percentage of members of each comparison group who obtained at least one outcome (i.e. participants who obtained an outcome multiple times are counted only once). Outcomes are counted only where they occurred within 18 months of commencement.

Source: Administrative data.

### 3.7 Time taken to achieve Employment Outcomes

While the focus of DES policy was on sustainable rather than fast outcomes the time that participants take to achieve outcomes is relevant in the context of the minimum period of assistance. Across the board, over 50 per cent of job placements in the comparison groups occurred within the first six months of service and 75 per cent had occurred by around 10 months (Table 3.12).

**Table 3.12: Calendar days from commencement to outcome**

Comparison group	Participants with outcome	25th Percentile	50th Percentile	75th Percentile
<b>First Job Placement</b>				
DMS	8,751	78	163	299
ESS	8,033	69	155	294
VRS	6,364	81	164	285
DEN	5,647	47	114	228
<b>First 26 Week Employment Outcome</b>				
DMS	5,099	249	330	426
ESS	4,574	240	323	427
VRS	3,233	251	324	419
DEN	3,312	244	310	401

(a) Excludes Job in Jeopardy and Eligible School Leaver participants.

(b) DEN placement figures are based on 4 Week Milestones and the corresponding placement dates were calculated by subtracting 28 calendar days from the date of the 4 Week Milestone.

Source: Administrative data.

DMS and VRS recorded similar lead times to job placement (medians of 163 and 164 days) and 26 Week Employment Outcome (330 and 324 days). Half of the DMS participants took around 11 months to achieve a 26 Week Employment Outcome.

DEN and ESS were more difficult to compare because DEN did not have Job Placement Fees and the exact date of job placement could not be determined. For analysis purposes, the DEN 4 Week Milestone was used as a proxy Job Placement and 28 calendar days subtracted from the 4 Week Milestone date to give an approximate job placement date. This caused some right-hand censoring<sup>15</sup> and a resulting tendency to underestimate the time taken to achieve a job in DEN, in comparison to ESS. Even allowing for this effect, it appears that DEN participants were placed into jobs more rapidly, at a median 114 days after commencement compared with 155 days for ESS. The longer average time to place possibly indicates more careful job matching in ESS.

There were no comparability issues in the measurement of time taken to achieve a 26 Week Employment Outcome. DEN and ESS were more similar on this measure, with participants taking a median 310 and 323 days respectively to achieve a 26 Week Outcome.

15. For DEN, job placements that occurred in the final 28 days of the comparison group tracking period did not result in a 4 Week Milestone until after the end of the tracking period and were therefore not detected.

### 3.8 Status at 18 months

Looking now at where people were at 18 months after commencement, Table 3.13 shows the service and exit status of the comparison groups. Note that not all members of the groups spent an entire 18 months in service. The data here reflect their status at 18 months regardless of the length of their service period.

- More of the DMS group were still in service at 18 months, compared with the VRS group (38 per cent and 24 per cent respectively). The VRS participants were more likely to have exited but less likely to have exited as independent workers. This is consistent with the earlier finding of lower outcome rates in VRS. It is suspected that many of the VRS exits coded 'Other reason' were actually participant-requested exits.
- Around 40 per cent of both the ESS and DEN groups were still in service, in other words, ESS and DEN recorded almost identical total exit rates. Of the people who were active in service, 22 per cent in ESS were in Ongoing Support, compared with 28 per cent of the DEN active group in Maintenance. Ongoing Support Assessment policy appears to have reduced the extent to which participants remain in service after 12 months in a job.
- The DES participants were more likely to be suspended: 7.8 per cent of the DMS group and 4.0 per cent of the ESS group compared with less than 2 per cent of the VRS and DEN groups.

DES produced more independent workers than DEN/VRS. The contrast is particularly stark between DEN and ESS where independent worker exits almost doubled. This is partly because DEN providers used to retain employed participants in Maintenance phase because there was no incentive or external mechanism to encourage them to exit participants to work independently (DEN Maintenance fees in fact provided a perverse incentive to retain participants in service). It is reasonable to assume that most of the people who did exit DEN as independent workers asked to leave the programme because they did not believe they needed Maintenance support, making them a select subset and not comparable with ESS independent workers.

Participant-requested exits appear higher in DES than in DEN/VRS but this is more an indication of changes in the way that exit reasons are coded in administrative data than of actual changes in participant outcomes and satisfaction. Chapter 5 presents information on service-related attrition from participant surveys. Survey data are thought to give a more reliable indication of satisfaction with services than exit codes in administrative data which are not comparable across programmes.

In summary, the nature of exits changed substantially between DEN/VRS and DES. This issue is taken up in Section 3.11 using a large exits data set.

The income support picture at 18 months is broadly similar under DES and previous programmes. Differences include a greater tendency for participants in DMS to be off-benefit than in VRS, a general reduction in receipt of Parenting Payment and a slight shift toward DSP and away from Newstart/Youth Allowance (other) in ESS compared to DEN. The next section looks at income support transitions in more detail.

**Table 3.13: Comparison groups at 18 months after commencement (per cent)**

<b>Status</b>	<b>DMS</b>	<b>ESS</b>	<b>VRS</b>	<b>DEN</b>
<b>In service</b>				
Employment Assistance	20.0	20.9	n.a.	24.0
Post Placement Support	9.1	7.3	n.a.	4.3
Flexible Ongoing Support	1.2	2.0	n.a.	n.a.
Moderate Ongoing Support	n.a.	4.5	n.a.	n.a.
High Ongoing Support	n.a.	1.6	n.a.	n.a.
Total Ongoing Support or Maintenance	1.2	8.1	n.a.	10.8
<i>Per cent In service—active</i>	<i>30.3</i>	<i>36.3</i>	<i>21.8</i>	<i>39.1</i>
<i>Per cent In service—suspended</i>	<i>7.8</i>	<i>4.0</i>	<i>1.8</i>	<i>1.7</i>
<b>Not in service (exited)</b>				
Independent worker	19.4	12.1	15.5	6.3
Participant requested exit during Employment Assistance	23.5	31.7	n.a.	11.6
Participant requested exit during Post Placement Support	1.4	1.5	n.a.	n.p.
Participant requested exit during Ongoing Support	n.p.	0.4	n.a.	0.3
<i>Per cent Participant requested exits</i>	<i>25.0</i>	<i>33.7</i>	<i>19.8</i>	<i>11.9</i>
Other exit reason	17.5	13.9	41.1	41.0
<i>Per cent exited</i>	<i>61.9</i>	<i>59.7</i>	<i>76.4</i>	<i>59.2</i>
<b>Group total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
In service—active (number)	7,355	8,824	4,170	6,164
In service—suspended (number)	1,898	962	349	266
Not in service—exited (number)	15,016	14,499	14,642	9,322
<b>Group total (number)</b>	<b>24,269</b>	<b>24,285</b>	<b>19,161</b>	<b>15,752</b>
<b>Income support at 18 months</b>				
Newstart/Youth Allowance(other)	42.5	25.5	40.2	29.1
Disability Support Pension	17.9	47.8	22.2	43.4
Parenting Payment (Single or Partnered)	5.3	2.5	9.1	4.6
Other pension or allowance	5.8	3.8	5.0	3.8
Non-allowee	28.5	20.3	23.4	19.0

(a) Includes Job in Jeopardy and Eligible School Leaver participants.

(b) VRS did not have phases of assistance.

(c) Exit reasons were recorded very differently for VRS, DEN and DMS/ESS. The apparently higher independent worker rates in DMS and ESS should be interpreted with caution.

(d) Transfers to a different employment service are included in the “Other exit reason” category.

Source: Administrative data.

### 3.9 Effect of employment on receipt of income support

Tables 3.14 and 3.15 present two views of income support patterns in the comparison groups at commencement in service and 18 months later. Where a person applied for income support at the same time as entering employment services and the application was subsequently approved the payment was usually backdated to the date when they became eligible for the payment. This analysis used the backdated income support dates.

After 18 months, fewer people received Newstart Allowance, Youth Allowance(other), or Parenting Payment and more received DSP or did not receive income support (Table 3.14). This general trend is similar across programmes.

**Table 3.14: Comparison groups, distribution of income support at commencement and 18 months after commencement (per cent)**

Payment type	DMS: at start	DMS: at 18 months	ESS: at start	ESS: at 18 months	VRS: at start	VRS: at 18 months	DEN: at start	DEN: at 18 months
Newstart/YA(o)	76.9	43.6	45.8	27.0	69.7	40.4	50.4	31.4
DSP	8.6	18.2	42.2	50.1	8.0	22.3	32.8	43.5
Parenting Payment	7.1	5.5	3.9	2.7	15.1	9.2	8.6	5.1
Other payment	1.0	5.7	1.0	3.5	1.0	5.1	1.0	3.6
Non-allowee	6.5	27.1	7.1	16.6	6.2	23.1	7.2	16.4

(a) Excludes Job in Jeopardy and Eligible School Leaver participants.

Source: Administrative data.

More of the DMS group than the VRS group moved off income support altogether, from 6.5 per cent at commencement to 27 per cent at 18 months. People in the DMS group were less likely to be receiving DSP at 18 months than the VRS group. Higher employment outcome rates in DMS translated to greater reductions in income support.

The ESS and DEN groups registered similar increases in off-benefit (Non-allowee) outcomes, at a lower level than DMS. At commencement and at 18 months the ESS group had more DSP recipients than the DEN group but the ESS group registered relatively fewer movements to DSP over 18 months. This appears related to movements from Parenting Payment to DSP in the DEN group, connected with Welfare to Work reforms introduced in 2006.<sup>16</sup>

A more detailed view of movements between different payments can be seen in Table 3.15.

For participants who received Newstart Allowance or Youth Allowance(other) on commencement, around 55 per cent were receiving these payments 18 months later, similar under DES and DEN/VRS. The vast majority of participants who received DSP when they commenced service were still receiving DSP 18 months later, some at a reduced payment level. The few who did not remain on

16. Under Welfare to Work, principal carer parents who claimed Parenting Payment on or after 1 July 2006 received this payment until their youngest child turned 6 (if partnered) or 8 (if single). After this time, they needed to apply for another income support payment (typically Newstart Allowance or Austudy) and meet part-time participation requirements. Following the change a higher percentage of single and partnered principal carer parents tested their eligibility for, and entered, other income support payments which did not have an activity test, such as Carer Payment or DSP, because they lost eligibility for PP (DEEWR 2008).

DSP had mostly moved off-benefit. Reasons for moving off benefit were varied, including employment; other change in financial circumstances, including change in a partner's income; relocation overseas; death and other events.

Between 60 and 70 per cent of the people who did not receive income support at commencement in service were also off benefit 18 months later. The one exception was ESS Funding Level 2 where very few participants were not on benefit at commencement and only half of these were off benefit 18 months later. Non-allowees who commenced in DMS were less likely to be receiving DSP at 18 months than the VRS group. Non-allowees in ESS were less likely to transition to Newstart Allowance or Youth Allowance(other) than Non-allowees in DEN.

The effect of DES Employment Outcomes on participants' income support was more pronounced in DMS than in ESS and more pronounced among Newstart Allowance and Youth Allowance recipients than among DSP recipients (Figures 3.2 and 3.3).

Comparing each participant's income support status at commencement in DES and 18 months later:

- The proportion not in receipt of income support increased from 6.5 per cent to 27 per cent of the DMS comparison group and from 7.1 per cent to 17 per cent of the ESS comparison group.<sup>17</sup>
- The percentage receiving a full income support payment decreased from 80 per cent to 59 per cent of the DMS comparison group and from 82 per cent to 68 per cent of the ESS comparison group. Here, the income support saving equates to the full benefit amount.
- Over an 18 month period, the average reduction in income support entitlement calculated across members of the DMS comparison group on a part benefit who reported earnings in at least one fortnight was approximately \$7 per participant per day, or \$3,688 per participant. The estimated reduction in income support averaged across the entire DMS group was \$1,718 per participant.<sup>18</sup>
- Over an 18 month period, the average reduction in income support entitlement calculated across participants in the ESS comparison group on a part benefit who had reported earnings was approximately \$4 per participant per day or \$1,952 per participant. The estimated reduction in income support averaged across the entire ESS group was \$289.<sup>17</sup>

As expected, the effect of employment on income support reliance was more marked among the participants who achieved a 26 Week Employment Outcome (plot 2 in the figures). The income support status of these groups contrasts sharply with patterns in the broader groups that also include participants who did not obtain employment. In both programmes the reduction in income support peaked at around 12 months after commencement—around the time that 26 Week Employment Outcomes occur—at which point there is an upswing in the proportion of people on full income support payment, albeit still substantially lower than at commencement.

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17. Excludes Job in Jeopardy and Eligible School Leaver participants as well as participants who were deceased 18 months after commencement.

18. These estimates include partner's earnings. Between 12 and 15 per cent of participants reported having a partner at commencement and only a portion of the partners had earnings that affected participant entitlements. The effect of partner earnings on participant income support is considered to be small.

**Table 3.15: Comparison groups, income support at commencement and 18 months later (per cent)**

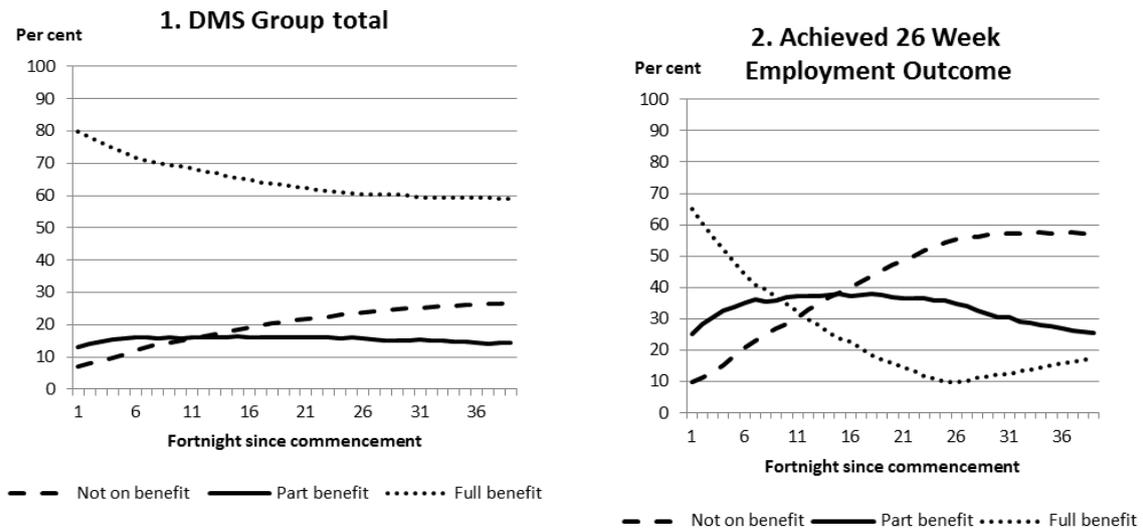
Allowance at commencement	Allowance 18 months after commencement	ESS		All ESS	VRS	DEN	
		DMS	FL1				FL2
Newstart/YA(o)	Newstart/YA(o)	53.5	53.3	60.6	55.1	53.3	56.7
	DSP	11.9	19.3	20.5	19.6	17.0	20.1
	Parenting Payment	1.4	1.0	2.2	1.3	1.1	1.2
	Other payment	5.8	5.9	3.9	5.4	5.0	4.9
	Non-allowee	27.4	20.5	12.7	18.6	23.6	17.1
	<i>Total (number)</i>		<i>17,980</i>	<i>7,452</i>	<i>2,463</i>	<i>9,915</i>	<i>13,295</i>
DSP	Newstart/YA(o)	n.p.	n.p.	n.p.	n.p.	3.6	1.2
	DSP	89.3	91.8	94.3	92.7	82.8	91.0
	Parenting Payment	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
	Other payment	n.p.	0.9	n.p.	0.7	2.7	0.8
	Non-allowee	8.6	7.1	5.1	6.3	10.8	6.9
	<i>Total (number)</i>		<i>2,007</i>	<i>5,686</i>	<i>3,451</i>	<i>9,137</i>	<i>1,516</i>
Parenting Payment	Newstart/YA(o)	14.8	13.6	n.p.	12.9	10.8	11.4
	DSP	10.3	19.6	26.4	21.5	18.8	26.6
	Parenting Payment	61.1	53.2	54.4	53.6	55.0	51.3
	Other payment	5.2	n.p.	n.p.	4.0	4.2	3.6
	Non-allowee	8.6	9.6	n.p.	8.0	11.3	7.1
	<i>Total (number)</i>		<i>1,665</i>	<i>603</i>	<i>239</i>	<i>842</i>	<i>2,879</i>
Other payment	Newstart/YA(o)	19.3	20.1	n.p.	24.8	n.p.	26.4
	DSP	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
	Parenting Payment	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
	Other payment	48.4	47.2	n.p.	43.8	44.7	37.5
	Non-allowee	20.2	22.6	n.p.	20.0	25.6	21.5
	<i>Total (number)</i>		<i>223</i>	<i>159</i>	<i>51</i>	<i>210</i>	<i>199</i>
Non-allowee	Newstart/YA(o)	18.4	12.1	21.3	13.0	18.3	17.1
	DSP	8.5	13.7	24.4	14.8	14.7	15.0
	Parenting Payment	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
	Other payment	4.0	2.6	n.p.	2.8	4.0	n.p.
	Non-allowee	68.4	71.1	49.4	68.8	62.3	65.7
	<i>Total (number)</i>		<i>1,513</i>	<i>1,376</i>	<i>160</i>	<i>1,536</i>	<i>1,177</i>
<b>Group total (number)</b>		<b>23,388</b>	<b>15,276</b>	<b>6,364</b>	<b>21,640</b>	<b>19,066</b>	<b>13,965</b>

(a) Excludes Job in Jeopardy and Eligible School Leaver participants.

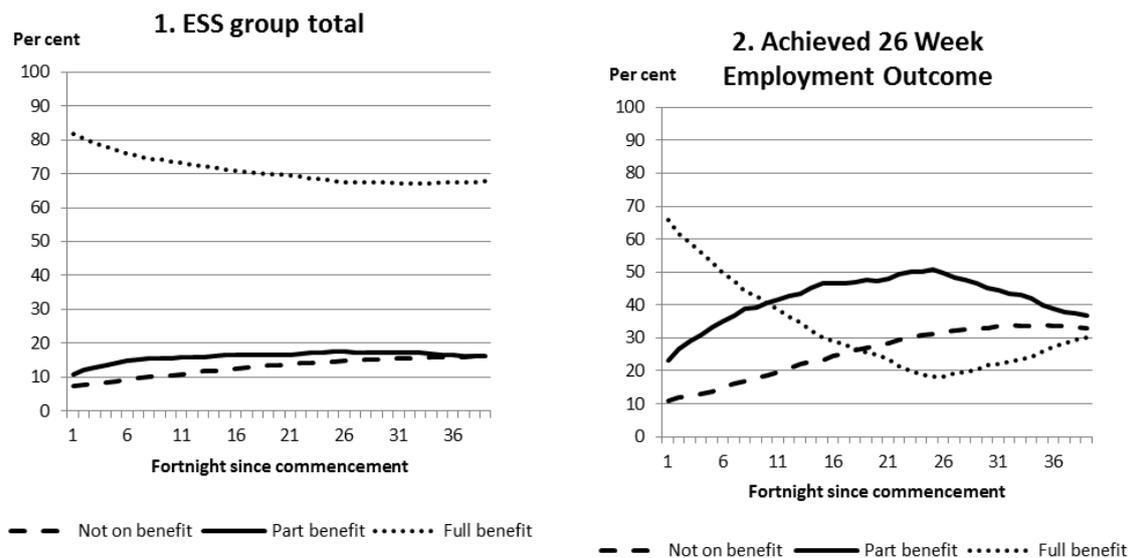
(b) Rates are not shown in cells where fewer than 30 participants were in the relevant comparison group.

Source: Administrative data.

**Figure 3.2: Income support status of DMS comparison group over 18 months**



**Figure 3.3: Income support status of ESS comparison group over 18 months**



**Notes:**

‘Not on benefit’= participants no in receipt of government income support in the fortnight. ‘Part benefit’=participants in receipt of income support with reported earnings in the fortnight that exceed payment-specific individual income test amount. ‘Full benefit’ includes participants in receipt of income support with no reported earnings in the fortnight.

### 3.10 Cost effectiveness

Over the life of the original DES Deed, 1 March 2010 to 30 June 2012, approximately \$1.8 billion was paid in fees to DES providers: 52 per cent on Service Fees and 37 per cent on Outcome Fees. ESS accounted for approximately 60 per cent of total expenditure. ESS participants require more support in the workplace and this is consistent with 13 per cent of ESS expenditure attributable to Ongoing Support Fees compared to only 0.2 per cent for DMS. Wage Subsidies also accounted for a greater proportion of expenditure in ESS (2.7 per cent) than in DMS (1.7 per cent).

**Table 3.16: DES programme expenditure by fee type, 1 March 2010 to 30 June 2012 (per cent)**

Category	DMS	ESS	All DES
Service Fees	59.8	47.0	52.1
Outcome Fees	37.7	35.7	36.5
Ongoing Support Fees	0.2	13.2	8.1
Wage Subsidies	1.7	2.7	2.3
Job in Jeopardy Fees	0.3	0.3	0.3
Other Fees	0.3	1.0	0.7
<b>Total expenditure (\$million)</b>	<b>700.4</b>	<b>1,066.2</b>	<b>1,766.6</b>

(a) Includes all fees paid to DES providers from 1 March 2010 to 30 June 2012.

(b) Other Fees include workplace modifications, Auslan interpreting, training for co-workers etc.

Source: Administrative data, DEEWR Annual reports.

Table 3.17 shows average expenditure (nominal) per participant and per outcome for the comparison groups. Expenditure per outcome was calculated by dividing total expenditure on the comparison group by the number of people in the group who achieved the outcome in question at least once during their 18 month tracking period.

At \$6,320 per participant, expenditure on the DMS group was roughly 10 per cent higher than for the VRS group. However, expenditure was five per cent lower per Job Placement and around 15 per cent lower per 26 Week Employment Outcome in DMS than in VRS. In terms of its ability to provide longer term employment for its participants, DMS appears to deliver better value than VRS.

ESS presents a different story, with expenditures per participant and per placement almost identical to DEN but around 10 per cent higher per 26 Week Employment Outcome in nominal terms. When Ongoing Support and Maintenance Fees are excluded from the calculation, ESS looks even more expensive than DEN (about 14 per cent higher per 26 Week Outcome) because a greater proportion of DEN fees were spent on Maintenance. This is a reflection of changes in policy in ESS, such as the introduction of Ongoing Support Assessments which reduce the likelihood of participants remaining in Ongoing Support indefinitely. This evidence supports the conclusion that Ongoing Support Assessments reduce the extent to which participants remain in support beyond 12 months after placement in employment.

**Table 3.17: Comparison groups, expenditure per participant and per outcome**

Expenditure measure	DMS	ESS FL1	ESS FL2	All ESS	VRS	DEN
<b>Including all claims</b>						
Per participant	\$6,324	\$6,114	\$10,419	\$7,380	\$5,659	\$7,456
Per placement	\$15,523	\$14,726	\$28,262	\$18,381	\$16,244	\$18,396
Per 26 Week Outcome	\$27,487	\$26,278	\$54,481	\$33,472	\$32,875	\$30,543
<b>Excluding Ongoing Support/Maintenance claims</b>						
Per participant	\$6,310	\$5,889	\$10,141	\$7,140	\$5,656	\$6,953
Per placement	\$15,488	\$14,186	\$27,511	\$17,784	\$16,235	\$17,156
Per 26 Week Outcome	\$27,424	\$25,314	\$53,032	\$32,384	\$32,856	\$28,484
<i>Comparison group size</i>	<i>23,388</i>	<i>15,276</i>	<i>6,364</i>	<i>21,640</i>	<i>19,066</i>	<i>13,965</i>

Notes:

1. Excludes Job in Jeopardy and Eligible School Leaver participants.
2. Includes all expenditures incurred for member of the comparison groups during their 18 month tracking periods.
3. Nominal expenditures.

Source: Administrative data.

### 3.11 Do DES outcomes lead to sustained employment?

A key question for the evaluation is whether the jobs obtained by DES participants lead to sustained employment. The analysis so far points to higher outcomes in DMS and corresponding reductions in income support, with some movements back to full benefit at around 12 months after commencement. ESS is a more complex picture because of changes to outcome definitions and changed exit patterns under the new system of Ongoing Support Assessment. On the question of sustainable employment we need to look to a number of different indicators and data sources.

#### 26 Week Conversion Rate

The most basic indicator of sustained employment, the 26 Week Employment Outcome, can be expressed as a conversion rate to show the proportion of people placed in employment who go on to achieve a 26 Week Outcome.<sup>19</sup> In theory, a high Job Placement rate can have a low conversion rate, and vice versa. The association between Job Placement and 26 Week Outcome is important because depending on its level different policy responses may be indicated.

The DMS comparison group not only obtained more placements than the VRS group but more of those jobs converted to 26 Week Outcomes (conversion rates of 57 and 49 per cent respectively). Using this indicator DMS appears to be delivering more sustainable employment.

ESS job placements converted to 26 Week Outcomes at about the same rate as DMS placements (56 per cent and 57 per cent respectively).

Little can be said about conversion rates under ESS compared with DEN because the stricter rules for payment of a 26 Week Employment Outcome in ESS means that ESS and DEN conversion rates are not comparable measures.

19. Technically, the conversion rate should include only cases where a Job Placement results in a 26 Week Outcome for the same participant, however the figures here include a small number of cases where a 26 Week Outcome Fee was claimed for a participant but a Job Placement Fee was not.

## Post Programme Monitoring

The department conducts ongoing Post Programme Monitoring (PPM) surveys to check on the status of participants during their participation in employment services and three months after exit from Employment Assistance or Ongoing Support. June 2012 PPM results for DES participants in Table 3.18 pertain to *all* exits (not just independent worker exits) including exits from Employment Assistance or Post Placement Support phase for participants who then started a phase of Ongoing Support. Only the Ongoing Support exit point is exclusively a ‘post programme’ result.

**Table 3.18: Employment status at three months after exit event (per cent)**

Exit event	DMS	ESS FL1	ESS FL2	All ESS	All DES
Employment Assistance/Post Placement Support	41.8	40.1	31.9	36.8	39.2
Ongoing Support	78.8	n.a.	n.a.	68.4	70.7

*Note:* Exits from the Employment Assistance/Post Placement Support phase include those which result in an entrance to Ongoing Support phase.

*Source:* Post Programme Monitoring survey, June 2012.

The June 2009 Labour Market Assistance Outcomes report, based on the PPM for DEN/VRS, reported that 32 per cent of VRS participants were in employment three months after exit. This compares with 42 per cent of DMS participants shown in Table 3.15. The same report showed that 39 per cent of DEN participants were employed three months after either: (a) exiting DEN without achieving a 13 Week Outcome or (b) achieving a 13 Week Employment Outcome. There is no comparable ESS figure because the PPM methodology changed for this programme. The current PPM seems to indicate that overall, DES participants have a greater chance of being employed — between 39 per cent and 70 per cent— three months after exiting service than was the case under DEN/VRS.

A special exercise conducted for the evaluation looked at PPM results for only those participants who exited DES as independent workers. For both DMS and ESS, 82 per cent of respondents were employed three months after exit from the programme. The PPM therefore estimates that 18 per cent of independent workers lose their job within three months of exit from the programme.

## Independent worker returns to service

Sustainability of employment can also be assessed in terms of whether people who leave the programme as independent workers subsequently return to service. Unfortunately the usefulness of this indicator was reduced by a number of complications.

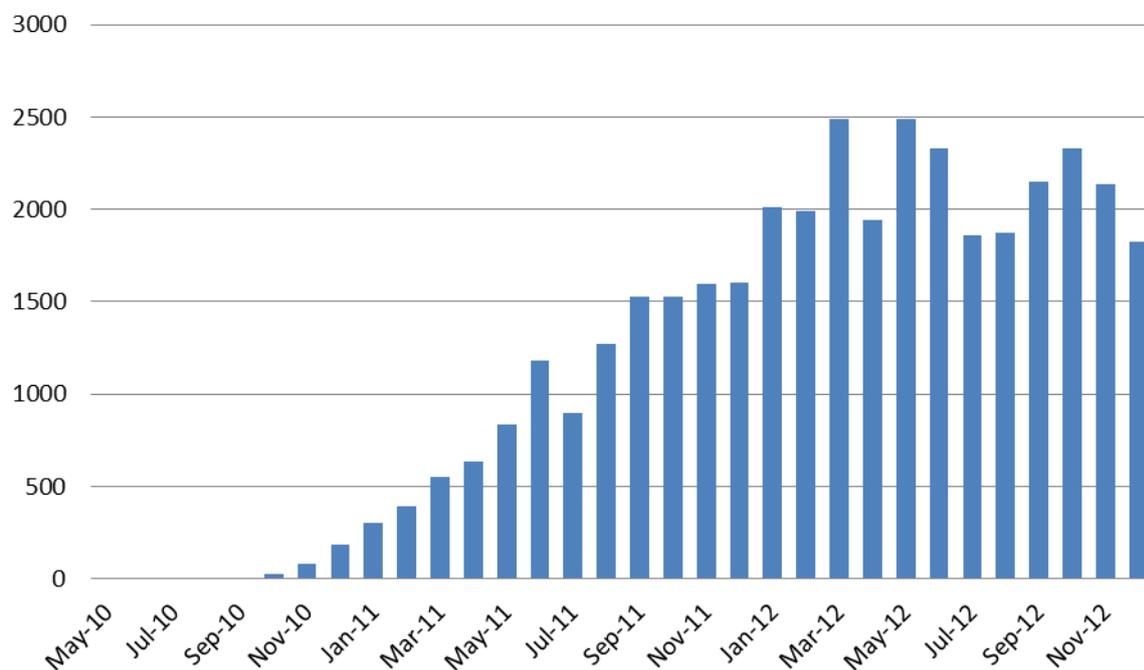
In a programme where participants can receive up to 18 months of assistance until placed in a job, the effects do not stabilise until the programme has been in operation for at least 18 months. This can be seen in Figure 3.4, which shows the number of DES participants who exited as independent workers<sup>20</sup> each month, from the beginning of DES until 31 December 2012. It was not until the beginning of 2012, 21 months after DES began operating, that the number of independent worker exits began to stabilise.

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20. A person is exited from the program an ‘independent worker’ if they are expected to be able to maintain their employment with no further support or assistance from an employment service provider.

The following analysis of returns to service is based on all exits from DES between 1 March 2010 and 30 June 2012, counting returns within six months of exit date.

**Figure 3.4: Number of participants who exited DES as independent workers, by month**



*Note:* All independent worker exits from DES between 1 March 2010 and 31 December 2012. Excludes participants transitioned from DEN or VRS.

*Source:* Administrative data

To provide context, we first consider exit for any reason other than transfer to another programme—participant requested exits, independent worker exits and provider-initiated exits. Across all types of exit DES recorded lower rates of return to service than DEN/VRS (Table 3.19). Note too that under DES and DEN/VRS many returning participants were recommended in mainstream employment services, either JSA or its predecessor Job Network.

**Table 3.19: Rate of return within six months for all exits at any time in service period (per cent)**

	DMS	ESS	VRS	DEN
Number of exits	42,186	40,956	54,709	45,922
Per cent returned to service	16.7	14.4	19.2	25.8
<b>Returned to:</b>				
DMS	35.1	3.5	n.a.	n.a.
ESS	4.7	61.5	n.a.	n.a.
VRS	n.a.	n.a.	30.1	5.8
DEN	n.a.	n.a.	14.5	57.1
Job Services Australia	60.2	35.0	8.6	5.7
Job Network	n.a.	n.a.	46.8	31.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Notes:

1. All exits from DMS or ESS between 1 July 2010 and 30 June 2012 excluding exits of participants who transitioned from DEN or VRS.
2. All exits from DEN between 1 July 2007 and 30 June 2009. Exits from VRS between 1 July 2007 and 30 June 2009 excluding 17 600 exits coded as 'DEWR exit' and most likely related to the VRS transition from FaCS to DEWR.
3. All exits include participant-requested exit, independent worker exit, provider-initiated exit, etc. Excludes exit for inter-programme transfer.

Source: Administrative data.

Now consider the return rate of independent workers. 'Independent worker' is the term given to participants who leave the programme in employment, as distinct from employed participants who remain in the programme to receive Ongoing Support. A person can exit as an independent worker at any point, including during Employment Assistance/Post Placement Support or Ongoing Support. Independent workers accounted for 31 per cent of exits from DES between 1 July 2010 and 30 June 2012.

Independent workers returned at a rate of 26 per cent compared with 15 per cent under DEN/VRS (Table 3.20). Returns usually occurred shortly after exit (Figure 3.5).

- Returning independent workers who were exited from ESS tended to return to ESS, though 35 per cent returned to JSA.
- A high proportion of DMS independent workers who returned, returned to JSA (61 per cent). Returns to mainstream services were lower than under VRS, where more than 80 per cent returned to Job Network.

**Table 3.20: Rate of return within six months for independent workers exited at any time in service period (per cent)**

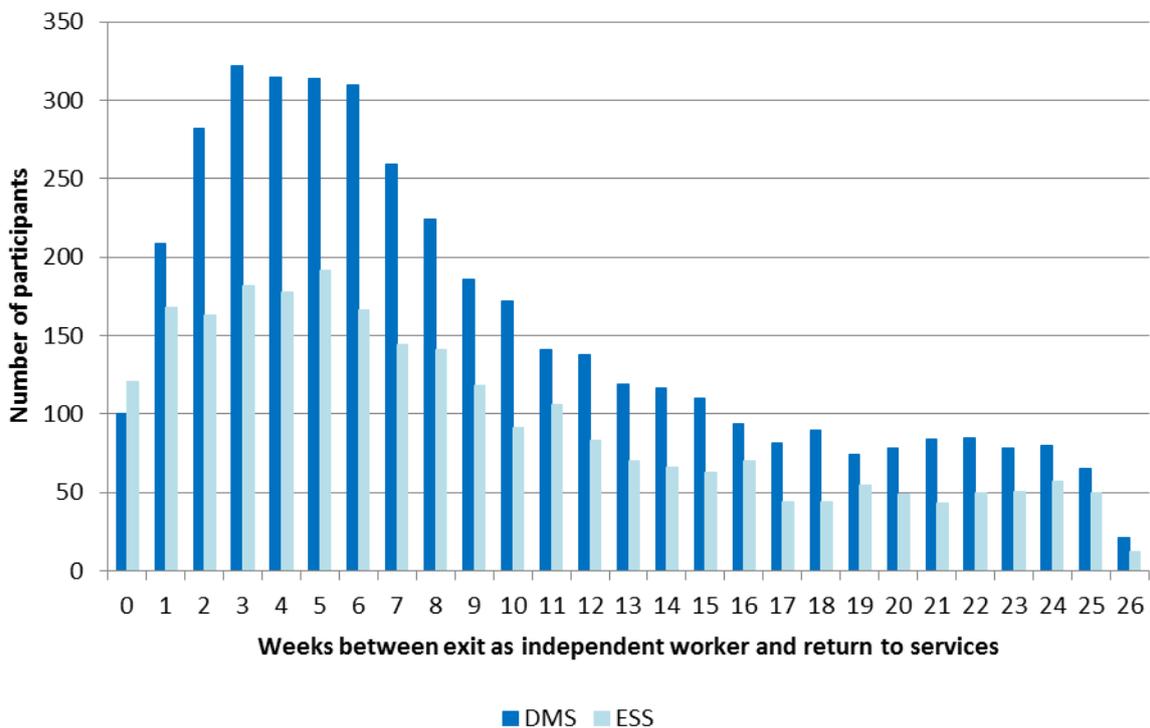
	DMS	ESS	VRS	DEN
Number of exits	16,000	9,678	15,622	11,422
Per cent returned to service	25.9	26.6	14.6	15.0
<b>Returned to:</b>				
DMS	36.4	2.8	n.a.	n.a.
ESS	2.9	61.8	n.a.	n.a.
VRS	n.a.	n.a.	12.2	4.9
DEN	n.a.	n.a.	7.4	35.6
Job Services Australia	60.7	35.4	16.6	11.2
Job Network	n.a.	n.a.	63.8	48.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) All exits from DMS/ESS as independent worker between 1 July 2010 and 30 June 2012. Does not include participants who transitioned from DEN or VRS.

(b) All exits from DEN/VRS as an independent worker between 1 July 2007 and 30 June 2009.

Source: Administrative data.

**Figure 3.5: Weeks between exit as independent worker and return to services**



Note: All independent worker exits from DMS or ESS between 1 July 2010 and 30 June 2012. Does not include participants who transitioned from DEN or VRS. Includes returns to DES and Job Services Australia.

Source: Administrative data.

A somewhat higher return rate for ESS compared to DEN is not unexpected because DEN participants could remain in Maintenance phase indefinitely, whether they needed to or not. Moreover, if a person in Maintenance lost their job then they were able to stay in Maintenance, unemployed, for up to six months until they found another job. Therefore, DEN participants who exited as independent workers were a select group. In the main, workers did not return to DEN because they didn't exit.

The low return rate for VRS needs to be viewed in the context that VRS produced relatively few independent workers, possible because only the easy to place participants were placed in employment and, hence, fewer returned. However, an increase in returns from 15 per cent to 26 per cent of independent workers seems high.

The department became aware that some providers were inappropriately exiting participants as independent workers because they perceived an advantage in doing so under the DES Performance Framework at the time. This was addressed as part of changes to the DES Performance Framework that came into effect on 4 March 2013. Provider practice at the time of the evaluation meant that not all exits coded as independent workers were genuine independent worker exits; some should have had a different exit code because the employment had ended or, in other cases, offered Ongoing Support instead of being exited. This is a further complication in the interpretation of data on exits and returns.

A group of particular interest is ESS independent workers who exited after a period in Ongoing Support. In theory, their return rate should measure the impact of Ongoing Support Assessments. Ongoing Support Assessment marked a significant change from DEN which allowed employed participants to remain in Maintenance phase without any external assessment of need for ongoing support. The evaluation examined the return to service rate of participants who had spent at least seven days in Ongoing Support prior to exit as independent workers. The DES data are exits from Flexible Ongoing Support (FOS), Moderate Ongoing Support (MOS) and High Ongoing Support (HOS).<sup>21</sup> Exited participants who transitioned from DEN/VRS into DES Employment Assistance phase were counted in the DES data because they obtained their job in DES and were exited under the DES Ongoing Support policy settings (exit numbers are higher than in Table 3.19 which excludes transitioned participants).

There were 14 727 such exits from DES Ongoing Support over the two year period. Table 3.21 shows the proportion who returned to employment services within six months, including returns to mainstream and disability employment services. For comparison, returns after DEN Maintenance are shown for independent workers who had spent at least seven days in Maintenance prior to exit.

DES rates of return were substantial: 33 per cent for DMS Ongoing Support (FOS only) and 29 per cent for ESS Ongoing Support. Many returned to mainstream employment services echoing the return pattern of independent workers more generally and possibly also reflecting an element of misuse of independent worker exit, as discussed above.

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21. Flexible Ongoing Support is available in DMS and ESS; Moderate and High Ongoing Support are available in ESS only.

While there is clear evidence that DES participants spent less time in Ongoing Support than DEN participants spent in Maintenance (Table 3.22) fewer than 200 Ongoing Support Assessments in this period recommended that a participant be exited from Ongoing Support.

**Table 3.21: Rate of return within six months for independent workers exited during Ongoing Support or Maintenance phase (per cent)**

	DMS FOS	ESS FOS	ESS MOS/HOS	ESS All OS	DEN Maintenance
Number of exits	4,463	4,056	6,208	10,264	7,776
Per cent returned to service	33.3	26.8	30.4	29.0	12.3
<b>Returned to:</b>					
DMS	39.6	2.6	3.0	2.9	n.a.
ESS	3.8	57.1	61.0	59.6	n.a.
VRS	n.a.	n.a.	n.a.	n.a.	3.1
DEN	n.a.	n.a.	n.a.	n.a.	45.4
Job Services Australia	56.6	40.3	35.9	37.5	7.4
Job Network	n.a.	n.a.	n.a.	n.a.	44.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Notes:

1. Exits from DMS or ESS as independent worker, after at least 7 days of Ongoing Support, between 1 July 2010 and 30 June 2012. Includes participants who transitioned from DEN or VRS into Employment Assistance. Excludes transitions into Post Placement Support or Ongoing Support.
2. Exits from DEN as an independent worker, after at least 7 days of Maintenance, between 1 July 2007 and 30 June 2009.
3. VRS did not have an Ongoing Support or Maintenance phase equivalent.

Source: Administrative data.

**Table 3.22: Duration of Ongoing Support, relative to DEN Maintenance (per cent)**

Programme	Episodes lasting 15 months or longer
ESS Flexible Ongoing Support	8.2
ESS Moderate Ongoing Support	19.8
ESS High Ongoing Support	43.2
DEN Maintenance	43.7

Notes:

1. ESS includes participants who commenced in Ongoing Support between 1 January and 30 June 2011. Includes participants who transitioned from DEN or VRS into DES Employment Assistance, but not those who transitioned to Post Placement Support or Ongoing Support.
2. DEN Maintenance includes participants who commenced in Maintenance between 1 January and 30 June 2008.

Source: Administrative data.

Many of the exits from Ongoing Support occurred in the four weeks before an Ongoing Support Assessment became due. These appear to be a mix of provider and participant-initiated exits. Anecdotally, some participants are reluctant to have an assessor visit their work place and ask to be exited in order to avoid an Ongoing Support Assessment. In these cases anticipation of Ongoing Support Assessment rather than the actual assessment is the exit trigger. Without an opportunity of assessment some people may be leaving support prematurely, contributing to a high return rate. However, the fact that many return to mainstream services suggests a more complicated situation.

It appears that some independent workers are required to return to employment services because the level of employment for a DES outcome does not meet participation requirements for income support. If this is the case then return to service is not an indicator of employment sustainability because a return does not necessarily mean that the person lost their job.

The evaluation could not conclude anything about the sustainability of employment or impact of Ongoing Support Assessment from returns to service because of the suspected confounding effects of activity testing for income support recipients and inappropriate independent worker exits by some DES providers during the study period.

### 3.12 Education Outcomes

Education Outcome fees were available in VRS, but not in DEN. Under the DES Deed, Education Outcomes became available for both DMS and ESS. They make up a small component of the paid outcomes delivered in DES. Fewer than 2 per cent of participants across the comparison groups achieved a 13 Week Education outcome.

**Table 3.23: Education Outcome rates**

Education Outcome	DMS	ESS FL1	ESS FL2	All ESS	VRS	DEN
13 Week Outcome	1.8	1.5	1.3	1.5	0.7	n.a.
26 Week Outcome	0.2	—	0.1	0.1	0.2	n.a.
Comparison group size (number)	23,388	15,276	6,364	21,640	19,066	13,965

Notes:

1. Excludes Job in Jeopardy and Eligible School Leaver participants.
2. Education outcomes were not available in DEN.
3. The figures show the percentage of members of each comparison group who obtained at least one outcome (i.e. participants who obtained an outcome multiple times are counted only once). Outcomes are counted only where they occurred within 18 months of commencement.

Source: Administrative data.

### 3.13 Summary

Overall, DMS delivered higher outcomes at lower expenditure per outcome than its predecessor VRS. ESS maintained the DEN level of outcomes under tighter outcome definitions, at slightly higher expenditure per outcome. In the fully demand-driven environment there has been an increase in the proportion of participants suspended from service. The potential impact of this change in caseload is addressed in Chapter 4 by using regression analysis to compare outcome rates while controlling for differences in the composition of the comparison groups.

Key indicators of effectiveness based on outcomes measured over 18 months from service commencement date for DES and DEN/VRS comparison groups are listed below.

- Job Placement rate: 41 per cent for DMS and 40 per cent for ESS (35 per cent for VRS and 41 per cent for DEN).
- 26 Week Employment Outcome rate: 23 per cent for DMS and 22 per cent for ESS (17 per cent for VRS and 24 per cent for DEN).

- Total attrition, defined as the proportion of participants who exited during Employment Assistance, at their own request: 24 per cent for DMS and 32 per cent for ESS (12 per cent for DEN; data not available for VRS).
- At 18 months, 62 per cent of DMS participants and 60 per cent of ESS participants were no longer in the programme, either because they asked to leave, obtained employment, or were no longer required to participate.
- For people who exit the programme as independent workers, retention in employment, post-programme, appears to be 82 per cent at three months (based on the PPM survey) and 73 per cent or higher at six months after exit (based on returns to service). These results are indicative only because of questions surrounding independent worker exits during the evaluation period.
- Fewer than two per cent of participants achieved a 13 Week Education Outcome.

Higher attrition (participant-requested exits during Employment Assistance) in DES is thought to be related to the removal of provider discretion over referrals. Service-related attrition, which measures attrition associated with dissatisfaction with service quality is examined in Chapter 5 along with other service satisfaction measures.

An assessment of employment sustainability, which is central to an evaluation of Ongoing Support Assessment policy, was inconclusive because the set of indicators do not all point the same way. Taken at face value the data show that DES produces more independent workers than the previous programmes but one in four independent workers returns to employment services within six months of exit. No conclusion can be drawn because of uncertainty surrounding the real reasons for exits and returns.

An interaction between activity testing for income support and DES programme rules is suspected as triggering referrals of some independent workers to JSA immediately following exit from DES. People who exit the programme in a job that meets their DES employment benchmark but does not satisfy activity-test requirements for income support are affected. DES participation is an approved activity which enables income support recipients with disability to meet participation requirements while they are in DES but when they exit the programme they are once again subject to activity test requirements that may not be satisfied by the job obtained in DES. This issue requires further investigation and unless it can be ruled out the return to service rate will not give a clear picture of the sustainability of outcomes and, associated with this, the impact of Ongoing Support Assessment.

Each month around 2000 people exit DES as independent workers, in most cases without having had an Ongoing Support Assessment. Because of significant data interpretation issues anything to be said about this is academic but worth discussing because of the timing of exits just prior to Ongoing Support Assessment. If these were indeed 2000 genuine independent workers per month then the increased number implies a higher level of risk-taking than under previous programmes—letting workers ‘go’ rather than holding them in the programme indefinitely. This is not necessarily a bad thing if participants feel confident about their employment and are exited appropriately, following an honest and robust assessment of the need for Ongoing Support. A somewhat higher rate of return to service might then be acceptable and in this context re-engagement with services would be a far better outcome than withdrawal from the labour force. The issue is whether future service intervention should occur when a person loses their employment or be offered sooner.

## 4 The relative effectiveness of DES

A challenge in drawing conclusions about programme effectiveness from the outcome rates in Chapter 3 is that raw data do not take into account the changing labour market conditions and any changes in the programme caseload that affect outcomes. Specifically, we need to consider the labour market effects of the global financial crisis in late-2008, ongoing decline in the manufacturing sector, a downturn in construction between 2011 and 2012,<sup>22</sup> and the fluctuating value of the Australian dollar.

Neither the DEN/VRS nor the DES comparison groups were immune to the post-2008 economic downturn. On average, programme participants take around 160 days after commencing service to obtain employment and people with higher barriers to employment can take much longer. Members of the DEN and VRS comparison groups who obtained a job before October 2008 might have escaped the immediate aftermath of the global financial crisis but those who took longer to find employment would have been impacted by the sudden drop in business confidence. In contrast, the DES comparison groups commenced service after the crisis period but were exposed to uneven economic recovery and, later, the labour market impacts of a high dollar. ABS unemployment data for Statistical Local Areas corresponding to participants' postcodes show that the DES groups were exposed to more difficult local labour market conditions (mean and maximum unemployment rates of 5.5 per cent and 10.5 per cent respectively) than the DEN and VRS comparison groups (mean 5.0 per cent; maximum 8.1 per cent unemployment).

Chapter 2 also highlighted some changes in the caseload following the transition to a fully demand driven programme which need to be taken into account. Statistical regression analysis was used to adjust for known, measurable factors that potentially impact on employment outcomes. The question is: do the conclusions of Chapter 3 still hold once we account for these factors?

### 4.1 Method

The comparison groups described in Chapter 3, excluding participants outside the age range 15 to 64 years, formed the study populations. Eligible School Leavers and Job in Jeopardy participants were excluded. Final group sizes for the regression analysis were: 23 380 DMS and 21 640 ESS participants; 19 065 VRS and 13 965 DEN participants. Logistic regression analysis similar to that used to evaluate the effectiveness of the Active Participation Model (DEEWR 2007b) was adopted.

Participant groups were compared on four types of employment outcome, each measured within 18 months of service commencement: Job Placement; 13 Week Employment Outcome (full and pathway); 26 Week Employment Outcome (full and pathway); proportion of placed participants who achieve a 26 Week Employment Outcome.

As in Chapter 3, Job Placement and Employment Outcome are denoted by an approved fee claim. DEN 4 Week Milestones were used as proxy Job Placements for DEN participants.<sup>23</sup> Each outcome was coded as a binary value (achieved or not achieved) to be used as the dependent variable in the regression model.

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22. See for example Industry Reports 2012 on the Labour Market Information Portal at [www.lmip.gov.au](http://www.lmip.gov.au).

<sup>23</sup> Four weeks in employment was a payable outcome in DEN, but not job placement.

A set of independent variables was constructed from administrative data to which was appended the unemployment rate corresponding to each participant’s postcode (Statistical Local Area) and indicator variables to mark the predominant industries in each participant’s local area at the time (see Table A4.1 for the full set of predictors).

The regression model was first run on the DMS and ESS data, separately, to test the significance of predictor variables. Independent variables found to be significantly correlated with the outcome variable were retained in the final models. This model fitting process was done in turn for Job Placement, 13 Week Outcome and 26 Week Outcome. For DMS a fourth model was fitted for 26 Week Outcome conditional on already having a job placement (conversion rate measured at the person level). This was not modelled for ESS because of the conceptual difficulty in comparing conversion from placement to 26 Week Outcome with conversion from DEN 4 Week Milestone to 26 Week Outcome.

Data on the VRS comparison group were entered to the models constructed for DMS Job Placement, 13 Week Employment Outcome, 26 Week Employment Outcome and Conversion Rate to predict the level of each outcome that would have been expected under the DMS programme for the VRS group of participants. This enables actual VRS outcomes to be compared to predicted outcomes, with the difference being a measure of the relative effectiveness of DMS, controlling for participant characteristics and labour market conditions. Likewise, data on the DEN comparison group were entered to the ESS outcome models to measure the relative effectiveness of ESS, other things being equal. Essentially, the method simulates the DMS model for the VRS group of participants, and the ESS model for the DEN group.

## 4.2 Improved outcomes under DMS

The analysis indicates that the VRS cohort would have achieved more outcomes had they been serviced under the DMS programme, for every type of outcome examined (Table 4.1). For example, 17 per cent of the VRS cohort achieved a 26 Week Employment Outcome, whereas the predicted 26 Week Employment Outcome rate for the VRS group had they been serviced in DMS is 24 per cent. Noting that breaks in employment are more tightly controlled in DES, DMS has clearly outperformed VRS on paid employment outcomes.

**Table 4.1: Percentage of DMS and VRS comparison groups who achieve an employment outcome**

Employment Outcome	DMS	VRS actual	VRS predicted <sup>(a)</sup>	Difference
Job Placement	40.7	34.8	41.7	-6.9
13 Week Outcome	31.0	24.1	32.2	-8.1
26 Week Outcome (all participants)	23.0	17.2	24.3	-7.1
26 Week Outcome (placed participants) <sup>(b)</sup>	56.4	49.4	55.7	-6.3

(a) The predicted percentage of the VRS comparison group who would have achieved an outcome had they been serviced under the DES DMS model.

(b) Percentage of placed participants who achieved a 26 Week Employment Outcome.

*Note:* Results are 18-month rates, i.e. employment outcomes are measured over 18 months from each participant’s commencement date.

*Source:* Logistic regression analysis of commencement cohorts (administrative data).

### 4.3 Outcomes maintained under ESS

The models predict fewer outcomes for the DEN comparison group had they been serviced under the ESS programme, but differences between actual and predicted outcome rates are small (Table 4.2). A difference of two to three percentage points is of little practical significance given that ESS and DEN outcomes are not strictly comparable. From these results we conclude that outcome rates for participants with ongoing support needs have been maintained, though not improved, under the tighter payment rules of DES.

**Table 4.2: Percentage of ESS and DEN comparison groups who achieve an employment outcome**

Employment Outcome	DES ESS	DEN actual	DEN predicted <sup>(a)</sup>	Difference
Job Placement <sup>(b)</sup>	40.1	40.5	38.7	1.8
13 Week Outcome	30.8	32.8	30.2	2.6
26 Week Outcome (all participants)	22.0	24.4	21.8	2.6
26 Week Outcome (placed participants) <sup>(c)</sup>	54.9	60.2	n.a.	n.a.

*Note:* Results are 18-month rates, i.e. employment outcomes are measured over 18 months from each participant’s commencement date.

- (a) Predicted percentage of the DEN cohort who would have achieved an outcome had they been serviced under the DES ESS model.
- (b) DEN did not pay a Job Placement Fee: DEN 4 Week Milestone is used to approximate Job Placement.
- (c) Percentage of placed participants who achieved a 26 Week Employment Outcome. This outcome measure cannot be predicted for the DEN cohort because a conversion from 4 Week Milestone to 26 Week Outcome is qualitatively different to conversion from Job Placement to 26 Week Outcome.

*Source:* Logistic regression analysis of commencement cohorts (administrative data).

### 4.4 Factors correlated with participant outcomes

Variables found to be significantly correlated with each type of employment outcome are shown in Tables 4.3 to 4.6. Significant results are shown as odds ratios. An odds ratio measures the relative odds (chance) of achieving an outcome if a participant has a given characteristic, compared to not having that characteristic or compared to a specified reference level. An odds ratio of one means no difference; a ratio greater than one means the given characteristic is associated with higher odds of an outcome; conversely, a ratio less than one means the given characteristic is associated with lower odds of an outcome. For example, Table 4.3 shows that participants under 21 years of age had an odds ratio of Job Placement of 0.76, meaning their odds of getting a job were only 76 per cent of the odds of a participant aged 25 to 34 years (the reference level for age) of getting a job. Put another way, participants under 21 years of age had 24 per cent lower odds of getting a job.

Disability type is not significant once suspended status—whether a participant has a suspension during their service period— is entered into the model. Simple univariate analysis often suggests that outcomes vary across primary disability groups and the inference is made that disability type determines outcomes. The regression analysis shows that the relationship between primary disability and outcomes actually reflects the greater propensity of people with certain primary disabilities to be suspended and it is this that influences outcomes.

Suspension can occur for a number of reasons, most often medical, and has the effect of removing days of active service and reducing the likelihood of achieving an employment outcome within a given timeframe. Suspension is more common among participants with psychiatric and physical primary disabilities and is more prevalent in DES than under DEN and VRS. Being suspended reduces the odds of obtaining a job within 18 months of commencement by an estimated 77 per cent for DMS participants and 60 per cent for ESS participants, relative to having no days in suspension. Put more simply, participants with unstable conditions are significantly less likely to achieve outcomes.

Age is another significant predictor of outcomes and is correlated with primary disability. In the groups analysed here, approximately 40 per cent of participants with physical disability were 50 years or older at commencement. Participants with sensory disability were a similarly older group. In contrast, 35 to 49 years is the more common age group at commencement for participants with psychiatric disability (40 per cent). The intellectual and learning disability groups were younger, typically under 35 years at service commencement. Since employment outcomes are strongly associated with age, what sometimes looks like an effect of primary disability (in raw outcome rates) might be an age effect. This highlights the importance of using appropriate statistical methods for comparing programme effectiveness for different groups of participants.

Factors correlated with employment outcomes in both DES programmes include:

- recent work experience—paid work in the two years prior to commencement—nearly doubled the likelihood of an outcome
- vocational qualifications significantly increase the odds of getting and keeping a job (tertiary qualification was a significant positive effect in DMS but not ESS); less than Year 10 education was associated with significantly lower outcomes
- participants on income support payments had significantly lower employment outcomes than participants who did not receive income support
- participants with a future work capacity of zero to seven hours per week were significantly less likely than other participants to get a job.<sup>24</sup>

Some results differ between the DMS and ESS comparison groups.

- The youngest (under 21 years) and oldest (50 to 64 years) groups of DMS participants recorded significantly fewer outcomes than DMS participants of prime working age, 25 to 34 years. While older participants in ESS were less likely to get a job than their younger counterparts, those who did were no less likely to maintain employment to 26 weeks than younger workers.
- Indigenous status was associated with significantly lower outcomes in ESS but not in DMS.
- DMS participants with an employment benchmark of 30 hours per week recorded significantly lower outcomes than DMS participants with a 15 hour benchmark. This is not evident in ESS.
- After adjusting for unemployment rates and participant characteristics, ESS participants in regional and remote areas recorded significantly higher outcomes than those in major cities,

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24. People with an assessed work capacity, with intervention, of under 8 hours per week are generally not eligible for DES. If an assessor determines that a person may be able to benefit from the program then in exceptional circumstances a person with 0 to 7 hours work capacity may be found eligible and referred to DES.

which might reflect the importance of local connections for enabling job customisation for participants with ongoing support needs. Remoteness appears uncorrelated with outcomes in DMS.

In both DES programmes, participants with higher barriers to employment and longer duration of unemployment were significantly less likely to achieve a 26 Week Outcome (Tables 4.4 and 4.6). DMS participants in areas with high local unemployment were less likely to be placed in employment but no less likely to achieve a 13 or 26 Week Outcome. Higher local unemployment was associated with lower job placement and outcome rates in ESS. A strong manufacturing presence was associated with significantly higher outcomes for ESS participants.

**Table 4.3: Estimated odds ratios for statistically significant categorical variables in the final logistic regression models for DES Disability Management Service<sup>(a)</sup>**

<b>Independent variable<sup>(b)</sup></b>	<b>Job Placement Model</b>	<b>13 Week Outcome Model</b>	<b>26 Week Outcome Model</b>
<b>Gender: female versus male</b>	n.s.	1.07	1.10
<b>Age group (reference: 25 to 34 years)</b>			
Under 21 years	0.76	0.64	0.54
21 to 24 years	n.s.	n.s.	0.77
35 to 49 years	0.87	n.s.	n.s.
50 to 64 years	0.68	0.81	0.89
<b>Highest educational attainment (reference: Year 10)</b>			
Less than Year 10	0.85	0.88	n.s.
Year 12	0.91	n.s.	n.s.
Trade or TAFE qualification	1.15	1.13	1.10
Tertiary qualification	1.15	1.25	1.19
<b>Income support type (reference: Not on benefit)</b>			
Newstart Allowance or Youth Allowance(other)	0.77	0.67	0.58
Disability Support Pension	0.77	0.73	0.64
Parenting Payment	n.s.	0.81	0.69
Other payment	0.62	0.59	n.s.
<b>Employment benchmark (reference: 15 to 29 hours)</b>			
0 to 7 hours	0.12	n.s.	n.s.
8 to 14 hours	n.s.	n.s.	n.s.
30+ hours	0.93	0.88	0.87
<b>Other significant factors:</b>			
Lifetime duration of income support 5 years or more	0.85	0.77	0.74
Has recent work experience	1.85	1.84	1.83
Non-English speaking country of birth	0.91	n.s.	n.s.
Participant requested to exit programme	0.13	0.08	0.03
Participant had at least one suspension during the 18 month reference period	0.23	0.18	0.15

(a) Odds ratio less than one means this level of the independent variable is associated with significantly reduced odds of an outcome, compared to the reference level. Odds ratio greater than one means this level of the independent variable is associated with significantly greater odds of an outcome, compared to the reference level.

(b) See Appendix table A4.1 for definitions.

n.s. Not significant at the 5 per cent level.

**Table 4.4: Estimated percentage change in odds of an outcome per unit increase in continuous independent variables in the final logistic regression models for DES Disability Management Service**

<b>Independent variable<sup>(a)</sup> (measurement unit)</b>	<b>Job Placement Model</b>	<b>13 Week Outcome Model</b>	<b>26 Week Outcome Model</b>
JSCI score (points)	-0.92	-1.25	-1.37
Unemployment duration (days)	-0.02	-0.02	-0.02
Average unemployment rate (per cent)	-3.19	n.s.	n.s.
'Professional, scientific and technical services' share of industry (per cent)	-1.77	-1.96	-2.19

(a) See Appendix table A4.1 for definitions.

n.s. Not significant at the 5 per cent level.

**Table 4.5: Estimated odds ratios for statistically significant categorical variables in the final logistic regression models for DES Employment Support Service<sup>(a)</sup>**

<b>Independent variable<sup>(b)</sup></b>	<b>Job Placement Model</b>	<b>13 Week Outcome Model</b>	<b>26 Week Outcome Model</b>
<b>Gender: female versus male</b>	0.88	n.s.	n.s.
<b>Age group (reference: 25 to 34 years)</b>			
Under 21 years	n.s.	n.s.	0.86
21 to 24 years	n.s.	n.s.	n.s.
35 to 49 years	0.89	n.s.	n.s.
50 to 64 years	0.69	0.85	n.s.
<b>Highest educational attainment (reference: Year 10)</b>			
Less than Year 10	0.84	0.81	0.83
Year 12	n.s.	n.s.	n.s.
Trade or TAFE qualification	1.20	1.17	1.21
Tertiary qualification	n.s.	n.s.	n.s.
<b>Remoteness (reference: Major city)</b>			
Inner regional	1.27	1.33	1.33
Outer regional	1.55	1.54	1.50
Remote or Very remote	1.89	1.61	1.39
<b>Income support type (reference: Not on benefit)</b>			
Newstart Allowance or Youth Allowance(other)	0.54	0.48	0.48
Disability Support Pension	0.73	0.69	0.68
Parenting Payment	0.52	0.47	0.48
<b>Assessed future work capacity (hours per week) (reference: 15 to 22 hours)</b>			
0 to 7 hours	0.40	n.s.	n.s.
8 to 14 hours	n.s.	n.s.	1.29
23 to 29 hours	1.18	1.19	1.23
30+ hours	n.s.	n.s.	n.s.
8+ hours	1.42	1.40	1.44
<b>Support requirements (reference: does not require support or requires less than 6 months support) in:</b>			
Personal care	0.73	n.s.	n.s.
Mobility	0.88	0.92	n.s.
Communication	0.89	n.s.	n.s.
Build capacity	0.89	0.92	n.s.
<b>Other significant factors:</b>			
Has recent work experience	1.89	1.97	1.99
Indigenous	0.79	0.74	0.76
Non-English speaking country of birth	0.78	0.81	0.80
Ex-offender	0.85	0.84	0.65
Participant requested to exit programme	0.13	0.08	0.04
Participant had at least one suspension during the 18 month reference period	0.40	0.30	0.24

(a) Odds ratio less than one means this level of the independent variable is associated with significantly reduced odds of an outcome, compared to the reference level. Odds ratio greater than one means this level of the independent variable is associated with significantly greater odds of an outcome, compared to the reference level.

(b) See Appendix table A4.1 for definitions.

n.s. Not significant at the 5 per cent level.

**Table 4.6: Estimated percentage change in odds of an outcome per one unit increase in continuous independent variables in the final logistic regression models for DES Employment Support Service**

Independent variable <sup>(a)</sup> (measurement unit)	Job Placement Model	13 Week Outcome Model	26 Week Outcome Model
JSCI score (points)	-0.61	-0.37	n.s.
Unemployment duration (days)	-0.01	-0.01	-0.01
Average unemployment rate (per cent)	-6.44	-5.46	-5.97
Manufacturing share of industry (per cent)	2.85	2.88	2.01

(a) See Appendix table A4.1 for definitions.

n.s. Not significant at the 5 per cent level.

#### 4.5 A comparison of specialist and mainstream employment assistance

So far the analysis has compared the effectiveness of current and previous disability employment programmes. The evaluation strategy states that consideration would also be given to measuring the ‘net’ programme effect, that is, the level of outcomes achieved over and above what would be achieved in the absence of the programme. The department has previously conducted and published net impact studies on specific phases of assistance under the former Job Network where it was possible to identify people who received an intervention and a comparable group who did not. For DES and JSA it proved impossible to find a valid control or comparison group for net impact analysis. Independent expert advice confirmed that no feasible options exist for a study to identify the net impact of employment services relative to the situation where there is no publicly funded intervention to undertake the functions that these programmes deliver. The difficulty involved in such approaches is clearly marked by the substantial absence of international studies which report such net impacts.<sup>25</sup>

An alternative approach to the standard net impact study for increasing our understanding of the impact of disability employment services is to compare DES outcomes with outcomes for job seekers with disability in mainstream services, that is, in JSA. Though not a comparison of DES with ‘no programme’, in an income support system designed around the principle of mutual obligation, mainstream employment assistance is an arguably more plausible scenario than no assistance at all. However, use of a JSA comparison group places strong caveats on the results.

Assessment services delivered by the Department of Human Services are designed to ensure that job seekers receive the most appropriate type of assistance for their needs. Job seekers with substantially reduced capacity for work because of illness, injury or disability are referred to DES. Job seekers with medical conditions that do not *substantially* impact on work capacity are referred to JSA. Consequently, within the JSA caseload there are people with disability-related employment support needs identified by a medical Employment Services Assessment. Reasons for being in JSA rather than DES include: undisclosed or undiagnosed disability or medical condition, lack of medical evidence to support a referral to DES, or being just under the threshold for eligibility for DES. Some JSA participants may not be eligible for DES at the time of their initial referral but subsequently become eligible for, and indeed transfer to, DES. Other JSA participants may have disability identified

25. Advice received from the Social Policy, Evaluation, Analysis and Research Centre at the Australian National University in February 2013.

by an Employment Services Assessment at some point, either before or after the initial referral to JSA, with the assessment determining that the person's disability does not substantially reduce their capacity for open employment.<sup>26</sup> Because of the targeting mechanism of Employment Services Assessment we do not expect people with disability in JSA to have the same profile as DES participants. Analytical methods can be used to account for some of the differences, with the caveat that any differences not captured in administrative data are not accounted for.

Two groups of JSA participants with 'work disability' defined as unable to work for 30 or more hours per week, with support, due to a medical condition or conditions were selected for comparison.

- JSA-only—14 419 participants with work disability who received only JSA assistance within an 18 month period
- JSA+DES—4930 participants with work disability who started in JSA and transferred to DES within 18 months of commencing in JSA.

These groups were compared with 11 954 DMS participants with partial capacity for work, a subset of the DMS cohort analysed earlier in this chapter (see Chapter 4 Technical Notes in Appendix B for more detail). The JSA and DMS groups entered service at around the same time, between July and December 2010. The JSA groups were selected based on commencement in a Stream in the intake period. A job seeker who commenced in Stream 3 may have previously been in Stream 2, and so on, which means that long-term unemployed people are represented in each Stream, in proportion to other commencements in the same Stream. By late 2012 every member of the groups could be observed retrospectively for 18 months from their service commencement date to see if they had obtained employment. ESS participants were not included in the analysis because their support profile is too dissimilar from people with medical conditions in JSA.

Not surprisingly, the JSA and DMS groups had somewhat different profiles. The DMS group was older and included more DSP recipients. In terms of employment support requirements, the JSA+DES group was more similar to the DMS group than the JSA-only group; the latter had relatively few people who needed mobility support and capacity building. The JSA-only group had more Indigenous job seekers and job seekers with a history in the criminal justice system. All three groups had a high proportion of people with at least one suspension in their service period, this being highest in the JSA-only group (67 per cent). Note that job seekers with complex and unstable barriers to employment are not generally eligible for DES and are referred to Stream 4 in JSA. These differences have the potential to influence employment outcome rates and must be accounted for in the analysis.

The DMS group achieved substantially more outcomes than the JSA groups. Within JSA, the JSA+DES group recorded more outcomes than the JSA-only group (Table 4.7).

The question is whether these differences are statistically significant after taking into account differences in the characteristics of the three groups. This is especially important in respect of Stream 4 participants who have a very different profile to DMS participants. Caution is advised when

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26. Chapter 2 discusses the principle of 'substantially reduced capacity' for defining the DES target group, as set out in the *Disability Services Act 1986*.

comparing Stream 4 because the analysis might not fully capture all of the participant characteristics and circumstances that impact on outcomes.

**Table 4.7: Raw outcome rates for participants with partial capacity to work, over 18 months from commencement in employment assistance, by programme (per cent)**

<b>Programme assistance</b>	<b>Comparison group size</b>	<b>Job Placement</b>	<b>13 Week Employment Outcome</b>	<b>26 Week Employment Outcome</b>
<b>DES-DMS</b>	<b>11,954</b>	<b>37.2</b>	<b>28.4</b>	<b>20.9</b>
<b>JSA+DES<sup>(a)</sup></b>				
Streams 2 and 3	3,619	36.8	25.2	14.9
Stream 4	1,311	27.2	15.3	6.6
<b>Total</b>	<b>4,930</b>	<b>34.2</b>	<b>22.6</b>	<b>12.7</b>
<b>JSA-only<sup>(b)</sup></b>				
Streams 2 and 3	6,512	26.5	22.4	14.5
Stream 4	7,907	22.2	16.8	9.0
<b>Total</b>	<b>14,419</b>	<b>24.1</b>	<b>19.3</b>	<b>11.5</b>

(a) Transferred to DES within the 18 months reference period (JSA and DES outcomes counted).

(b) Did not transfer to DES within the 18 months reference period (outcomes can only be JSA outcomes).

Notes:

1. Participants with partial capacity to work and aged 15 to 64 years who commenced in assistance between 1 July 2010 and 31 December 2010.
2. Outcome rates based on approved Job Placement, 13 Week Employment Outcome and 26 Week Employment Outcome claims, counted over 18 months from date of first commencement in employment assistance (JSA or DES-DMS).

Source: Administrative data

Logistic regression analysis was used to test the significance of differences in outcome rates after accounting for the group profiles. While no group recorded a particularly high outcome rate (noting that the 26 Week Outcome rate of 20.9 per cent for DMS participants with partial capacity to work is two percentage points lower than the rate for the entire DMS group in Table 4.1), DMS performed significantly better on each type of outcome than JSA, for job seekers with partial capacity to work (Table 4.8). Based on these groups,

- a person with partial capacity to work is 42 per cent more likely to obtain employment if they are in DMS than if they receive JSA assistance only (estimated odds ratio 0.578) and 37 per cent more likely to maintain their employment for at least 26 weeks (estimated odds ratio 0.629);
- a person with partial capacity to work who starts off in JSA is significantly more likely to obtain employment if they subsequently transfer to DMS, than if they remain in JSA and more than twice as likely to achieve a 26 Week Outcome (estimated odds ratio 2.625).

**Table 4.8: Estimated odds ratios for comparisons of JSA participants and DES-DMS participants with partial capacity to work**

Comparison	Job Placement	13 Week Outcome	26 Week Outcome
<b>Stream 2, 3 and 4 participants<sup>(a)</sup></b>			
JSA-only versus DES-DMS <sup>*</sup>	0.578	0.727	0.629
JSA+DES versus DES-DMS <sup>*</sup>	0.621	0.516	0.381
JSA+DES versus JSA-only <sup>**</sup>	1.611	1.938	2.625
<b>Stream 2 and 3 participants<sup>(b)</sup></b>			
JSA-only versus DES-DMS <sup>*</sup>	0.622	0.806	0.730
JSA+DES versus DES-DMS <sup>*</sup>	0.629	0.535	0.407
JSA+DES versus JSA-only <sup>**</sup>	1.590	1.868	2.458
<b>Stream 4 participants<sup>(c)</sup></b>			
JSA-only versus DES-DMS <sup>*</sup>	0.574	0.724	0.544
JSA+DES versus DES-DMS <sup>*</sup>	0.543	0.426	0.256
JSA+DES versus JSA-only <sup>**</sup>	1.841	2.348	3.902

\*Reference group is DES-DMS. Odds ratio measures the odds of the specified outcome for JSA-only or JSA+DES, as indicated, relative to the DES-DMS group.

\*\* Reference group is JSA-only. Odds ratio measures the odds of the specified outcome for the JSA+DES group, relative to the JSA-only group.

(a) 19,349 JSA participants; 11,954 DES-DMS participants.

(b) 10,131 JSA participants; 11,954 DES-DMS participants.

(c) 9218 JSA participants; 11,954 DES-DMS participants.

Note: All estimates shown are significant at 5 per cent level.

Source: Logistic regression analysis of Administrative data.

Expenditure was summed over each person's period in assistance, up to 18 months from their commencement date. Because service and outcome fees to providers were higher under DMS than JSA, per participant expenditure was higher in DMS and therefore the higher level of outcomes in DMS comes at higher financial cost. An average of \$6,500 per participant was expended on the DMS group, compared with \$2,700 for the JSA-only group and \$6,200 for the JSA+DES group, including Stream 4 (Table 4.9).

At \$31,300 per 26 Week Outcome, the DMS group was more expensive than the JSA-only group (\$23,700 per 26 Week Outcome) but lower than the JSA+DES group at \$49,000.

There is a more substantial difference in expenditure per outcome than expenditure per participant according to whether Stream 4 is included or excluded from the JSA results. This reflects the lower outcome rate for Stream 4 participants with disability compared with other participants with disability in JSA.

**Table 4.9: Average expenditure per participant and per 26 Week Employment Outcome for DES-DMS and JSA comparison groups**

	DES-DMS	JSA+DES	JSA-only	DES-DMS	JSA+DES	JSA-only
<b>Including Stream 4<sup>(a)</sup></b>						
Including assessments <sup>(b)</sup>	\$6,536	\$6,236	\$2,711	\$31,255	\$48,951	\$23,650
Excluding assessments <sup>(b)</sup>	\$6,389	\$5,856	\$2,474	\$30,548	\$45,974	\$21,579
<b>Excluding Stream 4<sup>(a)</sup></b>						
Including assessments <sup>(b)</sup>	\$6,536	\$6,155	\$2,065	\$31,255	\$41,175	\$14,231
Excluding assessments <sup>(b)</sup>	\$6,389	\$5,781	\$1,805	\$30,548	\$38,672	\$12,437

(a) Includes job seekers who commenced in Stream 4 in the intake period, July to December 2010, and any participants who commenced in a lower Stream who was subsequently up-streamed to Stream 4 within the tracking period.

(b) Job Capacity Assessment or Employment Services Assessment within 18 months of commencement date.

Note: Approved claims within 18 months from commencement in service. Includes Service Fees, Job Placement Fees, Outcome Fees, Employment Pathway Fund (JSA); wage subsidies, Employment Assistance Fund and Ongoing Support fees (DES); remote loading, where applicable.

Source: Administrative data.

Results may slightly underestimate total expenditure on these groups because expenditure was calculated over a fixed period of 18 months from each participant's commencement date. Some participants may have spent longer in service than captured in these data and accrued additional fees over the extended period. The JSA+DES group who averaged eight months in JSA before transferring to DES had on average only 10 months of DES fees within the 18 month reference period for this study. It is to be expected that given a longer time period for measurement, more outcomes would be counted and further fees paid. The important point is that the same method was applied to all three groups and expenditure amounts consistently reflect programme costs over 18 months for every person in the data set.

For the income support recipients in these groups who reported earnings, the average change in income support payments as a result of those earnings was over the 18 months:

- DMS group— reduction of \$911 per person
- JSA-only group— reduction of \$95 per person (\$22 if no partner income, \$625 if partner has income)
- JSA+DES group— increase of \$860 per person.

At first glance it may appear that the DMS programme produces better off-benefit outcomes for people with partial capacity to work. However, the JSA-only and JSA+DES groups show more movements to DSP than the DMS group, which has a higher proportion already receiving DSP at commencement, another qualitative difference between the DES and JSA groups (Table 4.10).

**Table 4.10: JSA and DMS comparison groups with partial capacity to work, income support at commencement in service and 18 months later (per cent)**

Comparison group	Payment type	At commencement	18 months later
DES-DMS	Newstart/Youth Allowance	70.1	41.9
	Disability Support Pension	15.2	26.3
	Parenting Payment	7.8	5.5
	Age Pension	—	1.9
	Other payment	1.1	4.0
	Non-allowee	5.9	20.4
JSA+DES	Newstart/Youth Allowance	77.8	60.0
	Disability Support Pension	4.4	22.3
	Parenting Payment	9.4	6.1
	Age Pension	—	0.3
	Other payment	0.6	2.5
	Non-allowee	7.7	8.7
JSA-only	Newstart/Youth Allowance	76.9	44.0
	Disability Support Pension	7.8	29.4
	Parenting Payment	9.1	6.2
	Age Pension	—	1.3
	Other payment	1.1	3.6
	Non-allowee	5.1	15.7

*Note:* Youth Allowance in this data is Youth Allowance (other).

*Source:* Administrative data.

## 4.6 Summary

Factors that impact on employment outcomes change over time and differ between programmes and between cohorts within a programme. In the analysis of relative effectiveness it is vital to account for these differences statistically. Regression analysis confirmed the initial impressions formed in Chapter 3 and as a result we can be more confident in using raw outcome rates as a commentary on how different groups of participants fare. In doing so, it is important to be aware of correlations between variables that complicate the attribution of results to any one factor.

The analysis found that people without ongoing support needs do better in DMS than under the previous VRS programme. An expanded field of providers, including more specialist providers, has possibly contributed to the superior performance of DMS. Outcomes for people with ongoing support needs are largely unchanged under ESS.

For participants in DMS or ESS, having recent work experience nearly doubles the likelihood of obtaining employment during time in the programme. After accounting for other observed characteristics of participants, this emerges as the single most important success factor. For participants who enter the programme with no recent history of employment, around one in two commencements in ESS and one in three in DMS, DES will be their first recent or ever opportunity to participate in the labour market. It is important to value the learning and experience from each job along the way to sustained employment. Arguably the most significant challenges to success

highlighted in this chapter are the impact of unstable medical conditions and, more generally, retaining people in services long enough to achieve an outcome when the inclination of some is to drop out.

The evaluation attempted to measure the net benefit and net cost of disability employment assistance over mainstream employment assistance by comparing outcomes for people with disability-related partial capacity to work in DMS and JSA. Simplistically, the results suggest a net benefit in terms of 26 Week Employment Outcomes of around 37 per cent at a net cost of around 42 per cent. The voluntary nature of participation for many people with partial work capacity makes it impossible to attribute this entirely to the DMS funding and service model. While it is tempting to infer that specialisation *per se* produces better outcomes, DMS providers do not have to grapple with the complications of undiagnosed disability and engagement issues surrounding transitions from active to passive income support payments to quite the same extent as their JSA counterparts.

Perhaps the main point to be drawn from the comparison with JSA is the importance of correctly targeting the more expensive forms of assistance. Depending on a person's level of disability the most appropriate programme may be a specialist disability or mainstream programme. Failure to direct people who need specialist assistance to a specialist programme significantly reduces their chance of labour market success and the resources expended, however low, are a waste. Conversely, directing people with lower support needs to a specialist programme results in high deadweight costs because they are likely to achieve outcomes without the added expense of specialist intervention.

## 5 Participant satisfaction with jobs and services

While outcome rates are an important and readily quantifiable measure of programme effectiveness, the quality of jobs also needs to be considered. A job that uses a person’s skills and abilities and offers suitable working hours reflects good job matching by the DES provider and in turn increases the likelihood that employment will be sustained. Exactly what constitutes job quality is a highly subjective and individual judgement. This chapter summarises the available data on jobs achieved by DES participants and explores the issue of job quality using participants’ responses to these sorts of questions. We start by examining the types of jobs that people had before they commenced in DES.

Information about previous employment was collected from respondents to the Dynamics of Australian Income Support and Employment Services Survey. Around 30 per cent of respondents in ESS and 50 per cent in DMS were recently in work before entering the programme. ESS has more young people with learning and intellectual disabilities who had not worked before. Among those who had worked in the two years before commencing in DES, around 70 per cent had held a job for more than 12 months before becoming unemployed. Most had been in casual or fixed-term positions (65 per cent) but a significant minority, almost 30 per cent, were in ongoing positions.

Disability or poor health was the most common reason for employment ending (Table 5.1). It appears that relatively more ESS than DMS participants had become unemployed following the end of a short-term job or retrenchment. The most common occupations prior to DES were labouring and sales work (Table 5.2).

**Table 5.1: Main reason that employment ended prior to commencing in DES (per cent)**

Main reason	DMS	ESS	Total
Own disability, ill health or injury	50.8	30.4	42.6
No work available/end of contract/temporary job	13.7	19.7	16.1
Retrenched, made redundant, or dismissed	12.5	17.0	14.3
Resigned or left job voluntarily	3.2	7.5	4.9
Unsatisfactory work arrangements/pay/hours	4.2	5.8	4.9
Self-employed: business closed down/economic reasons	5.5	2.6	4.4
Conflict with employer	3.3	4.4	3.7
Caring for other person with disability, ill health or injury	2.1	1.1	1.7
Returned to study	0.4	1.1	0.7
Got another job	0.2	1.3	0.7
Parenting responsibilities	0.5	—	0.3
Other	1.5	3.2	2.2
Not stated	2.0	5.8	3.5
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Weighted population (commencements)</b>	<b>4,171</b>	<b>2,830</b>	<b>7,001</b>

*Note:* Participants who commenced in DES between October 2010 and January 2011 and had been employed in the two years prior to commencing in DES (surveyed in April to May 2011). Sample of 837 respondents in Cohort 3 Wave 5.

*Source:* Dynamics of Australian Income Support and Employment Services (DAISES) survey.

**Table 5.2: Previous occupations of DES participants (per cent)**

Occupation	DMS participants	ESS participants	Total
Labourers	30.8	38.9	34.1
Sales Workers	13.1	15.0	13.8
Community and Personal Service Workers	12.8	10.4	11.8
Technicians and Trade Workers	13.2	7.3	10.8
Clerical and Administrative Workers	9.3	11.5	10.2
Machinery Operators and Drivers	9.5	6.5	8.3
Professionals	7.1	6.1	6.7
Managers	3.0	2.9	3.0
Other	1.1	1.4	1.2
Not stated	0.2	—	0.1
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Weighted population (commencements)</b>	<b>4,171</b>	<b>2,830</b>	<b>7,001</b>

Note: Participants who commenced in DES between October 2010 and January 2011 and had been employed in the two years prior to commencing in DES (surveyed in April to May 2011). Sample of 837 respondents in Cohort 3 Wave 5.

Source: Dynamics of Australian Income Support and Employment Services (DAISES) survey.

## 5.1 DES jobs

The policy drivers for more sustainable employment included a rebalancing of programme fees towards outcomes and tightening of rules around breaks in employment. Consistent with these changes the DES guidelines encouraged providers to confirm a job in the system only when reasonably confident that employment would be maintained. This should result in fewer employers for every outcome achieved. While it remains possible for a participant to be placed in more than one job, there is an expectation that DES programmes will record fewer employers per outcome, particularly comparing ESS to DEN.<sup>27</sup> Administrative data on approximately 33 500 job placements with an associated 26 Week Employment Outcome achieved by 30 June 2012 were compared with 30 800 jobs in DEN and VRS achieved by 30 June 2009 to investigate the impact of these and other changes.

Around three-quarters of DES participants who achieved a 26 Week Employment Outcome did so with one employer. The one-employer proportion was higher in ESS than in DEN but lower in DMS than in VRS. It is important to note that the data on DEN and VRS jobs are estimates only because the employer field was free text, rather than a unique employer identifier. Difficulties interpreting free text were encountered, for example, not knowing whether a new employer name was indeed a new employer or the original employer under a different trading name. As a result the employer counts for DEN and VRS may be slightly higher than actual numbers of employers (Table 5.3).

27. DES providers can claim up to four Job Placement Fees for a participant. Parallel placements can be used to bring working hours up to a participant's Employment Benchmark hours. DEN allowed 26 Week Employment Outcomes to be paid as long as a participant's total benchmark hours were achieved over *at least* 26 weeks. For the DEN Uncapped stream only the last four weeks of employment before claiming an outcome fee needed to be consecutive. In DES an outcome fee may be claimed if the requisite working hours are averaged per week over 26 consecutive weeks.

**Table 5.3: Number of employers per 26 Week Employment Outcome (per cent)**

Number of employers	DEN/VRS			DMS		ESS	DES
	VRS <sup>(a)</sup>	DEN <sup>(a)</sup>	Total				Total
One	83.7	63.3	70.6	73.9	74.1	74.0	74.0
Two	13.7	24.4	20.6	19.6	19.1	19.4	19.4
Three	2.1	8.0	5.9	4.8	4.9	4.8	4.8
Four or more	0.5	4.3	2.9	1.7	1.9	1.8	1.8
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>10,980</b>	<b>19,888</b>	<b>30,868</b>	<b>17,544</b>	<b>16,055</b>	<b>33,599</b>	<b>33,599</b>
<b>Mean no. of employers</b>	<b>1.19</b>	<b>1.56</b>	<b>1.43</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>	<b>1.35</b>

(a) Employer counts for DEN/VRS must be used with care as they are an estimate only and may be slightly higher than the actual numbers.

Notes:

1. Data are DES 26 Week Employment Outcomes recorded to 30 June 2012 and DEN/VRS 26 Week Employment Outcomes to 30 June 2009.
2. See Chapter 5 Technical notes for information about methods and data issues and limitations.

Source: Administrative data.

The top three occupations for VRS jobs were: Labourers and Related Workers (26 per cent); Intermediate Clerical, Sales and Services Workers (21 per cent); and Elementary Clerical, Sales and Services Workers (14 per cent). The main occupation groups for DMS and ESS jobs were: Labourers<sup>28</sup> (32 per cent); Community and Personal Service Workers (14 per cent); and Sales (12 per cent). See Tables A5.1 and A5.2 for occupation tables. The occupations of DES participants generally reflect the types of jobs held before commencing in DES.

Labouring jobs are similarly well represented in the DES target population (see Chapter 2). Managers and professionals accounted for an estimated 24 per cent of employed persons in the target group but were less well represented in the DES jobs data perhaps because people with disability in these occupations are less likely to use disability employment programmes. Relatively few DES participants have tertiary qualifications which explains to some extent the low proportions of jobs filled by participants with a bachelor or higher degree: 11 per cent of the DMS jobs (VRS: 5 per cent) and seven per cent of the ESS jobs (DEN: two per cent). The number and proportion of people with tertiary qualifications was higher in DMS and ESS than in the previous programmes, and even more so for vocational qualifications (see Table 2.7). As more highly qualified job seekers enter disability employment programmes, employment service providers will need to be attuned to their support needs and employment potential.

One-third of the jobs of employed DES participants with tertiary qualifications were management or professional positions, the two occupation groups that appear best matched to this level of qualification. Around 12 per cent of these participants were recorded as being in labouring jobs and around one-third in sales/service/clerical positions. The types of jobs that DES participants obtain reflect opportunities in local labour markets and the employer networks of DES providers and, individual choice. Participants with higher levels of education who were in low skilled jobs appeared

28. Labourer occupations tend to involve performing routine and repetitive tasks as an individual or as part of a team assisting more skilled workers. Tasks may include cleaning premises, vehicles and machines; assisting tradespersons; manual labour such as loading/unloading freight from vehicles and stocking shelves; assembling components and performing manual manufacturing and construction tasks, assisting in the cultivation and production of plants and animals; processing food and assisting with producing and preparing food; and collecting garbage.

no less satisfied with their jobs than other participants: almost 90 per cent indicated that they were satisfied with the ability to use their skills and abilities in their current job despite being in occupations that appear to be below their qualification level (data from the Dynamics of Australian Income Support and Employment Services survey).

Most DES participants were placed into jobs without paid leave entitlements, consistent with labouring and sales occupations (Table 5.4).

**Table 5.4: Employment type of DES participants (per cent)**

<b>Employment type</b>	<b>DMS</b>	<b>ESS</b>	<b>Total</b>
Casual (no paid leave entitlement)	63.6	62.6	63.1
Permanent or ongoing	24.4	20.6	22.6
Fixed term contract	5.1	7.6	6.3
Other	5.4	5.0	5.2
Not stated	1.5	4.2	2.8
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (commenced and placed)</b>	<b>3,134</b>	<b>2,821</b>	<b>5,955</b>

*Note:* Participants who commenced in DES between October 2010 and January 2011 and were in paid employment when surveyed in April to May 2011. Sample of 715 respondents in Cohort 3 Wave 5.

*Source:* Dynamics of Australian Income Support and Employment Services (DAISES) survey.

Data from the Post Programme Monitoring survey shows a higher proportion of permanent or ongoing jobs, ranging from 26 per cent of employed participants surveyed at 12 months in DES assistance to 41 per cent of people exited from Ongoing Support. These data are collected three months after a survey trigger event (exit from a phase of assistance or exit from the programme). Though generated from a larger sample the Post Programme Monitoring data might be based on a narrower selection of jobs than reflected in Table 5.4 and potentially include jobs obtained after exiting the programme, or independently of the programme, as when a person exits early because they find own employment.

### Hours worked

Employed participants in DES worked similar hours, on average, to those in DEN/VRS (Table 5.5). Generally, participants who do not need ongoing support in the workplace tend to work longer hours with approximately half of the employed DMS participants working 30 hours or more per week. Employed participants in ESS tended to work shorter hours and were more likely than DMS participants to work between 8 and 15 hours per week, in line with employment benchmark hours.

Survey data show a somewhat different pattern of weekly working hours because they include people who were working below their employment benchmark hours (Table 5.6). Most notably, the proportion of DMS jobs of 30 hours or more is lower and around 16 per cent of survey respondents reported working less than the minimum eight hours per week.

**Table 5.5: Jobs with a 26 Week Outcome, mean hours per week by programme (per cent)**

Weekly hours	VRS	DEN	DEN/VRS		ESS	DES
			Total	DMS		Total
<b>Recorded?</b>						
Yes	96.0	79.1	85.8	86.2	85.2	85.7
No	4.0	20.9	14.2	13.8	14.8	14.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Hours worked<sup>(a)</sup></b>						
Under 8	0.5	3.8	2.6	—	—	—
8 to 14	7.9	35.5	25.1	10.2	37.0	22.9
15 to 29	44.7	32.7	37.2	37.3	38.3	37.8
30 or more	46.9	28.0	35.1	52.5	24.7	39.3
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>9,436</b>	<b>15,720</b>	<b>25,156</b>	<b>15,110</b>	<b>13,644</b>	<b>28,754</b>

(a) Excludes jobs with zero or missing hours worked.

Notes:

1. Data are DES 26 Week Employment Outcomes recorded to 30 June 2012 and DEN/VRS 26 Week Employment Outcomes to 30 June 2009.
2. See Chapter 5 Technical notes for information about methods and data issues and limitations.

Source: Administrative data.

**Table 5.6: Self-reported working hours of employed DES participants, April-May 2011 (per cent)**

Weekly hours worked <sup>(a)</sup>	DMS	ESS	DES Total
Less than 8 hours	16.6	15.6	16.2
8 to 14 hours	19.3	29.3	24.1
15 to 29 hours	28.4	31.2	29.7
30 hours or more	30.0	21.0	25.8
Not stated	5.6	2.8	4.3
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Weighted population</b>	<b>3,134</b>	<b>2,821</b>	<b>5,955</b>

Note: Participants who commenced in DES between October 2010 and January 2011 and were in paid employment when surveyed in April to May 2011. Sample of 715 employed DES participants in Cohort 3 Wave 5.

Source: Dynamics of Australian Income Support and Employment Services (DAISES) survey.

For a DES provider to receive a 26 Week Employment Outcome fee the participant must work at least an average of their employment benchmark hours over 26 weeks, adjusted for any approved breaks. Most jobs matched the corresponding employment benchmark, although one-third of ESS jobs and one-quarter of DMS jobs were above benchmark hours (Table 5.7).

**Table 5.7: DES jobs with a 26 Week Outcome, employment benchmark hours and hours worked per week (per cent)**

	DMS	ESS	Total
<b>Benchmark and working hours recorded</b>			
Yes	86.1	84.9	85.5
No	13.9	15.1	14.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Employment benchmark</b>			
8 hours	14.7	58.5	35.5
15 hours	47.3	32.5	40.3
30 hours	38.0	9.0	24.2
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Working hours</b>			
Less than benchmark	0.9	0.8	0.8
Same as benchmark	76.1	65.8	71.2
Above benchmark	23.0	33.4	28.0
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>15,102</b>	<b>13,632</b>	<b>28,734</b>

*Note:* DEN/VRS 26 Week Outcomes to 30 June 2009 and DES 26 Week Outcomes to 30 June 2012.

*Source:* Administrative data.

Generally, working hours reflect income support type and DSP recipients tend to work shorter hours (Table 5.8). These data pre-date the raising of the threshold from 15 to 30 working hours per week for DSP recipients before benefit may be affected (effective 1 July 2012). Participants not in receipt of income support tended to work longer hours than income support recipients. Regardless of income support status, the majority of participants worked within their employment benchmark bandwidth (Table 5.9). The lower the benchmark, the more likely that a person worked above benchmark hours, most notably, participants receiving Newstart Allowance with the minimum eight hour employment benchmark.

Over 65 per cent of the ESS jobs with actual working hours above the person's benchmark hours had the minimum eight hour benchmark. That some ESS participants with a minimum eight hour employment benchmark worked substantially higher hours suggests that providers exercise judgement and do not rely solely on the minimum required for an outcome payment. It also suggests that employment benchmarks are set too low for some participants. The working hours of ESS participants who worked at above their eight hour employment benchmark were:

- 15 hours per week (53 per cent)
- 23 hours per week (13 per cent)
- 30 hours per week (34 per cent).

**Table 5.8: Jobs with an associated 26 Week Outcome, hours worked per week by programme and income support type of participant (per cent)**

Weekly working hours	VRS	DEN/VRS		DMS	ESS	DES Total
		DEN	Total			
<b>Participants on DSP<sup>(a)</sup></b>						
Less than 8	n.p.	4.8	n.a.	n.p.	0.1	n.a.
8 to 14	n.p.	43.3	n.a.	n.p.	61.4	n.a.
15 to 29	n.p.	33.6	n.a.	n.p.	27.5	n.a.
30 or more	n.p.	18.3	n.a.	n.p.	11.0	n.a.
<b>Total (per cent)</b>	<b>n.p.</b>	<b>100.0</b>	<b>n.a.</b>	<b>n.p.</b>	<b>100.0</b>	<b>n.a.</b>
<b>Total (number)</b>	<b>n.p.</b>	<b>7,223</b>	<b>n.a.</b>	<b>n.p.</b>	<b>5,617</b>	<b>n.a.</b>
<b>Participants on Newstart Allowance</b>						
Less than 8 hours	0.5	3.5	1.8	—	—	—
8 to 14 hours	6.4	30.3	17.3	0.6	3.6	1.5
15 to 29 hours	47.7	34.5	41.7	43.3	61.1	48.5
30+ hours	45.4	31.7	39.2	56.1	35.3	50.0
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>5,442</b>	<b>4,560</b>	<b>10,002</b>	<b>8,836</b>	<b>3,638</b>	<b>12,474</b>
<b>Non-allowees</b>						
Less than 8 hours	0.3	1.9	1.1	—	—	—
8 to 14 hours	9.6	24.0	16.8	18.8	35.0	26.0
15 to 29 hours	31.8	26.8	29.3	19.3	28.3	23.2
30+ hours	58.3	47.3	52.8	61.9	36.7	50.8
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>2,701</b>	<b>2,694</b>	<b>5,395</b>	<b>3,953</b>	<b>3,115</b>	<b>7,068</b>

(a) Data for weekly hours for participants on DSP in VRS and DMS are excluded due to small numbers.

n.a. Not available.

n.p. Not publishable due to insufficient data.

Source: Administrative data.

**Table 5.9: DES jobs with a 26 Week Outcome, percentage with hours within the participant’s employment benchmark bandwidth, by programme and income support type of participant**

<b>Programme/ Employment benchmark<sup>(a)</sup></b>	<b>Disability Support Pension<sup>(b)</sup></b>	<b>Newstart Allowance</b>	<b>Non-Allowee</b>
<b>Disability Management Service</b>			
8 hours	n.p.	45.8	77.2
15 hours	n.p.	72.2	56.2
30 hours	n.p.	98.4	99.4
<b>Total (number)</b>	<b>n.p.</b>	<b>8,832</b>	<b>3,952</b>
<b>Employment Support Service</b>			
8 hours	63.1	54.6	61.5
15 hours	74.1	74.1	62.7
30 hours	91.7	95.3	95.8
<b>Total (number)</b>	<b>5,598</b>	<b>3,637</b>	<b>3,115</b>

(a) Employment benchmark bandwidth is defined as working at or above the employment benchmark hours but below the next highest benchmark, i.e. the bandwidth for the employment benchmark of 8 is 8-14 hours, 15-29 hours for the employment benchmark of 15, and 30 or more hours for the employment benchmark of 30.

(b) Insufficient data to report for DSP recipients in DMS.

n.p. Not publishable due to small numbers.

Source: Administrative data.

## Wages

A requirement of open employment programmes is that a participant placed into employment must be paid at least the minimum wage in respect of that employment, unless there is a Supported Wage System wage assessment agreement in place (four per cent of the DES ESS jobs were under a Supported Wage System agreement).<sup>29</sup>

Administrative data on the wages paid to employed participants is inconsistent across programmes and generally unsuitable for analysis. While wages data were recorded for DEN jobs, fewer than five per cent of VRS jobs had wages recorded. DES jobs filled from advertised vacancies have information about wages but this tends to be the advertised, not necessarily paid, wage or salary. There is no guarantee that actual remuneration matches the amount advertised on the vacancy, particularly if the hours worked differ from advertised hours or if job customisation has occurred. It is common for DES providers to negotiate with an employer to create or customise a job to suit a DES participant’s skills and abilities and in this situation there is typically no wage information recorded in administrative data systems. Over 60 per cent of the DES jobs analysed here did not have wages recorded. The wages data field is free text, allowing amounts to be entered in any way: per hour, per week, per annum or simply a text description, for example, “award wage” is a typical entry. Many values do not have the measurement unit recorded and as the field is free text the data are of generally poor quality. Systems changes including data entry and validation controls would be needed to generate wages data suitable for quantitative analysis.

29. Most people with disability are able to participate in open employment at full rates of pay; however, some are unable to find or keep a job at full wage rates due to the effect of disability on their workplace productivity. The Supported Wage System enables employers to pay productivity-based wages to people whose work productivity is significantly reduced as a result of disability. A Supported Wage System Assessment takes place to determine the level of productivity-based wage.

Participant surveys are possibly a more reliable source of information though survey data also has limitations. DES participant surveys suggest that most participants who are employed earn between \$11 and \$30 per hour (Table 5.10).

**Table 5.10: Self-reported hourly wages of employed DES participants, April to May 2011 (per cent)**

Hourly rate	DMS	ESS	Total
\$1–\$10	6.1	10.8	8.3
\$11–\$20	45.8	50.2	47.9
\$21–\$30	30.5	22.1	26.5
\$31–\$40	5.5	2.7	4.2
\$41–\$50	0.8	0.9	0.8
More than \$50	2.2	0.9	1.6
Not stated	9.3	12.4	10.8
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Weighted population</b>	<b>3,134</b>	<b>2,821</b>	<b>5,955</b>

*Note:* Participants who commenced in DES between October 2010 and January 2011 and were in paid employment when surveyed in April to May 2011. Sample of 715 employed DES participants in Cohort 3 Wave 5.

*Source:* Dynamics of Australian Income Support and Employment Services (DAISES) survey.

Not all jobs last long enough to generate a 26 Week Employment Outcome. Of all the jobs recorded as potentially eligible for a 26 Week Outcome by 30 June 2012, 49 per cent ended before 26 weeks. Generally, the longer employed, the less likely that employment will end but there is no apparent peak time at which jobs end. Most jobs that end are simply recorded as ‘employment ceased’ (Table 5.11).

**Table 5.11: Job placements that did not achieve a 26 Week Outcome, reasons for ending (per cent)**

Reason	DMS	ESS	Total
Employment ceased	73.9	74.1	74.0
Break in employment	11.1	10.9	11.0
Exited from DES	9.2	11.1	10.1
No longer meeting requirements	4.5	2.7	3.7
New anchor required	1.3	1.2	1.2
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>16,665</b>	<b>14,103</b>	<b>30,768</b>

*Note:* Includes all DES jobs that were recorded as potentially eligible for a 26 Week Outcome by 30 June 2012.

*Source:* Administrative data.

## Use of wage subsidies

In negotiating a job placement a DES provider may offer the employer a short-term wage subsidy to help overcome any reservations about a job placement. Wage subsidies at the time of the evaluation included the established Wage Subsidy Scheme which offers a 13-week subsidy and the Disability Support Pension Employment Incentive Pilot, a small pilot of a 26-week wage subsidy which operated from March 2010 to June 2012, targeting employers of DSP recipients in 15 designated labour force regions with high DSP populations. New 26-week wage subsidy programmes, Wage Connect and the DES Enhanced Wage Subsidy, were introduced in 2012 and did not accumulate sufficient numbers of outcomes prior to 30 June 2012 for detailed analysis. All of these are hiring subsidies paid to employers and are not intended to affect a worker's remuneration other than perhaps indirectly, for example, by enabling the employer to offer more hours of work.

Around one in four DES jobs with a 26 Week Outcome was negotiated with a wage subsidy under the Wage Subsidy Scheme (Table 5.12). Relatively more jobs in ESS, compared with DMS, used wage subsidies (36 per cent and 17 per cent respectively).

**Table 5.12: Percentage of jobs with a 26 Week Outcome that were negotiated with a wage subsidy**

Wage subsidy type	DEN/VRS		DMS	ESS	DES Total
	VRS	DEN			
Wage Subsidy Scheme <sup>(a)</sup>	5.2	26.3	17.1	36.8	26.5
DSP Employment Incentive Pilot <sup>(b)</sup>	n.a.	n.a.	n.a.	1.2	0.6
<b>Total (numbers)</b>	<b>11,014</b>	<b>19,892</b>	<b>17,548</b>	<b>16,058</b>	<b>33,606</b>

(a) The Wage Subsidy Scheme offers a subsidy to employers who employ a job seeker with disability, who is registered with an authorised provider. The job must be for eight hours or more per week for a duration of at least 13 weeks and have an expectation of continuing for more than 13 weeks.

(b) The Disability Support Pension Employment Incentive Pilot accepted applications from 1 March 2010 to 31 August 2011. It aimed to find 1000 sustainable jobs for DES participants who received DSP, through the use of a 26 week wage subsidy. To be eligible, a person had to be employed in a new job for at least eight hours per week for 26 weeks.

Source: Administrative data.

Most providers reported that they tried to market job seekers on the basis of their skills and that only when an employer shows an interest do they mention that the worker could attract a wage subsidy (2012 Survey of Employment Service Providers, Orima Research). Some emphasised that it was inappropriate to offer wage subsidies when a job seeker had extensive skills and experience. Providers felt it was important to ensure that employers were not motivated solely by the wage subsidy but acknowledged that subsidies are highly effective in persuading those employers who were 'sitting on the fence'. Despite their perceived appeal to employers, many providers preferred to only offer wage subsidies as a last resort due to concerns that employers may be solely motivated to recruit to receive the subsidy:

"Wage subsidies are not a deal maker, they're an ace up the sleeve. We'll use it if we need to, when jobs are tight and there's more competition." —DES provider, metropolitan.

Providers remarked that employers were becoming more aware of, and therefore more likely to request, wage subsidies, and some expressed concern about this dependence particularly among small businesses and employers adversely affected by broader economic conditions.

“Employers basically want money or value. This [region] is one of the worst areas that has been stricken by the global financial crisis so they like the subsidy as a way to help their business through the bad. They have good business models and are experienced business people but are cash strapped and these worker subsidies are a life-line. They desperately want to preserve their cash flow so they want to talk about avenues to prolong the subsidy. It is standard practice to offer the subsidy as a secondary thing once we have tried to place the employee. Small micro businesses are very interested in subsidies; they are really dependent on it. Bigger businesses want the right employees.” —DES provider, regional.

Employers interviewed for the evaluation confirmed the assessment by DES providers, saying that financial incentives are an effective strategy for encouraging the recruitment of people with disability but emphasised that this needs to come with, not instead of, other supports, especially post-placement support (DEEWR 2011). While financial incentives help to offset any initial costs, a concern for many small businesses, employers expressed a similar sentiment to DES providers, that a wage subsidy is an attractive bonus rather than a decision maker. A few employers suggested that financial incentives should not be offered at all, thinking that it sends a signal that people with disability are less than employees without disability and that this is demoralising for the individual. The discussions highlighted a range of opinions among employers as well as DES providers on the subject.

Providers remarked that the administration associated with wage subsidies was not attractive to all employers and that employers had expressed concerns about paperwork and complained about having to wait for payment. A relevant finding from the evaluation of the Disability Support Pension Employment Incentive Pilot was that manual application and approval processes for the pilot had the unanticipated benefit of stronger job matching and greater care by providers to ensure a good fit for both the employer and employee. This was attributed to the higher level of administration and scrutiny of applications compared with the automated processes of the Wage Subsidy Scheme. Pilot payment guidelines were more restrictive and this had the effect of selecting a more risk tolerant and flexible group of employers. In summary, the higher level of scrutiny (which might be viewed as ‘red tape’) appear to have selected a more committed group of employers which contributed to higher outcomes for people who were placed with those employers.

Employers’ awareness and use of DES is covered in Chapter 9.

## **5.2 Job satisfaction of DES participants**

Data from the Dynamics of Australian Income Support and Employment Survey were used to investigate participants’ satisfaction with their employment.

Employed participants were overall satisfied with their jobs though DES registered a slightly higher proportion dissatisfied than DEN/VRS (Table 5.13). This does not appear to be related to working hours because preferred hours are largely unchanged (Table 5.14).

**Table 5.13: Employed participants' overall job satisfaction (per cent)**

	DEN/VRS			DMS	ESS	DES Total
	VRS	DEN	Total			
Very satisfied/satisfied	82.2	86.5	85.3	80.7	84.0	82.3
Neutral	4.8	3.4	3.8	4.6	2.9	3.8
Very dissatisfied/dissatisfied	11.6	8.9	9.7	13.1	11.3	12.2
Not stated	1.4	1.2	1.2	1.6	1.8	1.7
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Sample size</b>	<b>941</b>	<b>355</b>	<b>1,296</b>	<b>544</b>	<b>513</b>	<b>1,057</b>

Note: Results based on unweighted survey data.

Source: Dynamics of Australian Income Support and Employment Survey Cohorts 2 (DEN/VRS) and 3 (DES).

**Table 5.14: Employed participants' preferred working hours (per cent)**

Preferred working hours	DEN/VRS			DMS	ESS	DES Total
	VRS	DEN	Total			
Same as current hours	38.6	50.4	47.2	43.4	49.9	46.5
More than current hours	42.6	40.7	41.2	40.1	41.3	40.7
Less than current hours	14.9	7.2	9.3	14.7	6.8	10.9
Not stated	3.9	1.7	2.3	1.8	2.0	1.9
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Sample size</b>	<b>941</b>	<b>355</b>	<b>1,296</b>	<b>544</b>	<b>513</b>	<b>1,057</b>

Note: Results based on unweighted survey data.

Source: Dynamics of Australian Income Support and Employment Survey Cohorts 2 (DEN/VRS) and 3 (DES).

Among the survey respondents who preferred to work more hours, 50 per cent in DMS and 31 per cent in ESS were working below their employment benchmark hours. Breaking the data down by employment benchmark results in some small samples and caution needs to be exercised in drawing conclusions; however, indications are that a proportion of participants believed that they could work more than their benchmark hours.

DES participants' views of their employment appear similar to those expressed by DEN and VRS participants (Tables 5.15 and 5.16; additional tables in Appendix A: Chapter 5). DES respondents were generally positive about the match between their job and skill set and on-the-job learning experiences. Many would prefer a job with better long-term prospects and opportunity for career progression—less than half of respondents were satisfied with these aspects of their employment.

**Table 5.15: Employed DMS participants, attitudes towards current job**

Attitude towards current job	Level of agreement <sup>(a)</sup>	Change from VRS to DMS (-/+ percentage points)
Able to use skills and abilities	Very high (>85%)	Increase (+1)
Able to learn new skills	High (>70%)	Increase (+2)
Can gain useful experience	Very high (>80%)	No change
Opportunities for promotion	Medium (>35%)	Increase (+6)
Suitable for the medium to long term <sup>(b)</sup>	Medium (>40%)	Increase (+1)

(a) Of all respondents, the percentage who answered 'strongly agree' or 'agree' to the given survey question on their attitude towards their current job. The remaining percentage includes 'neutral', 'disagree', 'strongly disagree' and 'unknown' responses.

(b) Respondents were asked for their level of agreement to the proposition that they consider their job as temporarily suitable until something better comes along.

Note: VRS sample size 355; DMS sample size 544. Results based on unweighted survey data.

Source: Dynamics of Australian Income Support and Employment Survey Cohorts 2 (DEN/VRS) and 3 (DES).

**Table 5.16: Employed ESS participants, attitudes towards current job**

Attitude towards current job	Level of agreement <sup>(a)</sup>	Change from DEN to ESS (-/+ percentage points)
Able to use skills and abilities	Very high (>90%)	Increase (+1)
Able to learn new skills	High (>80%)	No change
Can gain useful experience	High (>85%)	Increase (+2)
Opportunities for promotion	Medium (>40%)	Increase (+4)
Suitable for the medium to long term <sup>(b)</sup>	Medium (>45%)	No change

(a) Of all respondents, the percentage who answered 'strongly agree' or 'agree' to the given survey question on their attitude towards their current job. The remaining percentage includes 'neutral', 'disagree', 'strongly disagree' and 'unknown' responses.

(b) Respondents were asked for their level of agreement to the proposition that they consider their job as temporarily suitable until something better comes along.

Note: DEN sample size 941; ESS sample size 513. Results based on unweighted survey data.

Source: Dynamics of Australian Income Support and Employment Survey Cohorts 2 (DEN/VRS) and 3 (DES).

### 5.3 Service satisfaction

Measures of participant satisfaction with service delivery under DES are collected in the department's Post Programme Monitoring Survey (PPM). The PPM questionnaire is sent to a sample of past and current programme participants who experience certain events, including a 26 Week Outcome, completion of 12 months in Employment Assistance, or exit from Employment Assistance/Post Placement Support phase.

A face-to-face survey of participants with intellectual or learning disability, the Clients of DES Survey, was conducted to supplement the PPM for this evaluation because participants with these disabilities sometimes have difficulty completing mail-based surveys.<sup>30</sup> Clients of DES was a one-off survey of participants with intellectual or learning disability who were registered with ESS providers in early 2011. The survey asked a similar set of questions to the DES PPM. A small number of standard PPM questions were left out because they did not pilot test successfully with the respondent group.

From the PPM, an estimated 78 per cent of participants who had completed 12 months in Employment Assistance by June 2012 were satisfied with overall service quality (Table 5.17).<sup>31</sup> Participants who were surveyed on exit from Employment Assistance/Post Placement phase were somewhat less satisfied. This group includes participants who requested to leave the programme and participants who moved into Ongoing Support after obtaining employment, and is therefore a mixed group. Participants with intellectual or learning disability in the Clients of DES Survey also recorded lower satisfaction than indicated by the PPM results for respondents more generally; here, the face-to-face survey methodology might have been a factor. There was a significant difference in

30. The department contracted Evolution Research for the Clients of DES Survey (Request for Quotation to the DEEWR Research Evaluation and Analysis Panel).

31. The DES PPM uses a 5-point scale to measure satisfaction and is a more sensitive measure than the 4-point scale in the DEN/VRS PPM. After rescaling DES results to a 4-point scale to aid comparison it appears that participant satisfaction with service quality is about the same or slightly higher: 86 per cent satisfied with DMS compared to 83 per cent for VRS; 82 per cent satisfied with ESS compared to 80 per cent for DEN. Due to different response scales small percentage point differences should be interpreted with caution.

satisfaction levels of people with intellectual or learning disability depending on whether they were employed or not (Table 5.18).

Generally speaking, people who exit the programme with a job are the most satisfied.

**Table 5.17: DES participant satisfaction with overall quality of service**

Respondent group	Programme	Sample size	Per cent satisfied <sup>(a)</sup>
PPM: 12 months in Employment Assistance	DMS	2,981	80.4
	ESS	3,358	76.5
	<b>DES Total</b>	<b>6,339</b>	<b>78.3</b>
PPM: Exit from Employment Assistance <sup>(b)</sup>	DMS	4,775	75.7
	ESS	5,543	71.2
	<b>DES Total</b>	<b>10,318</b>	<b>73.5</b>
PPM: Exit from Ongoing Support	DMS	376	81.6
	ESS	1,548	78.8
	<b>DES Total</b>	<b>1,924</b>	<b>79.5</b>

(a) Percentage who answered 'very satisfied' or 'satisfied' to the survey question. Other possible responses: 'neither satisfied nor dissatisfied', 'dissatisfied', 'very dissatisfied', not stated.

(b) Includes participants who exit Employment Assistance/Post-Placement Support phase to start Ongoing Support.

Note: Exit from Employment Assistance includes exit from Post-Placement Support.

Source: DES Post Programme Monitoring Survey (June 2012 data)

**Table 5.18: Service satisfaction among ESS participants with intellectual or learning disability (per cent) (a)**

Aspect of service	Employed	Not employed	Total
Overall service quality	78.1	54.7	69.2
Service tailored to my individual needs	78.4	53.2	68.8
Assistance to manage my disability so I can work	n.a.	51.9	n.a.
Amount of assistance after I started a job	81.9	n.a.	n.a.
<b>Total (sample size)</b>	<b>310</b>	<b>190</b>	<b>500</b>

Note: Percentage who answered 'very satisfied' or 'satisfied' to the survey question. Other possible responses: 'neither satisfied nor dissatisfied', 'dissatisfied', 'very dissatisfied', not stated.

Source: Clients of DES Survey (2011).

The majority of survey respondents said that they had undertaken training or skills development with or through their DES provider (Table 5.19). Satisfaction with training and skills development is lower than overall service satisfaction, with around 60 per cent of respondents who had completed training or skills development activities satisfied with this area of service. Participants with intellectual or learning disability reported lower participation in training and skills development activities (37 per cent; this result from the Clients of DES survey is not directly comparable with the PPM data because questions about training were only asked of people who were not in work when surveyed); those who had completed some training or skills development reported generally low satisfaction with the training received.

**Table 5.19: Participant satisfaction with training and skills development received in DES (per cent)**

Respondent group	Programme	Sample size	Received training and skills development <sup>(a)</sup>	Satisfied with training and skills development <sup>(a)</sup>
PPM: 12 months in Employment Assistance	DMS	2,981	85.0	66.4

<b>Respondent group</b>	<b>Programme</b>	<b>Sample size</b>	<b>Received training and skills development<sup>(a)</sup></b>	<b>Satisfied with training and skills development<sup>(a)</sup></b>
	ESS	3,358	87.6	62.5
	<b>DES Total</b>	<b>6,339</b>	<b>86.3</b>	<b>64.1</b>
PPM: Exit from Employment Assistance				
	DMS	4,775	77.2	58.0
	ESS	5,543	81.8	55.1
	<b>DES Total</b>	<b>10,318</b>	<b>79.4</b>	<b>56.4</b>
PPM: Exit from Ongoing Support				
	DMS	376	100.0	64.6
	ESS	1,548	100.0	65.9
	<b>DES Total</b>	<b>1,924</b>	<b>100.0</b>	<b>65.5</b>
<b>Clients of DES Survey</b>	ESS	500	37.0 <sup>(c)</sup>	36.0 <sup>(b)</sup>

(a) Receipt of training and skills development is based on respondent recall. Satisfaction was measured among respondents who recalled having done training and skills development activities. 'Satisfied' includes responses of 'very satisfied' and 'satisfied'. Other possible responses were: 'neither satisfied nor dissatisfied', 'dissatisfied', 'very dissatisfied' or not stated.

(b) In the Clients of DES Survey only respondents who were not working at the time of the survey were asked about training and skills development. Respondents who recalled doing training or skills development activities were asked how "happy" (satisfied) they were with this assistance.

Note: Exit from Employment Assistance includes exit from Post-Placement Support.

Sources: DES Post Programme Monitoring Survey (DEEWR, June 2012 data); Clients of DES Survey (Evolution Research, 2011).

Most respondents said that they had received individually tailored support from their DES provider (Table 5.20) and 70 per cent expressed satisfaction on two key indicators of tailored support: provider delivered help suited to individual circumstances and provider considered individual needs.

**Table 5.20: Participant satisfaction with the provision of individual support (per cent satisfied)**

Respondent group	Program me	Sample size	Provider considers individual needs <sup>(a)</sup>	Assistance is suited to individual needs <sup>(a)</sup>
PPM: 12 months in Employment Assistance	DMS	2,981	75.0	73.4
	ESS	3,358	74.7	71.5
	<b>DES Total</b>	<b>6,339</b>	<b>74.9</b>	<b>72.3</b>
PPM: Exit from Employment Assistance	DMS	4,775	72.1	69.5
	ESS	5,543	67.9	65.6
	<b>DES Total</b>	<b>10,318</b>	<b>70.1</b>	<b>67.7</b>
PPM: Exit from Ongoing Support	DMS	376	80.6	80.1
	ESS	1,548	77.7	76.6
	<b>DES Total</b>	<b>1,924</b>	<b>78.5</b>	<b>77.4</b>

(a) Percentage who answered 'very satisfied' or 'satisfied' to the survey question. Other possible responses: 'neither satisfied nor dissatisfied', 'dissatisfied', 'very dissatisfied', not stated.

Note: Exit from Employment Assistance includes exit from Post-Placement Support.

Source: DES Post Programme Monitoring Survey (June 2012 data).

Similarly, at least 80 per cent believed that their provider understood their disability and health related needs (Table 5.21). Seventy per cent of respondents confirmed that their DES provider had discussed disclosure with them (Dynamics of Australian Income Support and Employment Services survey). Satisfaction with assistance after starting a job was slightly lower (Tables 5.22 and 5.23).

**Table 5.21: Participant agreement that DES provider understands individual disability, health or injury related needs (per cent in agreement)(a)**

DES provider...	DMS	ESS	DES Total
Understands your disability, health condition or injury	86.5	86.9	86.7
Works well with you to address disability, health or injury support needs	83.1	85.4	84.4
Is responsive to any changes in your support needs	81.9	81.7	81.8
Discussed the support you may need at work	79.3	82.3	80.8
<b>Sample size</b>	<b>1,005</b>	<b>1,136</b>	<b>2,141</b>

(a) Percentage of respondents who answered 'strongly agree' or 'agree' to the survey item. Other possible responses: 'neither satisfied nor dissatisfied', 'dissatisfied', 'very dissatisfied', not stated.

Source: Dynamics of Australian Income Support and Employment Services survey, Cohort 3 unweighted data.

**Table 5.22: DES participant satisfaction with amount of assistance after starting a job**

<b>Respondent group</b>	<b>Programme</b>	<b>Sample size</b>	<b>Needed assistance after starting job</b>	<b>Satisfied with this assistance<sup>(a)(b)</sup></b>
PPM: 12 months in Employment Assistance	DMS	2,981	71.1	68.4
	ESS	3,358	73.0	67.1
	<b>DES Total</b>	<b>6,339</b>	<b>72.1</b>	<b>67.7</b>
PPM: Exit from Employment Assistance	DMS	4,775	67.8	64.8
	ESS	5,543	71.0	63.8
	<b>DES Total</b>	<b>10,318</b>	<b>69.4</b>	<b>64.3</b>
PPM: Exit from Ongoing Support	DMS	376	90.7	83.3
	ESS	1,548	94.3	80.2
	<b>DES Total</b>	<b>1,924</b>	<b>93.6</b>	<b>80.8</b>

(a) Includes only respondents who said they needed this type of assistance.

(b) Percentage who answered 'very satisfied' or 'satisfied' to the survey question. Other possible responses: 'neither satisfied nor dissatisfied', 'dissatisfied', 'very dissatisfied', not stated.

Note: Exit from Employment Assistance includes exit from Post-Placement Support.

Source: DES Post Programme Monitoring Survey (June 2012 data).

**Table 5.23: DES participant satisfaction with help to manage disability at work**

<b>Respondent group</b>	<b>Programme</b>	<b>Sample size</b>	<b>Needed help to manage disability</b>	<b>Satisfied with this assistance<sup>(a)(b)</sup></b>
PPM: 12 months in Employment Assistance	DMS	2,981	82.7	67.3
	ESS	3,358	77.3	62.1
	<b>DES Total</b>	<b>6,339</b>	<b>79.9</b>	<b>64.6</b>
PPM: Exit from Employment Assistance	DMS	4,775	77.4	61.5
	ESS	5,543	75.4	57.3
	<b>DES Total</b>	<b>10,318</b>	<b>76.3</b>	<b>59.4</b>
PPM: Exit from Ongoing Support	DMS	376	89.6	70.9
	ESS	1,548	82.2	70.5
	<b>DES Total</b>	<b>1,924</b>	<b>83.9</b>	<b>70.7</b>

(a) Includes only respondents who said they needed this type of assistance.

(b) Percentage who answered 'very satisfied' or 'satisfied' to the given survey question. Other possible responses: 'neither satisfied nor dissatisfied', 'dissatisfied', 'very dissatisfied', not stated.

Note: Exit from Employment Assistance includes exit from Post-Placement Support.

Source: DES Post Programme Monitoring Survey (June 2012 data).

The Dynamics of Australian Income Support and Employment Services Survey asked DES participants:

"Have you developed, or are you in the process of developing, an Employment Pathway Plan with [DES provider name]?"

Around 70 per cent of respondents confirmed that they had an Employment Pathway Plan. Interviews were conducted some nine months after each person had commenced with a DES provider and it is reasonable to expect that by that time all would have developed a plan. While

acknowledging the possibility of imperfect recall, it is still concerning that 30 per cent of respondents did not know about the plan which is supposed to be at the centre of service delivery and there appears to be scope for service providers to increase participants' direct involvement in developing Employment Pathway Plans. Those who were aware of their plan expressed satisfaction with its content and direction, with more than 80 per cent believing the plan accurately described their need for assistance and that their provider had delivered the plan (Table 5.24).

**Table 5.24: DES participant responses to questions about Employment Pathway Plans**

	DMS	ESS	DES Total
<b>Has an Employment Pathway Plan</b>			
Yes	70.2	68.5	69.3
No	24.5	22.9	23.6
Not sure	5.3	8.6	7.1
<b>Sample size</b>	<b>1,005</b>	<b>1,136</b>	<b>2,141</b>
<b>Per cent in agreement that:</b> <sup>(a)(b)</sup>			
My Employment Pathway Plan helps me understand what assistance I will get from my provider	85.8	89.1	87.6
I understand what I am required to do under the Plan	94.6	96.2	95.5
My provider has been delivering the things we agreed to in my Plan	88.2	90.6	89.5
I had a say about what was in my Plan	67.9	73.9	71.0
The Plan accurately describes my need for assistance	80.4	84.7	82.7
<b>Sample size</b>	<b>706</b>	<b>778</b>	<b>1,484</b>

(a) Data include participants who are aware of their Employment Pathway Plan.

(b) Percentage of respondents who answered 'strongly agree' or 'agree' to the survey item. Other possible responses: 'Neither agree nor disagree', 'Disagree', 'Strongly disagree' and not stated.

Source: Dynamics of Australian Income Support and Employment Services survey, Cohort 3 Wave 5(unweighted).

The DES Deed requires service providers to connect with other support services so that the range of participants' needs can be addressed. DES providers use various means to access services to complement employment support, including formal memoranda of understanding, brokerage, professional staff on or off-site (for example, allied health professionals), co-location with other services, and informal arrangements. DMS respondents were slightly more likely than ESS respondents to report the receipt of other types of service through their provider, the most common being medical and health care (Table 5.25).

One in five survey respondents said they needed more help from their DES provider than they had received. Where unmet need for assistance was indicated it was more often in the core areas of finding suitable jobs and skills development than in the area of complementary services (Table 5.26).

A majority of survey respondents believed that their service provider had improved their chances of getting a job and that assistance had boosted their self-confidence, work skills and ability to manage disability at work. Generally, participants were more likely to indicate 'a little' rather than 'a lot' of improvement. The notable exception was people with intellectual or learning disability (in the face

to face survey), over 40 per cent of whom indicated that their chances of employment were substantially improved as a result of the assistance from their DES provider (Figures 5.1 to 5.4).

Respondents who exited Employment Assistance were the most likely to believe that their provider had had no positive impact on their prospects of obtaining employment.

**Table 5.25: Receipt of complementary services reported by survey respondents in DMS or ESS (per cent)**

<b>Type of service received</b>	<b>DMS</b>	<b>ESS</b>	<b>Total</b>
Medical or other health care help	15.8	10.7	13.1
Counselling (e.g. life/relationship/addiction counselling)	13.0	9.8	11.3
Put you in touch with a disability or mental health service provider (e.g. specialist case management or accommodation support)	8.9	8.1	8.5
Rehabilitation services (e.g. drug/alcohol/physical rehabilitation)	8.3	4.0	6.0
Assistance from another organisation	5.6	5.7	5.7
Personal care (e.g. help to get dressed and ready for work)	3.7	4.9	4.3
Dental or optical help	3.7	3.4	3.5
Somewhere to live	1.8	2.3	2.1
<b>Received any one of the above (per cent)</b>	<b>32.0</b>	<b>23.8</b>	<b>27.7</b>
<b>Sample size (number)</b>	<b>1,005</b>	<b>1,136</b>	<b>2,141</b>

*Note:* Participants who commenced in DES between October 2010 and January 2011 and surveyed in April to May 2011.

*Source:* Dynamics of Australian Income Support and Employment Services (DAISES) survey, Cohort 3 Wave 5 unweighted data.

**Table 5.26: Proportion of survey respondents who expressed a need for more assistance (per cent)**

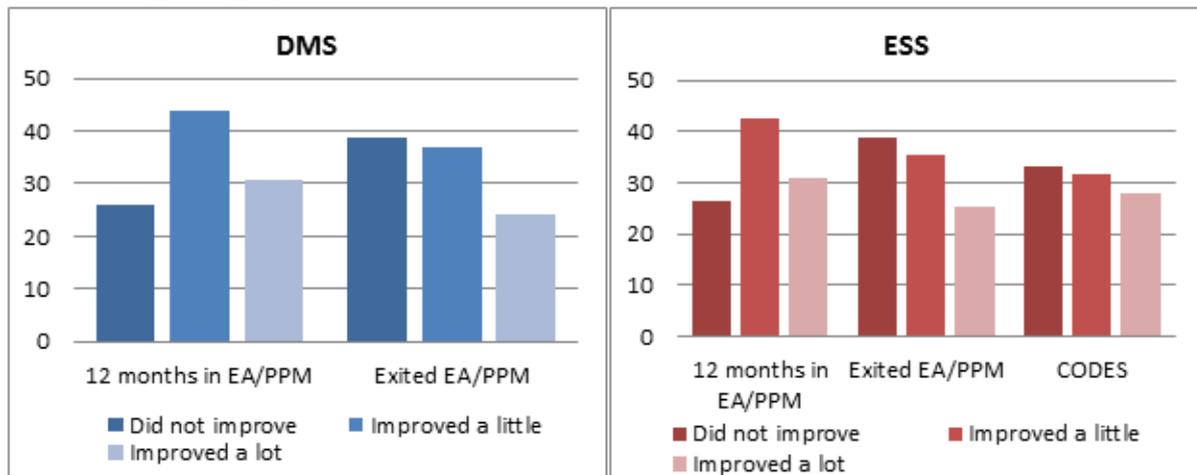
<b>Area where more help was required</b>	<b>DMS</b>	<b>ESS</b>	<b>DES Total</b>
<b>Employment assistance</b>			
Help to find suitable jobs	8.6	9.3	9.0
Training and skills development	5.4	4.3	4.8
Preparing for work	1.5	1.8	1.7
Paying for items needed to get a job or study	1.6	1.2	1.4
Specific career advice/options	0.2	-	0.1
Work experience/placement/ workplace visits	0.4	0.3	0.3
Solving problems and issues that come up at work	0.6	1.6	1.1
More responsive service from my provider	0.3	0.1	0.2
<b>Complementary services</b>			
Medical needs	2.5	1.2	1.8
Help with personal or family problems	1.7	1.5	1.6
Counselling	2.6	0.6	1.5
Transport	2.0	1.1	1.5
Help to access disability aids and equipment	0.4	1.1	0.7
Help to find suitable accommodation	0.6	0.4	0.5
Help with dental or optical needs	0.4	0.4	0.4
Other (not specified)	0.5	0.4	0.5
Personal care	0.2	0.2	0.2
Case management	0.2	-	0.1
<b>Percentage who wanted more assistance in any one of the above areas<sup>(a)</sup></b>	<b>22.4</b>	<b>21.4</b>	<b>21.9</b>
Number who wanted more assistance in any one of the above areas <sup>(a)</sup>	225	243	468
<b>Sample size</b>	<b>1,005</b>	<b>1,136</b>	<b>2,141</b>

Note: Participants who commenced in DES between October 2010 and January 2011 and surveyed in April to May 2011.

(a) Multiple responses permitted. Rows may not sum to total.

Source: Dynamics of Australian Income Support and Employment Services (DAISES) survey, Cohort 3 Wave 5 unweighted data.

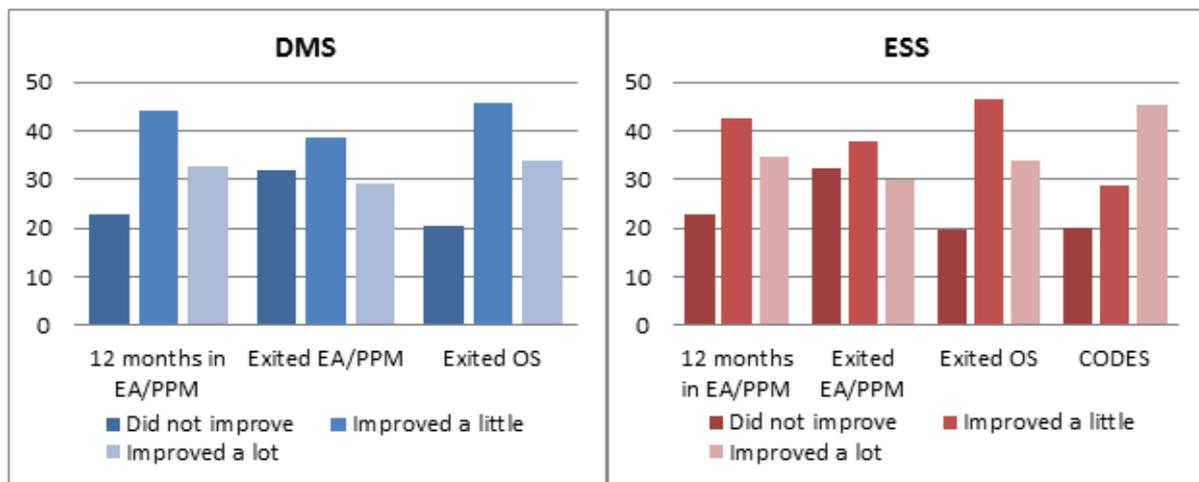
**Figure 5.1: Survey respondents' opinions on whether DES providers had improved their chances of getting a job**



Note: In the CODES survey, only participants who were currently not working were asked this question.

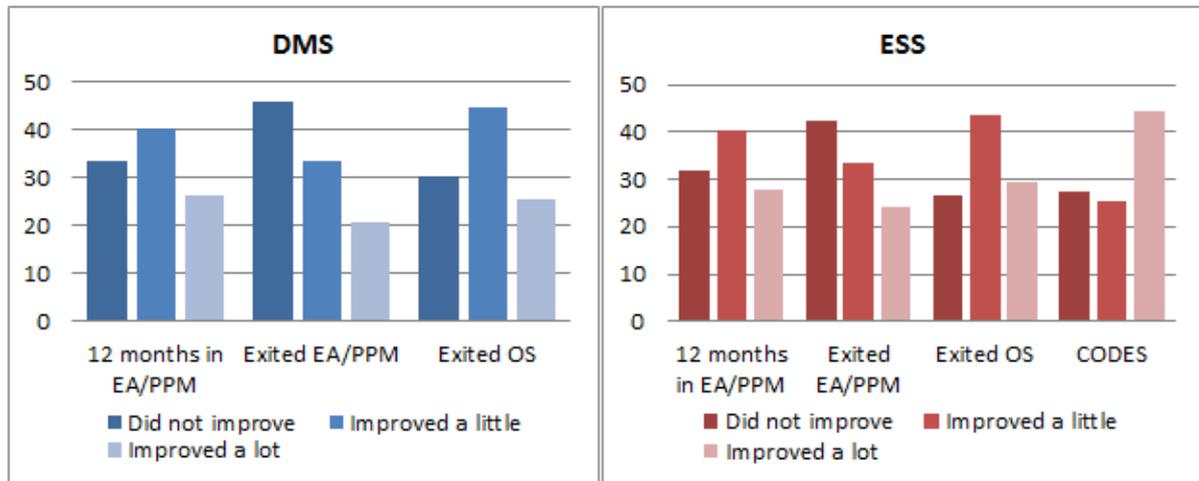
Source: DES Post Programme Monitoring Survey (June 2012 data) and Clients of DES Survey (2011), unweighted data.

**Figure 5.2: Survey respondents' opinions on whether DES providers had helped to build self-confidence**



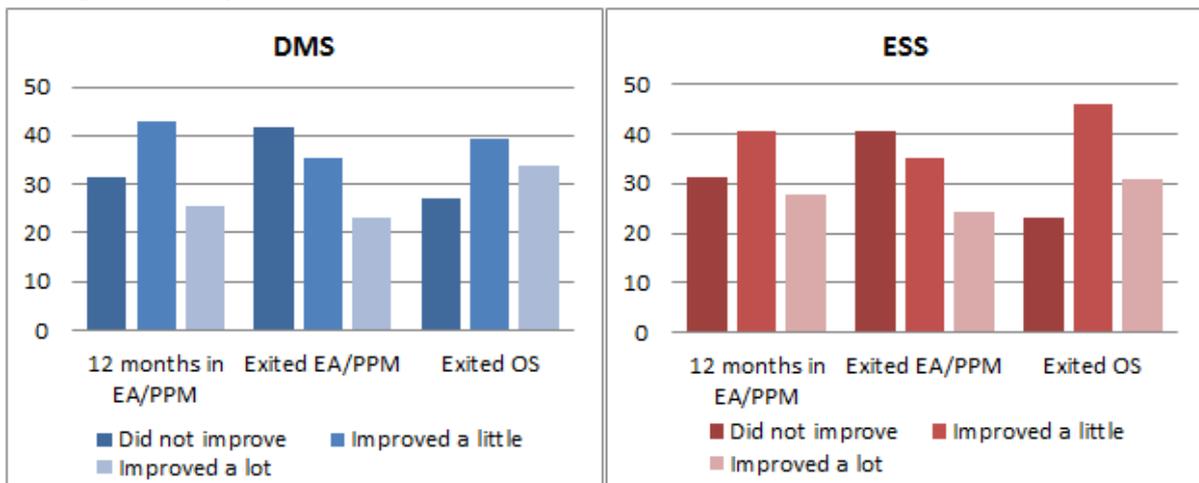
Source: DES Post Programme Monitoring Survey (June 2012 data) and Clients of DES Survey (2011), unweighted data.

**Figure 5.3: Survey respondents' opinions on whether DES providers had helped to improve work skills**



Source: DES Post Programme Monitoring Survey (June 2012 data) and Clients of DES Survey (2011), unweighted data.

**Figure 5.4: Survey respondents' opinions on whether DES providers had helped them to manage disability at work**



Source: DES Post Programme Monitoring Survey (June 2012 data), unweighted data.

Administrative data could not be used to measure and compare service-related attrition because of incompatible exit reason codes in DEN/VRS and DES. Survey data were instead used to investigate why some people leave services before obtaining an outcome.

A sample of 3244 newly registered DES participants (when surveyed in early 2011) were followed for up to two years in the Dynamics of Australian Income Support and Employment Services longitudinal survey. Over this period 26 per cent ceased contact with their DES provider (Table 5.27). The most common reason was health or personal problems, followed by commencing employment or study. Overall, five per cent of the group left because of dissatisfaction or difficulties with the service and this service-related attrition was higher in ESS (6.7 per cent) than in DMS (3.8 per cent). Service-related attrition in DEN/VRS measured the same way using data collected in 2009 was also around five per cent. The actual number who lost contact with their provider over a two year period may be higher but cannot be determined precisely because not all respondents opted to be reinterviewed at all waves of the survey.

**Table 5.27: Reasons for leaving DES provider (per cent)**

<b>Reason for leaving service<sup>(a)</sup></b>	<b>DMS</b>	<b>ESS</b>	<b>Total</b>
<b>Health and personal circumstances</b>			
Health reasons or personal problems	5.9	5.3	5.6
Moved to another location in Australia	1.4	1.9	1.7
Parenting or caring responsibilities	1.1	0.7	0.9
Change of family circumstances <sup>(a)</sup>	0.4	0.1	0.2
<b>Employment or study related</b>			
Got a job or started own business	5.4	3.4	4.4
Commenced education/training	1.9	2.3	2.1
Pay increase or more hours of work in my job	0.8	0.3	0.5
<b>Programme related</b>			
I found my provider unsuitable or not useful	2.4	4.7	3.5
Provider asked me to leave, irretrievable breakdown with provider	1.4	2.0	1.7
Changed to another provider	1.3	0.8	1.0
Completed/time period in programme ended	1.0	0.2	0.6
Was not registered with specified provider	0.1	0.1	0.1
<b>Income support related</b>			
Change of type of income support	4.8	2.1	3.4
No longer required to work/meet the requirements	0.7	0.5	0.6
<b>Other</b>			
Other reason, not specified	0.3	0.9	0.6
Not stated	0.3	0.6	0.4
<b>Not exited/exit status unknown</b>	<b>71.8</b>	<b>75.1</b>	<b>73.5</b>
<b>Total</b>	<b>1,598</b>	<b>1,646</b>	<b>3,244</b>

(a) Multiple responses permitted. Rows may not sum to total.

(b) Includes: got a partner or married; partner got a job; partner's income increased.

Note: Survey respondents were participants who commenced in DES between October 2010 and January 2011, surveyed at 6 monthly intervals starting from April 2011 to November 2012. Reasons for ceasing assistance were reported by survey respondents who exited the programme between March 2011 and November 2012.

Source: Dynamics of Australian Income Support and Employment Services (DAISES) survey, Cohort 3, unweighted data.

## 5.4 Summary

Service and job satisfaction levels are largely unchanged since DEN and VRS. To summarise:

- An estimated 82 per cent of employed participants were satisfied with their jobs. However, given the option, around 40 per cent would prefer to work longer hours.
- After 12 months in Employment Assistance an estimated 78 per cent of participants were satisfied with overall quality of service.
- Training and skills development registered lower satisfaction than overall service quality, with around 60 per cent satisfied with this aspect of service delivery.

That a significant proportion of participants would like to work more hours is consistent with a finding from the ABS Disability, Ageing and Carers Survey (2009) that around 34 per cent of people with disability who work less than 16 hours per week would like to work more hours. It is not entirely clear from either survey whether respondents were thinking about whether they could manage more hours or would have liked to be able to manage more hours.

The working hours issue does not appear to reduce participants' job satisfaction. Arguably the more critical issue for participants is their prospects for career development and progression. Many regard their job as satisfactory until something better comes along. The idea of a job as a stepping stone should not diminish the value of the outcome especially given that an estimated half of newly commenced DES participants have no recent work history and Chapter 4 showed that work history is the single most important factor in obtaining employment. Changing jobs can be a positive outcome and sustainable employment should not be narrowly construed as staying in one job. That said, the casual and short-term nature of employment for many people with disability—before, during and after their time in the programme—argues for an ongoing connection or fast reconnection to assistance for people who exit the programme as independent workers, should they later need it.

As noted by the Australian Workplace Productivity Agency, “casual employment can act as a stepping stone for ongoing and permanent employment, but casual employees are also at greater risk of moving into unemployment and out of the labour force. They may also receive fewer training opportunities through their employer than their permanent counterparts, thus denying them access to better paying jobs and the prospect of career progression... At the same time, skills development can occur through more than just training. Engaging in casual or part-time work may help equip employees with a diversity of skills that they acquire by working in different jobs, across a range of skill areas and in multiple occupations.” (AWPA 2013: 33)

Service satisfaction was high among DES participants, though lower among participants who exited before getting a job. Belief in the prospect of finding employment is critical to keeping participants actively engaged with services. Service-related attrition, the proportion of participants who leave the programme prematurely because of dissatisfaction with their provider, appears from survey data to be at around five per cent, the same as under DEN/VRS. Of course more than five per cent of participants request to exit during Employment Assistance but usually for other reasons. The longitudinal survey of DES participants continues in 2013.

## 6 School leaver pathways to employment through DES

The transition from school to working life or further education is an important step for any young person. Research has shown that integrated transition planning while still at school is especially important for young people with disability, for whom major change can be particularly difficult (see for example Winn & Hay, 2009; Davies & Beamish, 2009; Phelps & Hanley-Maxwell, 1997). While schools have primary responsibility for helping students and families with career planning, for some students contemplating post-school options an employment service provider will also have a role. A streamlined pathway to specialist employment assistance for eligible full-time students first introduced in the DEN Capped Stream was carried over to DES and subsequently extended to cover two additional target groups for a trial period starting on 1 July 2010. This chapter looks at practice under the extended DES Eligible School Leaver Guidelines.

### 6.1 Origins of the Eligible School Leaver policy

When, in 2006, Job Capacity Assessment (JCA) was introduced as the main gateway into disability open employment programmes an exemption was granted to eligible full-time school students who were planning post-school options. This allowed students in their final year of high school to register directly with a DEN Capped provider without the need for a JCA.

DEN Capped (July 2006 to February 2010) was for people with significant disability who needed ongoing support to remain employed. As its name implies, service caps limited the number of people accepted into the programme and the JCA exemption for school leavers operated in this tightly controlled environment. Most young people who were eligible for DEN Capped had already completed comprehensive, often multiple, assessments by the school system in order to secure individual funding for special education needs. This was accepted as sufficient evidence of eligibility for specialist employment assistance. The automatic exemption from JCA did not apply to school leavers entering DEN Uncapped or VRS. To access those services a school leaver needed to complete a JCA.

The direct registration pathway for eligible full-time students was carried into the DES programme when DES commenced on 1 March 2010. Full-time Students could directly register as Eligible School Leavers in DMS or ESS, marking a change in the previous policy that allowed the school leaver JCA exemption only for DEN Capped. School leavers who transitioned from DEN Capped to DES were assigned to an equivalent funding level in the new programme. School leavers who registered with an ESS provider from March 2010 onwards were defaulted to Funding Level 2, the highest funding level available.

Apart from allowing Eligible School Leavers to register in either of the demand-driven DES programmes the main features of the original policy were retained. Registration as an Eligible School Leaver required a young person to satisfy the usual criteria for entry to DES and, in addition:

- not have a current and valid JCA with an employment services referral; and
- be able to provide suitable evidence from their current educational authority recognising the need for educational support due to the nature of their disability; and

- register in the last six months of school or while participating in a recognised apprenticeship, or studying full-time and intending to work part-time outside school hours.

## 6.2 Extended eligibility trial

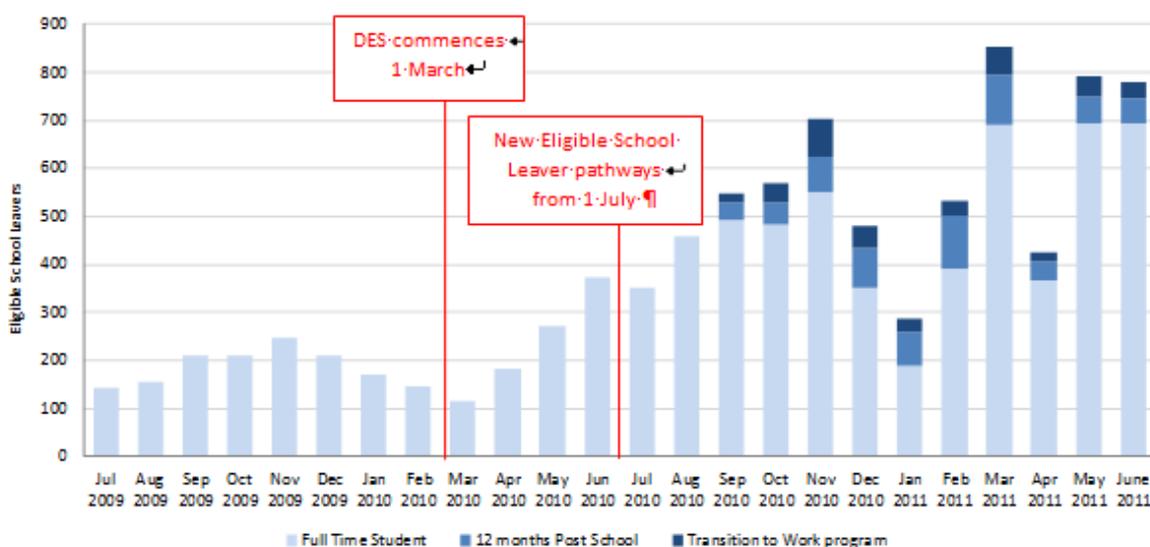
The JCA exemption did not apply to young people who had already left school. In the lead-up to DES stakeholders identified that recent school leavers who met the disability criteria would also benefit from streamlined access to specialist employment assistance. A trial extension of the Eligible School Leaver definition was announced to cover two new target groups: young people with significant disability in the first 12 months after leaving school and participants in state and territory funded transition-to-work programmes.<sup>32</sup>

The two year trial which commenced on 1 July 2010 was subsequently extended to end on 3 March 2013 in line with the extension to DES Employment Support Service contracts. The department evaluated activity and outcomes under the Eligible School Leaver Guidelines using data up to 30 September 2011, covering the existing Full Time Student pathway and the two trial pathways. Key findings of the evaluation are presented below.

## 6.3 Key findings and recommendations

A picture of the two new pathways started to emerge in September 2010 when DES providers were able to record the category of Eligible School Leaver registrations in the Employment Services IT system: Full Time Student (original pathway), 12 months Post School (trial) or Transition to Work (trial). Full Time Student registrations remained the predominant category over the first 12 months of the trial period and increased dramatically (Figure 6.1).

**Figure 6.1: Eligible School Leaver registrations, 2009-10 and 2010-11 financial years, by month**



Source: Administrative data.

32. Announced in the 2010 Federal Budget: Education, Employment and Workplace Relations Portfolio Budget Related Paper No. 1.6: Program 4.3, Outcome 4.

Registrations in 2010-11 were almost triple the number in 2009-10 ( 6781 and 2439, respectively).<sup>33</sup> The majority were Full Time Students (84 per cent), with the two new pathways contributing 10 per cent (12 months Post School) and 6 per cent (Transition to Work). The rapid increase in Eligible School Leaver registrations started with the introduction of DES, pre-dating the two trial pathways.

Most Eligible School Leavers during this period were aged between 16 and 19 years at registration. Full Time Students were younger on average than the other two groups, with more than one-third aged under 16 and some as young as 14 at registration (Table 6.1). Almost one-third of Full Time Students had not completed Year 10 when they registered in DES. Minimum school leaving age in most states and territories is 17 years or age on completion of Year 10. As Full Time Students were only eligible to register for DES assistance in their last six months of school, it is expected that most would be at least 16 years old at registration.

**Table 6.1: Eligible School Leavers registered between 1 September 2010 and 31 August 2011, demographic characteristics and primary disability by pathway (per cent)**

	Full Time Student	12 months Post School <sup>(a)</sup>	Transition to Work <sup>(a)</sup>	Total
<b>Age at commencement (years)</b>				
<16	35.3	11.7	14.9	31.5
16-19	63.7	84.9	67.9	66.1
20+	1.0	3.4	17.2	2.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Gender</b>				
Male	66.8	65.7	64.9	66.5
Female	33.2	34.3	35.1	33.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Primary disability</b>				
Learning <sup>(b)</sup>	59.9	46.4	43.5	57.4
Psychiatric	18.0	22.7	18.5	18.5
Intellectual	11.6	15.6	25.1	12.9
Physical	5.3	9.3	7.0	5.9
Sensory	3.7	3.4	3.2	3.6
Other/Unknown	1.5	2.6	2.7	1.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>DES programme</b>				
Disability Management Service	42.9	25.4	24.7	39.9
Employment Support Service	57.1	74.6	75.3	60.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>5,934</b>	<b>735</b>	<b>471</b>	<b>7,140</b>
<b>Total (per cent)</b>	<b>83.1</b>	<b>10.3</b>	<b>6.6</b>	<b>100.0</b>

(a) From 1 July 2010.

(b) Includes Autism and Asperger's syndrome.

*Note:* Based on new registrations, i.e. participants who had not previously registered as an Eligible School Leaver.

33. Excluding around 0.5 per cent of records coded as Eligible School Leaver participants with inconsistent age or other key characteristics which were removed as part of data validation for the evaluation.

There was a notable difference in the primary disability profiles of the three groups. At the time of the evaluation approximately 60 per cent of Full Time Students were young people with learning disability, whereas learning disability accounted for around 45 per cent of the 12 months Post School and Transition to Work groups. Relatively more of the latter two groups had a primary disability of intellectual disability.

Learning disability covers a broad spectrum from severe autism and Asperger’s syndrome to diffuse and undiagnosed behavioural symptoms. The evaluation examined administrative data on 5200 Eligible School Leavers with a primary disability of learning disability. Around one quarter (24 per cent) were coded with a specific underlying condition, for example, autism or intellectual disability, and on that basis were considered as potentially meeting the criteria for individual funding for disability related special education needs. The remaining 76 per cent with learning disability as a primary disability were coded with attention deficit disorder (eight per cent) or learning disability not further specified (68 per cent), raising doubts about their eligibility under the DES Eligible School Leaver Guidelines.

Employment outcomes were compared across cohorts of Full Time Students, 12 months Post School, and Transition to Work participants who commenced in DES between 1 September 2010 and 28 February 2011, counting outcomes achieved by the end of their service period or 30 September 2011, whichever occurred first. The Transition to Work cohort outperformed the other two cohorts on job placement, 13 Week Outcomes and 26 Week Outcomes (Table 6.2). This higher performance is likely due to a number of factors, including an older and more mature cohort and preparation from a transition to work programme which addresses things like transport use and social skills. Some DES providers operate state-funded transition to work programmes and would therefore have had a timing advantage by being more able to synchronise the DES registration with a job seeker’s readiness for open employment.

**Table 6.2: Eligible School Leavers registered between 1 September 2010 and 28 February 2011, Job placements and 13 and 26 Week Outcomes achieved by 30 September 2011, by pathway**

	Full Time Student	12 months Post School <sup>(a)</sup>	Transition to Work <sup>(a)</sup>	Total
<b>Numbers</b>				
Cohort total (participants)	2,177	383	229	2,789
Job placements	1,191	224	144	1,560
13 Week Outcomes	779	156	107	1,042
26 Week Outcomes	471	85	61	617
<b>Percentages</b>				
Job placements	54.7	58.5	62.9	55.9
13 Week Outcomes	35.8	40.7	46.7	37.4
26 Week Outcomes	21.6	22.2	26.6	22.1

(a) From 1 Jul 2010.

Notes:

1. Based on new registrations, i.e. participants who had not previously registered as an Eligible School Leaver.
2. Includes education and employment outcomes.

Most job placements were for the minimum eight hours per week (54 per cent). Post School and Transition to Work participants were more likely to work 30 hours per week than Full Time Students (Table 6.3). The top three industries for job placements were retail, hospitality and construction.

**Table 6.3: Eligible School Leavers who registered between 1 September 2010 and 28 February 2011 and commenced in employment, hours worked per week by pathway (per cent)**

Average working hours per week <sup>(b)</sup>	Full Time Student	12 months Post School <sup>(a)</sup>	Transition to Work <sup>(a)</sup>	Total
8	55.0	54.3	43.0	53.8
15	14.5	14.5	18.2	14.9
23	3.4	2.5	6.1	3.5
30	10.8	18.1	17.0	12.4
Not specified	16.3	10.6	15.7	15.4

(a) From 1 July 2010.

(b) Includes data from all job placements achieved in the given timeframe.

*Note:* Based on new registrations, i.e. participants who had not previously registered as an Eligible School Leaver.

*Source:* Administrative data.

The trial pathways were found to be mostly working as expected. Higher than anticipated school leaver registrations reflected an underlying problem with Eligible School Leaver policy in DES and not the extension of the policy *per se*. Policy makers had assumed, implicitly or explicitly, that the registration of school leavers in DES would occur appropriately as it had in DEN and that the programme would continue to receive only final-year school students with significant, permanent disability. However, when service caps were lifted DES providers were able to exploit a lack of clarity in the guidelines of what constituted “suitable” documentary evidence of school leaver eligibility and they aggressively marketed the direct registration pathway to school communities.

It is important to consider whether registering young people with behavioural problems, especially those at risk of not completing Year 10, might create a perverse incentive to leave school earlier than would otherwise be the case. While there is a strong body of evidence on the need for timely transition *planning*—typically in the middle years of high school—the literature is more reserved on the question of when transition to employment should occur. Research has shown that students with disability often have literacy and numeracy difficulties and do not cope well in the formal school environment (cited in Winn and Hay, 2009) with some experts suggesting that these issues are best handled while the young person is still at school. For many such students, work experience or part-time work during their school career will be an important, not to mention very normal, milestone. So is achieving their full education potential. In 2009, only 26 per cent of people with disability had completed Year 12 or equivalent compared to 52 per cent of people without disability (ABS 2010). The Eligible School Leaver policy settings and services need to achieve smooth transitions to employment without compromising educational attainment. Monitoring of outcomes for this group should take into account the education status of Full Time Students but the data needed to do this are not collected.

The evaluation compared expenditure per outcome for comparable cohorts of Full Time Students in 2008 (DEN) and 2010 (DES). Expenditure on service fees, job placements, 13 Week Outcomes and 26 Week Outcomes over nine months from the date of commencement was included. At approximately

\$37,000, average expenditure per 26 Week Outcome for Full Time Students in 2010 was nearly four times the cost in 2008 (\$9,500). Approximately 83 per cent of expenditure on the DES cohort was attributable to Eligible School Leavers in the ESS programme. Default Funding Level 2 for Eligible School Leavers in ESS proved far more expensive than expected. During design of the trial it was thought that Funding Level 2 would involve marginal additional cost because the department anticipated that a significant proportion of these young people would qualify for the highest level of funding were they to come through the standard JCA pathway. With the unintended expansion of the target group this expectation was not fulfilled.

The evaluation recommended restoring the programme to its intended target group through a tightening of the Eligible School Leaver Guidelines and removal of the perverse incentive for students with disability to leave school prematurely. Recommendations included the tying of eligibility to receipt of special-needs education funding, the introduction of age criteria and stronger documentary evidence requirements for providers. In turn this would better target default Funding Level 2 and improve the cost effectiveness of DES Eligible School Leaver policy.

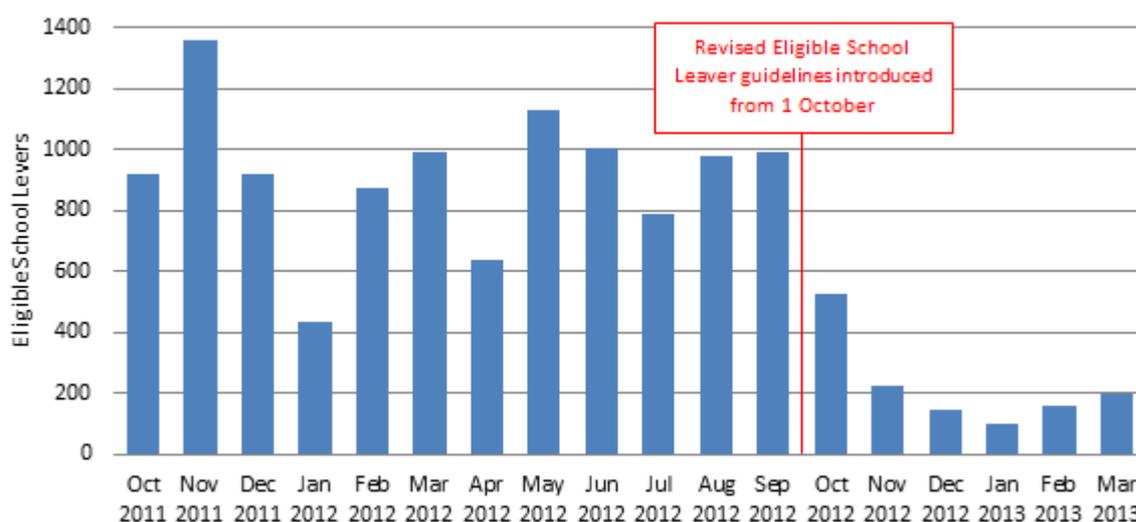
#### **6.4 Policy response**

Revised guidelines came into effect in October 2012 following a period of consultation with the sector. The new Eligible School Leaver definition incorporates the traditional Full Time Student pathway and the Transition to Work pathway. The 12-month Post School pathway was not adopted into DES policy on the basis that young people who have left school and are not in a state-based transition to work programme can apply for DES in the usual way so that Employment Services Assessment can determine the most appropriate programme.

When direct registering a job seeker as an Eligible School Leaver, a DES provider must obtain appropriate documentary evidence to support the job seeker's eligibility. As stipulated in the guidelines this is evidence that the student has attracted additional educational funding due to their disability, or is receiving the Disability Support Pension. The guidelines refer to state and territory mandated minimum school leaving age and require DES providers to obtain evidence that a student is a full-time student in their last year of school. If a student is not in Year 12 the provider must meet with the student, a school representative and a parent, carer or guardian to determine that there is agreement that the student will leave school before Year 12 and that DES is the most appropriate activity for the student (Disability Employment Services Eligible School Leaver Guidelines V2.0, 4 October 2012).

Following the changes Eligible School Leaver registrations returned to expected levels (Figure 6.2). From an all-time high of more than 1300 Eligible School Leaver registrations in November 2011, just over 200 were recorded in November 2012 after the new guidelines came into effect.

**Figure 6.2: Eligible School Leaver registrations, October 2011 to March 2013, by month**



Source: Administrative data extracted 16 May 2013.

Note: Based on new registrations, i.e. participants who had not previously registered as an Eligible School Leaver.

Whereas, previously, around one-third of Eligible School Leavers were aged under 16 years at commencement, this age group accounted for 16 per cent of school leaver registrations between October 2012 and March 2013. Learning disability is still the most common primary disability but has decreased from 57 per cent to 40 per cent of new registrations and intellectual disability has increased from 13 per cent to 33 per cent. Further reflecting the policy intent of targeting school leavers with significant disability, over 80 per cent of new Eligible School Leavers are registered in the ESS programme, an increase from 60 per cent under the previous guidelines.

More than half of the registrations between October 2012 and March 2013 coded with learning disability as the primary disability were young people with attention deficit disorder (nine per cent) or learning disability not further specified (47 per cent). It is possible that these participants indeed met the criteria for individual funding for disability-related special education needs, but it will be important to continue to remind providers of the new eligibility criteria and documentary evidence requirements.

Overall, it appears the new guidelines have been effective at restoring the programme to the policy intent of assisting students with significant disability to transition from school to post school open employment.

**Table 6.4: Eligible School Leavers registered between 1 October 2012 and 30 March 2013, demographic characteristics (per cent)**

Characteristic	Per Cent
<b>Age at commencement (years)</b>	
<16	16.0
16-19	77.7
20+	6.3
<b>Total</b>	<b>100.0</b>
<b>Gender</b>	
Male	66.4
Female	33.6
<b>Total</b>	<b>100.0</b>
<b>Primary disability</b>	
Learning <sup>(a)</sup>	40.1
Psychiatric	12.4
Intellectual	33.6
Physical	5.5
Sensory	4.8
Other/Unknown	3.6
<b>Total</b>	<b>100.0</b>
<b>DES programme</b>	
Disability Management Service	19.0
Employment Support Service	81.0
<b>Total</b>	<b>100.0</b>
<b>Total (number)</b>	<b>1,365</b>
<b>Total (per cent)</b>	<b>100.0</b>

(a) Includes Autism and Asperger's syndrome.

*Note:* Based on new registrations, i.e. participants who had not previously registered as an Eligible School Leaver.

*Source:* Administrative data extracted 16 May 2013.

## 7 Assisting people with intellectual disability

In the 1990s people with intellectual disability were the largest disability group in specialist employment programmes, making up more than 50 per cent of people in employment services administered under the *Disability Services Act*. Supported employment was, and remains, the predominant service model for this group though, even in 1998, some 40 per cent were in open employment services (FaCS 1999). In recent years the specialist employment programmes have expanded to target a larger and more diverse job seeker population with the result that intellectual disability now accounts for a much smaller share of the caseload, despite a relatively stable number of participants with intellectual disability over time. Intellectual disability currently accounts for less than one per cent of DMS and around 12 per cent of ESS participants. Most are people with mild intellectual disability.

People with moderate to severe intellectual disability usually enter the programme with a minimum eight hour employment benchmark. This means that a job of eight hours per week that meets the conditions for payment will attract a Job Placement Fee for the service provider and Outcome Fees if the job lasts. Research and practice in the field has shown that with the right level and type of support, people with significant intellectual disability can achieve more substantial employment. In the lead-up to DES some stakeholders were concerned that the new funding model would make it difficult for providers to deliver the intensive assistance required. Evidence on the cost of servicing people with higher levels of intellectual disability helped to inform a trial of an additional loading on DES fees “to help school leavers and other job seekers with moderate intellectual disability secure sustainable and substantive work in the open labour market” (Education, Employment and Workplace Relations Portfolio Budget Statements 2010-11, p. 116). The Moderate Intellectual Disability Loading trial commenced on 1 July 2010, initially for a two year period and subsequently extended for a further year.

The trial allowed DES providers to claim a 70 per cent loading on the first two Service Fees for eligible participants and on Job Placement, 13 Week and 26 Week Full Employment Outcome fees where a participant was employed for at least 15 hours per week. A critical design feature is the incentive for providers to pursue more substantial employment for people with moderate intellectual disability, in most cases, well above a participant’s employment benchmark hours.

Eligibility was based on the presence of moderate intellectual disability, defined as:

- an assessed Intelligence Quotient (IQ) of 60 or less; or
- classified by a registered psychologist, using a recognised assessment tool, as having moderate intellectual disability.<sup>34</sup>

A participant with moderate intellectual disability may be eligible for the loading irrespective of whether intellectual disability was the primary or secondary disability. In pre-policy modelling the department estimated that around 540 new DES participants would be eligible for the Moderate Intellectual Disability Loading in the two-year trial period, in addition to those who transitioned from DEN.

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34. Moderate Intellectual Disability Loading Guidelines v1.3.

As at 30 June 2012, 672 DES participants were identified as eligible for the Moderate Intellectual Disability Loading. Approximately \$2.4 million was expended in the first two years of the trial, with the loading on Outcome Fees accounting for 59 per cent of expenditure.

The department evaluated the trial to address three key questions:

- Did providers who achieved outcomes of 15 or more hours per week in DEN for participants with moderate intellectual disability maintain or improved the level of those outcomes with the Moderate Intellectual Disability Loading (under DES)?
- Did similar or higher numbers of participants with moderate intellectual disability secure jobs of 15 or more hours per week under DES than in DEN?
- Did participants in jobs of 15 hours or more per week remain employed at that level for 26 weeks at the same or higher rate as before?

Expert advice on the guidelines for substantiating moderate intellectual disability was obtained from the Centre for Disability Studies in the Sydney Medical School, University of Sydney<sup>35</sup>. The Centre conducted interviews with key stakeholders to gain their insights into the design and implementation of the Moderate Intellectual Disability Loading.

The objective of the evaluation was to assess the effectiveness of the 70 per cent Loading by comparing levels of substantial employment for people with moderate intellectual disability in DEN and DES. However, moderate intellectual disability was not identified generally in DEN and because of this the exercise reduced to an evaluation of outcomes recorded by just one provider that specialised in moderate intellectual disability in both DEN and DES.<sup>36</sup> A 15-month reference period was used to measure employment outcomes so that the evaluation could report before 30 June 2012 when the trial was originally due to end.

## **7.1 Characteristics of participants with moderate intellectual disability**

Participants with moderate intellectual disability were identified in the department's Employment Services System by a data flag introduced on 3 September 2010. DES providers could set the flag to indicate participant's eligibility (IQ≤60) when they held the required documentary evidence. The number of flagged records fluctuated in 2011 as flags were set and then validated by the department. In a first round of programme assurance activity in 2011 the department identified more than 250 cases that required detailed audit; 179 flags were removed. The programme-assured caseload of 580 Moderate Intellectual Disability Loading eligible participants as at 31 December 2011 was used for the evaluation.

This 580 member caseload was broadly in line with the pre-policy estimate of 540. Delivering specialist services to such a small participant population presents a challenge, particularly noting that fewer than 200 of these participants lived in regional or remote areas throughout Australia. Participants with moderate intellectual disability are younger on average and have lower levels of

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35. Expert Assessment of Working Definitions of Moderate Intellectual Disability, Request for Quotation number 26570, 2011.

36. The moderate intellectual disability flag did not exist in DEN. The closest indicator of moderate intellectual disability among DEN participants, 'Low IQ' recorded in Centrelink data, was incorrectly populated prior to June 2010. This removed the option of using DEN data for valid program level comparisons.

educational attainment than the wider DES population with intellectual disability (Table 7.1). More than 80 per cent received the Disability Support Pension; a further 11 per cent did not receive government income support.

Just under half of participants with moderate intellectual disability during the trial period entered DES via direct registration, mostly at ESS Funding Level 2 (Table 7.2). If a DES participant with moderate intellectual disability achieves a 26 Week Outcome they are very likely to go on to receive Ongoing Support from their DES provider. In December 2011 over 70 per cent of participants with moderate intellectual disability were in the Employment Assistance or Post-Placement Support phase of their period of service. Of those in Ongoing Support, 65 per cent were in High Ongoing Support, demonstrating the high and ongoing support needs of this group.

Employment benchmarks for this group were clustered in the eight to 14 hours per week bandwidth. Less than 10 per cent had an employment benchmark of 15 or more hours, compared with almost 20 per cent of all participants with intellectual disability and over 70 per cent of all DES participants.

At the time, five DES providers specialised in intellectual disability, including Jobsupport Incorporated which specialised in employment assistance for people with IQ 60 or lower. Participants with moderate intellectual disability were more likely to be with specialist providers but over 50 per cent were registered with generalist providers. Any comparison of outcomes for participants with moderate intellectual disability was essentially a comparison of Jobsupport with 'the rest', purely by weight of numbers.

**Table 7.1: Comparative profile of participants with intellectual disability, as at 31 December 2011**

	Moderate ID <sup>(a)</sup> No	Moderate ID <sup>(a)</sup> Per cent	All ID No.	All ID Per cent	DES active caseload No.	DES active caseload Per cent
<b>Age group</b>						
<20	153	26.4	2,713	23.3	14,319	12.1
20–24	236	40.7	3,177	27.2	13,548	11.4
25–34	105	18.1	3,068	26.3	20,963	17.7
35–49	66	11.4	2,128	18.2	38,612	32.5
50+	20	3.4	581	5.0	31,324	26.4
<b>Total</b>	<b>580</b>	<b>100.0</b>	<b>11,667</b>	<b>100.0</b>	<b>118,766</b>	<b>100.0</b>
<b>Gender</b>						
Male	324	55.9	7,231	62.0	69,956	58.9
Female	256	44.1	4,435	38.0	48,808	41.1
<b>IQ&lt;55<sup>(b)</sup></b>	263	45.3	n.a.	n.a.	n.a.	n.a.
<b>Primary disability</b>						
Intellectual	500	86.2	8,304	71.2	8,304	7.0
Learning	53	9.1	1,848	15.8	13,933	11.7
Other <sup>(c)</sup>	27	4.7	1,356	11.6	86,186	72.6
Unknown	—	—	159	1.4	10,343	8.7
<b>Remoteness<sup>(d)</sup></b>						
Major City	405	69.8	6,982	59.8	72,910	61.4
Inner Regional	85	14.7	2,525	21.6	27,379	23.1
Outer Regional	66	11.4	1,801	15.4	15,562	13.1
Remote/Very Remote	24	4.1	355	3.0	2,850	2.4
<b>Educational attainment</b>						
Less than Year 10	265	45.7	3,109	26.6	19,040	16.0
Year 10	74	12.8	2,455	21.0	32,232	27.1
Year 12	64	11.0	1,296	11.1	15,982	13.5
Certificate or degree	56	9.7	1,397	12.0	36,491	30.7
Unknown	121	20.9	3,410	29.2	15,021	12.6
<b>Income support type</b>						
Disability Support Pension	472	81.4	7,612	65.2	28,509	24.0
Newstart Allowance or Youth Allowance(other/student)	40	6.9	1,847	15.8	60,635	51.1
Parenting Payment	n.p.	n.p.	59	0.5	5,077	4.3
Other benefit	n.p.	n.p.	42	0.4	1,096	0.9
Not on benefit	65	11.2	2,107	18.1	23,449	19.7

n.p. Cell size less than 5.

n.a. Not available due to data limitations.

(a) Participants with the Moderate Intellectual Disability Loading flag who were participating in DES on 31 December 2011 (excluding suspensions).

(b) Intellectual Disability recorded as a medical condition in a Centrelink customer's Job Capacity Assessment report was displayed as 'IQ is less than 55' in the Centrelink IT system even if the customer's IQ score was 55 or higher. The issue was resolved in the June 2010 Release for any JCA reports accepted after 20 June 2010. No change was made to existing customer records where a condition of 'IQ is less than 55' had been incorrectly displayed on the Medical Conditions screen. IQ<55 data for DEN participants and participants registered in the first four months of DES are unreliable.

(c) Includes physical, psychiatric, and sensory disabilities.

(d) Excludes missing values.

Source: Administrative data.

**Table 7.2: Programme characteristics of participants with intellectual disability, 31 December 2011**

	Moderate ID <sup>(a)</sup> No.	Moderate ID <sup>(a)</sup> Per cent	All ID <sup>(b)</sup> No.	All ID <sup>(b)</sup> Per cent	DES active caseload No.	DES active caseload Per cent
<b>Referral pathway</b>						
Referred participant	322	55.5	7,892	67.6	97,340	82.0
Direct registration	258	44.5	3,775	32.4	21,426	18.0
<b>Total</b>	<b>580</b>	<b>100.0</b>	<b>11,667</b>	<b>100.0</b>	<b>118,766</b>	<b>100.0</b>
<b>Programme/Funding Level</b>						
DMS	n.p.	n.p.	536	4.6	53,890	45.4
ESS FL 1	51	8.8	1,554	13.3	28,508	24.0
ESS FL 2	366	63.1	5,849	50.1	23,396	19.7
Flexible Ongoing Support	10	1.7	777	6.7	3,956	3.3
Moderate Ongoing Support	46	7.9	1,618	13.9	5,598	4.7
High Ongoing Support	104	17.9	1,272	10.9	2,603	2.2
Job in Jeopardy	n.p.	n.p.	61	0.5	815	0.7
<b>DES Eligible School Leaver</b>						
Full-time student	59	10.2	1,035	8.9	6,666	5.6
12 months post-school	12	2.1	119	1.0	656	0.6
Transition to Work	42	7.2	155	1.3	468	0.4
<i>Total</i>	<i>113</i>	<i>19.5</i>	<i>1,309</i>	<i>11.2</i>	<i>7,790</i>	<i>6.6</i>
<b>Employment benchmark hours</b>						
Zero–7	7	1.2	106	0.9	340	0.3
8–14	522	90.0	9,369	80.3	41,987	35.4
15–29	38	6.6	1,425	12.2	47,075	39.6
30+	13	2.2	767	6.6	29,364	24.7
<b>Provider type</b>						
Generalist	315	54.3	7,246	62.1	89,919	75.7
Specialist Intellectual Disability	142	24.5	481	4.1	556	0.5
Specialist Autism and Asperger's	—	—	19	0.2	188	0.2
Specialist Acquired Brain Injury	—	—	—	—	42	<0.1
Other Specialist	123	21.2	3,921	33.6	28,061	23.6

n.p. Cell size less than 5.

(a) Participants with Moderate Intellectual Disability Loading flag who were participating in DES on 31 December 2011 (excluding suspensions).

(b) Primary or other disability of intellectual disability.

Source: Administrative data.

## 7.2 Effectiveness of the Loading

Participants with moderate intellectual disability recorded higher job placement and outcome rates than participants with intellectual disability in general, under either DES or DEN. Considering all jobs, 69 per cent of the Moderate ID Loading group obtained a job and 43 per cent achieved a 26 Week Outcome. Corresponding figures for the wider intellectual disability group in DES over the same period were: 54 per cent and 30 per cent, respectively (Table 7.3).

Outcome rates for participants with moderate intellectual disability were reasonably consistent across funding levels. The ESS Funding Level 1 group performed slightly better on job placements and the ESS Funding Level 2 group slightly better on 26 Week Outcomes, noting that the Funding Level 1 comparison group comprised just 26 participants.

**Table 7.3: Intellectual disability comparison groups, all employment outcomes within 15 months from commencement date<sup>(a)</sup>**

Group	Group size	Job Placements	Per cent	13 Week Outcomes	Per cent	26 Week Outcomes	Per cent
<i>Moderate ID Loading</i>	150	104	69.3	86	57.3	64	42.7
ESS Funding Lvl 1	26	19	73.1	15	57.7	10	38.5
ESS Funding Lvl 2	120	82	68.3	68	56.7	52	43.3
Other	4	3	75.0	3	75.0	2	50.0
<i>DES-ID</i>	2,368	1,286	54.3	1,037	43.8	706	29.8
DMS	136	63	46.3	49	36.0	30	22.1
ESS Funding Lvl 1	633	342	54.0	290	45.8	200	31.6
ESS Funding Lvl 2	1,569	859	54.7	676	43.1	455	29.0
Other	30	22	73.3	22	73.3	21	70.0
<i>DEN-2008 (ID)</i>	1,410	771	54.7	531	37.7	400	28.4
<i>DEN-2009 (ID)</i>	1,611	864	53.6	583	36.2	367	22.8

(a) **Moderate ID Loading:** 150 participants with moderate intellectual disability, including 50 Jobsupport clients, who commenced in DES between 1 April and 30 September 2010. **DES-ID:** 2368 DES participants with intellectual disability of any severity who commenced in DES between 1 April and 30 September 2010. **DEN-2008:** 1410 DEN participants with intellectual disability (any severity), including 21 Jobsupport clients, who commenced in DEN between 1 April and 30 September 2008. **DEN-2009:** 1611 DEN participants with intellectual disability, including 38 Jobsupport clients, who commenced in DEN between 1 April and 30 September 2009. All were followed for 15 months.

- (b) Includes job placements and outcomes irrespective of weekly hours worked. Placements and outcomes achieved by MIDL participants are counted irrespective of whether the MIDL loading was claimed/paid, i.e. data are based on MIDL flag only.
- (c) Job Placement figures for DEN were measured by counting participants who had one or both of a DEN 4 Week Milestone or a recorded employment history during the relevant period.
- (d) Includes full and pathway/intermediate outcomes.

**Notes:**

- Moderate Intellectual Disability Loading - Other includes participants in DMS and Job in Jeopardy programmes; DES-ID Other includes Job in Jeopardy and participants whose funding level could not be determined from the administrative data.
- ESS=DES Employment Support Service (broadly equivalent to DEN); DMS=DES Disability Management Service.
- ID=Intellectual disability of any severity.
- Each comparison group includes newly commenced participants who commenced between 1 April and 30 September of the reference year.
- Outcome numbers include outcomes (Job Placements, 13 and 26 Week Outcomes) achieved by 31 December of the year following the reference year, e.g. for commencements between 1 April and 30 September 2010 outcomes claimed by 31 December 2011 are counted.
- Both full and pathway/intermediate outcomes were counted.

Source: Administrative data.

Analysis revealed a strong provider effect with Jobsupport responsible for markedly higher outcomes for participants with moderate intellectual disability (Table 7.4).

**Table 7.4: Intellectual disability comparison groups, all employment outcomes recorded by Jobsupport and other providers**

Group	Provider	Group size	Job Placement	Per cent	13 Week Outcome	Per cent	26 Week Outcome	Per cent
<b>Mod. ID Loading</b>	Jobsupport	50	46	92.0	43	86.0	38	76.0
	Other	100	58	58.0	43	43.0	26	26.0
<b>Mod. ID Loading—ESS FL2</b>	Jobsupport	48	44	91.7	41	85.4	36	75.0
	Other	72	38	52.8	27	37.5	16	22.2
<b>DES ID</b>	Jobsupport	54	50	92.6	47	87.0	42	77.8
	Other	2,314	1,236	53.4	990	42.8	664	28.7
<b>DES-ID—ESS FL2</b>	Jobsupport	51	47	92.2	44	86.3	39	76.5
	Other	1,518	812	53.5	632	41.6	416	27.4
<b>DEN-2008</b>	Jobsupport <sup>(d)</sup>	21	16	76.2	12	57.1	11	52.4
	Other	1,389	755	54.4	519	37.4	389	28.0
<b>DEN-2009</b>	Jobsupport <sup>(d)</sup>	38	34	89.5	30	78.9	26	68.4
	Other	1,573	830	52.8	553	35.2	341	21.7

(a) **Moderate ID Loading:** 150 participants with moderate intellectual disability, including 50 Jobsupport clients, who commenced in DES between 1 April and 30 September 2010. **DES-ID:** 2368 DES participants with intellectual disability of any severity who commenced in DES between 1 April and 30 September 2010. **DEN-2008:** 1410 DEN participants with intellectual disability (any severity), including 21 Jobsupport clients, who commenced in DEN between 1 April and 30 September 2008. **DEN-2009:** 1611 DEN participants with intellectual disability, including 38 Jobsupport clients, who commenced in DEN between 1 April and 30 September 2009. All were followed for 15 months.

(b) Placements and outcomes achieved by participants flagged as moderate intellectual disability are counted irrespective of whether the 70 per cent loading was claimed/paid in the reference period, i.e. data are based on the MIDL flag.

(c) Includes full and pathway/intermediate outcomes.

(d) Jobsupport calculated slightly different figures from its own database. DEN-2008: Group size=21; 17 Job Placements (81.0%); 14 13-Week Outcomes (66.7%); 13 26-Week Outcomes (61.9%). DEN-2009: Group size=39; 35 Job Placements (89.7%); 31 13-Week Outcomes (79.5%); 31 26-Week Outcomes (79.5%).

**Notes:**

1. Mod. ID Loading=Moderate Intellectual Disability Loading.
2. ESS=DES Employment Support Service (broadly equivalent to DEN); DES-ID=DES participants with intellectual disability of any severity; FL=Funding Level.
3. Each comparison group includes newly commenced participants who commenced between 1 April and 30 September of the reference year.
4. Outcome numbers include outcomes (Job Placements, 13 and 26 Week Outcomes) achieved by 31 December of the year following the reference year, e.g. for commencements between 1 April and 30 September 2010 outcomes claimed by 31 December 2011 were counted.
5. Includes full and pathway/intermediate outcomes.

Source: Administrative data.

Outcome rates for Jobsupport clients under DES with the Moderate ID Loading were higher than under DEN which may be partly attributable to difficult labour market conditions in the period immediately after the 2008 global financial crisis. Outcome rates of other providers were relatively unchanged between DEN and DES. The contrast was most pronounced for jobs of at least 15 hours per week (Table 7.5).

- Jobsupport accounted for 33 per cent of the participants in the Moderate ID Loading group, 59 per cent of jobs of 15 or more hours and 72 per cent of corresponding 26 Week Outcomes achieved by this group.
- Over 90 per cent of jobs obtained by participants with moderate intellectual disability in Jobsupport were jobs of 15 or more hours per week; 80 per cent achieved a 26 Week Outcome within the reference period. In contrast, half of the jobs achieved by participants with moderate intellectual disability with other providers were jobs of 15 or more hours per week and less than half of these went on to achieve a 26 Week Outcome within the reference period.
- By 31 December 2011, 68 per cent of the Moderate ID Loading group with Jobsupport had achieved a 26 Week Outcome in a job of 15 hours or more per week, compared with 13 per cent of Moderate ID Loading participants registered with other providers.

Outcome rates were similar between DEN and DES, except in the case of Jobsupport. For jobs of 15 hours or more per week, 26 Week Outcome rates for all other providers were:

- 15 and nine per cent for intellectual disability in DEN in 2008 and 2009, respectively<sup>37</sup>
- 14 per cent for intellectual disability in DES
- 13 per cent for the Moderate ID Loading group.

In contrast, Jobsupport demonstrated substantially improved outcomes for participants under DES with the Moderate ID Loading. 26 Week Outcome rates for jobs of 15 hours or more were:

- 67 per cent for intellectual disability and 68 for the Moderate ID Loading group, compared with
- 52 per cent (in 2008) and 47 per cent (in 2009) for Jobsupport under DEN.

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37. Lower outcome across the board in 2009 may have been related to the transition to DES in March 2010.

**Table 7.5: Intellectual disability comparison groups, outcomes associated with jobs of 15 hours or more recorded by Jobsupport and other providers**

Group	Provider	Group size	Jobs	Per cent of jobs	Per cent of group	26 Week Outcomes	Per cent 26 Week	Per cent of group
<b>Mod. ID Loading</b>	Jobsupport	50	42	91.3	84.0	34	89.5	68.0
	Other	100	29	50.0	29.0	13	50.0	13.0
<b>Mod. ID Loading ESS FL2</b>	Jobsupport	48	41	93.2	85.4	33	91.7	68.8
	Other	72	21	55.3	29.2	8	50.0	11.1
<b>DES-ID</b>	Jobsupport	54	44	88.0	81.5	36	85.7	66.7
	Other	2,314	603	48.8	26.1	322	48.5	13.9
<b>DES-ID ESS FL2</b>	Jobsupport	51	43	91.5	84.3	35	89.7	68.6
	Other	1,518	388	47.8	25.6	199	47.8	13.1
<b>DEN-2008</b>	Jobsupport <sup>(d)</sup>	21	15	93.8	71.4	11	100.0	52.4
	Other	1,389	353	46.8	25.4	211	54.2	15.2
<b>DEN-2009</b>	Jobsupport <sup>(d)</sup>	38	20	58.8	52.6	18	69.2	47.4
	Other	1,573	273	32.9	17.4	143	41.9	9.1

(a) **Moderate ID Loading:** 150 participants with moderate intellectual disability, including 50 Jobsupport clients, who commenced in DES between 1 April and 30 September 2010. **DES-ID:** 2368 DES participants with intellectual disability of any severity who commenced in DES between 1 April and 30 September 2010. **DEN-2008:** 1410 DEN participants with intellectual disability (any severity), including 21 Jobsupport clients, who commenced in DEN between 1 April and 30 September 2008. **DEN-2009:** 1611 DEN participants with intellectual disability, including 38 Jobsupport clients, who commenced in DEN between 1 April and 30 September 2009. All were followed for 15 months.

(b) Placements and outcomes achieved by MIDL participants are counted irrespective of whether the MIDL loading was claimed/paid, i.e. data are based on MIDL flag only.

(c) Both full and pathway/intermediate outcomes are counted, however most of the outcomes are full outcomes.

(d) Jobsupport calculated slightly different figures from its own database. DEN ID-1: Group size=21; 16 Job Placements (76.2%); 14 13-Week Outcomes (66.7%); 13 26-Week Outcomes (61.9%). DEN ID-2: Group size=39; 33 Job Placements (84.6%); 25 13-Week Outcomes (64.1%); 25 26-Week Outcomes (64.1%).

**Notes:**

1. Mod. ID. Loading=Moderate Intellectual Disability Loading.
2. ESS=DES Employment Support Service (broadly equivalent to DEN).
3. ID=Intellectual disability of any severity.
4. Each comparison group includes newly commenced participants who commenced between 1 April and 30 September of the reference year.
5. Outcome numbers include outcomes (Job Placements, 13 and 26 Week Outcomes) achieved by 31 December of the year following the reference year, e.g. for commencements between 1 April and 30 September 2010 outcomes claimed by 31 December 2011 are counted.
6. Both full and pathway/intermediate outcomes are counted.

Source: Administrative data.

Informants to the review by the Centre for Disability Studies acknowledged the need for staff to have special competencies if they are to help people with significant intellectual disability achieve and maintain substantial employment in the open labour market. Most of the providers interviewed said they used a 'place and train' model and while they identified a range of strategies considered to be good practice, the review found that only Jobsupport had a systematic staff training programme to ensure competencies in job carving, job matching and on-the-job training and support. Peak organisations recognised that few DES providers had the specialist skill sets and competencies required to support participants with moderate intellectual disability and the consultations highlighted the need for specialist services to help these participants achieve and maintain substantial employment. Jobsupport delivered a highly structured programme of job search, task analysis and specialist instruction, job customisation and written employer support agreements. Specialist training for staff and staff mentoring are the backbone of the service for people with higher levels of intellectual disability.

### 7.3 Cost effectiveness

The Moderate Intellectual Disability Loading was about a level of resourcing to achieve above minimum outcomes for a group of participants with very high support needs and while there was clear evidence of this being achieved, results were variable. This is reflected in very different levels of expenditure per 26 Week Outcome across the comparison groups in the evaluation (Table 7.6).

On a per participant basis, expenditure over the first 15 months of service was higher for Jobsupport than for other providers. A Jobsupport client in DEN attracted roughly double the amount, per participant, of participants with intellectual disability registered with other DEN providers, for example, around \$20,000 per participant in Jobsupport compared with \$10,000 per participant with other providers in the DEN-2008 group). Under DES with the Moderate ID Loading, Jobsupport's specialist service cost government an average of \$29,000 per participant in the first 15 months of service compared with \$11,000 per participant with intellectual disability serviced by other providers. For Jobsupport, maintenance funding per client fell under the DES with the Moderate ID Loading relative to the DEN contract and funding in the Employment Assistance and Post-Placement Support phases rose. In other words, the 70 per cent loading together with the DES funding model redistributed payments towards the front end of a period of service. On a per participant basis, Jobsupport looked an expensive service for intellectual disability but the picture was different on a per outcome basis.

For the selected group of participants with moderate intellectual disability in the evaluation, government paid Jobsupport an average of \$40,000 per 26 Week Outcome, exclusive of any additional fees paid later for these participants. For other providers the figure was closer to \$48,000. The fact that most of Jobsupport's 26 Week Outcomes were for jobs of 15 hours or more per week—90 per cent compared with 50 per cent for other providers—added an extra dimension to the relative cost effectiveness of Jobsupport for participants with moderate intellectual disability.

For DES participants with intellectual disability more generally, Jobsupport and other providers were equally cost effective on a per outcome basis (\$37,000 to \$38,000), though it is important to remember that almost all of Jobsupport clients are people with moderate intellectual disability, whereas 95 per cent of participants with intellectual disability registered with other providers have mild intellectual disability. In other words, comparing Jobsupport and other providers' expenditures

per outcome is not an entirely fair comparison. DEN comparison groups suffered the same difficulty, since Jobsupport has always focussed on participants with higher levels of intellectual disability (and this was compounded by small numbers in the 2008 and 2009 DEN groups).

Since the Jobsupport client base provided the only consistently composed group of participants with moderate intellectual disability, any attempt to draw conclusions about the cost effectiveness of the trial was necessarily restricted to an examination of expenditure per outcome for Jobsupport clients before and during the trial period. The 2008 DEN group faced difficult labour market conditions in the immediate aftermath of the global financial crisis, a further factor to be considered when making comparisons. The 2009 DEN group recorded a 90 per cent job placement rate, comparable to Jobsupport's placement rate of 92 per cent in the trial period. The comparative analysis of expenditure was therefore based on the DEN-2009 group, the larger of the two DEN groups in Jobsupport and more representative of long-term trends.

Under DES with the 70 per cent loading \$40,000 per 26 Week Outcome for Jobsupport was around 18 per cent higher than in DEN (\$34,000). Allowing for inflation the price of a 26 Week Outcome in the trial period was higher, but not 70 per cent higher. Factor in the much higher rate of substantial employment achieved by Jobsupport clients with the 70 per cent loading and the increase in expenditure over a four year period was perhaps reasonable.

Expenditure calculated over 15 months was sufficient for comparison purposes but it is important to note that some payments fall after the first 15 months of service and evaluation estimates might not have captured all of the costs incurred by every participant. Moreover, different methods for calculating cost per outcome can produce different estimates. Costs vary according to the sample that is selected—the composition of a group of participants used in a costing study— and whether expenditure is calculated from longitudinal data (following each participant over time) or cross-sectional data (calculated across a sample of participants regardless of where each person is up to in their period of service). For example, cross-sectional data on an Innovation Fund Project covering the period 1 March 2010 to 6 January 2012 estimated a national average cost per 26 Week Full Outcome for intellectual disability of \$56,904. By comparison, Jobsupport's cost per 26 Week Full Outcome over the same period, calculated the same way, was \$35,143. While these amounts differ from the evaluation estimates the superior cost effectiveness of a specialist service for moderate intellectual disability is evident in both sets of figures.

At both Funding Levels of DES-ESS, Jobsupport outcomes were less expensive than outcomes achieved by other providers for participants with intellectual disability overall and for moderate intellectual disability in particular. The 70 per cent Moderate ID Loading shifted funding to the Employment Assistance and Post Placement Support phases to better reflect the intensive up-front service delivery needed for people with moderate intellectual disability to achieve substantial employment. The timing of the evaluation made it difficult to ascertain if 70 per cent was the 'right' level of loading, taking into account the funding implications of the DES Ongoing Support model.

**Table 7.6: Programme expenditure per participant and per outcome, by comparison group (\$)**

Comparison group	Provider	Per participant	Per 26 Week Outcome
<b>Mod. ID Loading</b>	Jobsupport	30,111	39,620
	Other	12,359	47,534
<b>Mod. ID Loading ESS FL1</b>	Jobsupport	19,252	19,252
	Other	9,459	28,377
<b>Mod. ID Loading ESS FL2</b>	Jobsupport	30,564	40,752
	Other	13,697	61,637
<b>DES-ID</b>	Jobsupport	29,487	37,912
	Other	10,754	37,476
<b>DES-ID ESS FL1</b>	Jobsupport	19,252	19,252
	Other	7,619	24,282
<b>DES-ID ESS FL2</b>	Jobsupport	30,239	39,543
	Other	12,450	45,430
<b>DEN-2008</b>	Jobsupport	19,580	37,380
	Other	9,521	33,998
<b>DEN-2009</b>	Jobsupport	23,018	33,641
	Other	9,832	45,353

*Note:* Includes Service Fees, Outcome Fees and Ongoing Support (or Maintenance) Fees that were approved in the first 15 months of service for each member of the comparison groups used for evaluation. Excludes any fees for these participants that fell outside the reference period. Fees paid for other participants on the providers' caseloads at the same time who were not selected into the comparison groups were excluded.

*Source:* Administrative data.

## **7.4 Appropriateness of a fee loading for participants with moderate intellectual disability**

A trial of this nature operating within a programme built on the principle of case-based funding inevitably raises the question: why moderate intellectual disability? Analogies can certainly be found in other sectors, most notably in education where an explicit link is made between the level of resourcing and severity of intellectual disability in the form of recommended minimum student-teacher ratios in school classrooms. However, to address the question in the present context we need to examine issues related specifically to employment.

The disparity in labour force outcomes between people with disability and other Australians is particularly stark for those with intellectual disability. Unemployment of around 16 per cent is double the unemployment rate of people with disability in general and only 41 per cent of people with intellectual disability in 2009 participated in the labour force (ABS 2012a). Just one in five had completed Year 12 or equivalent education. Those who do gain employment tend to have short working lives, with retirement commonly occurring by the age of 35 (Australian Institute of Health and Welfare, 2008).

Deinstitutionalisation in the late twentieth century brought hopes of participation in education and employment for people with disability hitherto excluded from community life. Access to formal

education began to open up in the 1970s with the opening of the first special class in an Australian high school in 1982. At around the same time a philosophy of presumptive employability, a strengths-based approach which presumes the person with disability is employable given the right supports, took hold. Specialist employment support models were evolving, particularly in the United States (see for example, Wehman et al. 1999). Here in Australia the *Disability Services Act 1986* laid the foundations for a specialist service system to support access to the open labour market for people along the disability spectrum.

As well as enabling legislation and policy initiatives, employment support technology has played a central role in advancement and demonstrations of open employment services for people with significant intellectual disability began to appear in the mid to late 1980s. Wehman *et al* (1999) outlined eight strategies necessary for people with significant intellectual disability to succeed in open employment:

- specialist job coach
- instructional strategies specifically designed for people with intellectual disability, for example, prompt sequences, positive reinforcement, task analysis and modification
- compensatory strategies
- natural employer workplace supports
- assistive technology
- workplace modifications
- long term support
- community supports.

Three elements are said to characterise high quality services for this group: high expectations, person-centred goals, and collaboration between service providers (Grigal *et al.*, 2011). Along with specialist practical supports there must be a strong conviction that people with significant intellectual disability can succeed in open employment.

The importance of job customisation is also emphasised because people with more severe intellectual disability are rarely able to fill advertised vacancies:

“This approach is designed to result in employment where job tasks are carved from an existing job, or created to match the skills and accommodation needs of the job seeker so that the employer’s operation is helped in a specific way. Thus, the individual has a ‘customised’ job description that did not exist prior to the negotiation process, along with other negotiated conditions of work, such as productivity expectations or work schedules.” (Luecking 2011: 262)

Job customisation requires a much deeper level of interaction between disability employment initiatives and employers. This is employer engagement at a local, often personal, level.

“Employers cited the value of competent disability employment professionals who helped identify operational improvements as a key reason for hiring and retaining employees with intellectual disability and multiple disabilities, in spite of the fact that their employment was contingent on significant customization of job duties and conditions of work...Continuing campaigns to ‘raise employer awareness’ will have limited effect on actual employer hiring behaviour without simultaneous improvements in connecting employers to actual applicants with intellectual disability.” (Luecking 2011: 265)

The notion of becoming 'work ready' through a period of employment assistance does not translate as easily for this group as for other job seekers. A person with significant intellectual disability can, with considerable intervention, become ready to perform a specific set of tasks in a given workplace but their lack of adaptive behaviours means that readiness for one job does not confer readiness for similar jobs and work environments.

There is no doubt that this is a group of job seekers with exceptionally high needs, who face considerable odds in the open labour market. What appears to set them apart is the body of evidence of their potential to succeed given the *right type of service*. From the available literature it is clear that outcomes are driven by positive conviction and specialist know-how and gives a strong sense that this is very high cost servicing. Most importantly, the literature confirms that in spite of a poor overall track record of employment for people with significant intellectual disability the technology to achieve much better outcomes for this group does exist.

### **The guidelines in theory and practice**

A cut-off score IQ 60 (range 55–65) for moderate intellectual disability was confirmed as in line with the American Psychiatric Association (2000) ranges. The Centre for Disability Studies advised that a cut-off score of IQ 60 is appropriate for targeting people with moderate or higher intellectual disability and recommended that the guidelines be refined to assist providers to correctly interpret IQ scores expressed in different formats. This can be a single score or percentile range, most commonly expressed as 5 approximation points either side of the full scale IQ score gained on the instrument used. The Centre encourages the use of adaptive behaviour or support needs assessment in conjunction with IQ, especially for situations where an IQ score may be queried. Therefore, support was given for the current guideline that allows a person to be classified by a registered psychologist using a recognised assessment tool, as an alternative to IQ ≤60.

## **7.5 Key findings and recommendations**

The administrative data and design of the Moderate ID Loading trial did not fully support evaluation. Evaluation questions could be answered only in respect of Jobsupport because participants with moderate intellectual disability could not be identified in DEN administrative data, other than those in Jobsupport. Comparative analysis relied largely on the outcomes of Jobsupport clients and these results did not reflect the performance of the broader field of providers at the time.

### **Did those providers that were achieving outcomes of 15 or more hours per week in DEN for participants with moderate intellectual disability maintain or improve the level of those outcomes?**

Under DES with the Moderate ID Loading, employment outcomes of 15 or more hours per week improved for people with moderate intellectual disability who were registered with Jobsupport:

- 68 per cent achieved a 26 Week Outcome for a job of 15 or more hours, compared with 52 per cent of the DEN-2008 and 47 per cent of the DEN-2009 Jobsupport comparison groups.

This result should not be used to infer that outcomes for people with moderate intellectual disability improved across the board because of the specialist nature of the Jobsupport service.

### **Did similar or higher numbers of participants with moderate intellectual disability secure jobs of 15 or more hours per week under DES [with the Moderate ID Loading] than was achieved in DEN?**

Under DES with the Moderate ID Loading, Jobsupport well exceeded its DEN placement rate for jobs of 15 hours or more per week for people with moderate intellectual disability.

- 84 per cent of the Jobsupport group in DES achieved a job of 15 or more hours, compared with 71 per cent of the DEN-2008 and 53 per cent of the DEN-2009 Jobsupport comparison groups.
- More people with moderate intellectual disability registered with Jobsupport so that more jobs of 15 or more hours were achieved both in absolute and relative terms. The 70 per cent loading may have played a part in higher registrations.

Considering all participants with intellectual disability, the rate of 15+ hour job placements achieved by all other providers combined was maintained but not improved between DEN and DES-ESS.

### **Did participants in jobs of 15 hours or more per week remain employed at that level for 26 weeks at the same or higher rate as before?**

Around two-thirds (66 per cent) of 15+ hour jobs achieved by the Moderate ID Loading group were maintained for at least six months, compared with 55 per cent for the DES intellectual disability comparison group and between 55 and 60 per cent for the DEN comparison groups. Jobsupport was a stand-out performer: more than 80 per cent of Jobsupport participants with moderate intellectual disability who achieved a job of 15 or more hours kept the job for at least six months. This was within the range of results that Jobsupport achieved under DEN. Jobsupport's result was strongly reflected in the overall conversion rate of 66 per cent for the Moderate ID Loading group. The evaluation concluded that the additional fee loading had benefited Jobsupport clients and would benefit clients of any other provider that offered similar specialist support.

The trial highlighted an uneven field of service delivery for the target group and the evaluation found little evidence that an additional loading can deliver better outcomes in the absence of technical competency. A number of informants argued that the additional fee loading should be extended to minimum eight hour per week jobs; however, this would be inconsistent with the policy intent of the loading and research that says if expectations are raised, outcomes will follow, given the right type of support. That one provider can assist 68 per cent of participants with moderate intellectual disability into lasting jobs of 15 hours per week indicates that government should not lower its expectations. The DES funding model pays for outcomes at employment benchmark hours; the Moderate ID Loading paid for a higher level of service to achieve a higher quality outcome.

In the specific case of Jobsupport, DES with the Moderate ID Loading was more cost effective than the DEN funding model on a per outcome basis because more outcomes were achieved. While cost effectiveness was demonstrated *where the required level of service was delivered* and a 70 per cent loading was evidently sufficient to deliver more substantial employment for participants with moderate intellectual disability, the evaluation could not say whether a lower loading might have produced similar results.

The evaluation recommended incorporating into the DES funding model an additional fee loading on specified employment outcome fees, retaining the requirement of employment for 15 or more

hours per week and removing the loading on the first two Service Fees to further strengthen the outcomes focus.

## **7.6 Policy response**

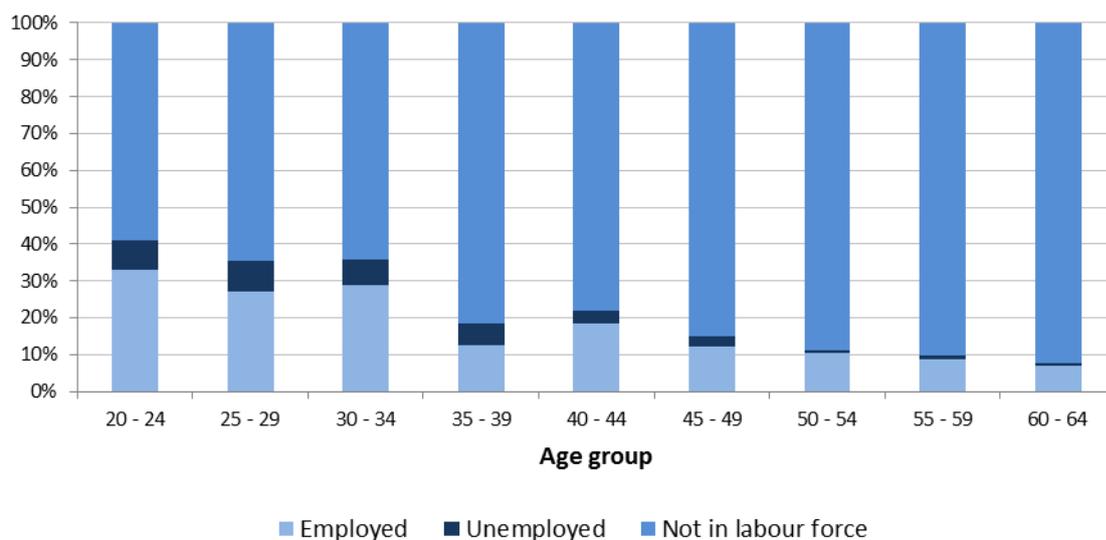
A policy response was announced in the 2013 Budget. Under the new Supporting Australians with an Intellectual Disability programme, DES providers receive an additional 88 per cent loading on Job Placement and Outcome Fees when they place a job seeker with moderate intellectual disability in employment above their assessed minimum hours per week for 13 weeks, and another fee for a placement of longer than 26 weeks. Providers will be able to claim up to an additional \$12,971 on top of standard Job Placement and Outcome Fees for supporting a highly disadvantaged person with moderate intellectual disability to stay in a job that lasts at least 26 weeks. More than 700 Australians with intellectual disability are expected to benefit from the \$5.5 million programme.

## 8 Assisting Disability Support Pension recipients

DSP recipients were an original target group for disability employment services when open employment programmes commenced in the 1980s. As increasing numbers of people with disability became subject to activity-testing under the Welfare to Work reforms of 2006 uncapped streams were introduced and this changed the balance of activity tested and non-activity tested (voluntary) participants. DSP recipients became a smaller but still significant share of the caseload. In June 2012 they were the second largest income support group in DES, accounting for just over 20 per cent of commenced participants, and the largest group of participants at the highest funding level in ESS.

DSP recipients experience unemployment at a rate more three times the national average. Considering this and the fact that more than 800 000 people receive DSP, higher numbers of recipients might be expected in DES. This is a group with very low labour force participation, around 16 per cent overall, though higher at ages up to 35 years (Figure 8.1). Use of employment services needs to be viewed in the context of low labour force participation.

**Figure 8.1: Labour force participation of self-reported DSP recipients by age, 2009**



*Source:* Departmental analysis of ABS 2009 Disability, Ageing and Carers Survey confidentialised unit record file.

Participation in employment services is voluntary for DSP recipients, which means that they and other volunteer job seekers stood to gain the most from the removal of service caps. In September 2008, review of DSP eligibility was removed from the pre-employment assessment performed by Job Capacity Assessors when making referrals to employment services. This may also have contributed to increased participation in services. Service participation increased from 3.5 per cent of DSP recipients on 30 June 2009 to 4.5 per cent on 30 June 2012.<sup>38</sup>

38. DSP recipients in employment services on 30 June 2009 were in DEN/VRS, mostly in DEN. On 30 June 2012 most were in the DES-ESS program, with roughly equal smaller numbers in DES-DMS and JSA.

In June 2011 an estimated 24 000 DSP recipients nationally were unemployed and actively looking for work (Table 8.1). During 2011, approximately 23 000 DSP recipients commenced employment assistance in DES—close to the total number of unemployed people in receipt of DSP. An estimated further 106 000 DSP recipients were employed. Some of these people may have been receiving Ongoing Support in DES, or in an Australian Disability Enterprise, or have accessed assistance through the DES Employment Assistance Fund though, by their number, it is clear that most were employed without programme support. A much larger number of DSP recipients were not participating in the labour market and were therefore out of reach of employment services. Many of this group considered themselves to be permanently out of the labour force. DES providers have an important role in working with DSP recipients who are able to and want to work.

**Table 8.1: Estimated household population under 65 years of age in receipt of Disability Support Pension by labour force status and labour market attachment, Australia, 2011**

Labour force status	ABS 2009 Per cent <sup>(a)</sup>	June 2011 (‘000) <sup>(b)</sup>
<b>In the labour force</b>		
Employed full-time	1.9	15.2
Employed part-time, want more hours <sup>(c)</sup>	2.4	19.1
Employed part-time, do not want more hours <sup>(c)</sup>	4.8	38.0
Employed part-time, more than 15 hours a week	4.2	33.5
<i>Employed total</i>	<i>13.3</i>	<i>105.8</i>
Unemployed: looking for full-time work	1.3	10.3
Unemployed: looking for part-time work	1.8	14.1
<i>Unemployed total</i>	<i>3.0</i>	<i>24.3</i>
<i>Subtotal—In the labour force</i>	<i>16.3</i>	<i>130.1</i>
<b>Not in the labour force</b>		
Want to work—not actively looking, discouraged <sup>(d)</sup>	1.1	9.2
Want to work—other reason for not participating	9.5	75.4
Do not want to work—permanently unable	62.4	498.4
Do not want to work—other reason	10.7	85.3
<i>Subtotal— not in labour force</i>	<i>83.7</i>	<i>668.3</i>
<b>Total</b>	<b>100.0</b>	<b>798.4</b>

(a) Data supplied to DEEWR by the Australian Bureau of Statistics from the 2009 Disability, Ageing and Carers Survey, June 2012.

(b) Calculated by applying proportions of the self-reported DSP recipient population in the ABS survey to the official total number of DSP recipients in June 2011. Method assumes similar proportions by labour force status in 2011 as surveyed in 2009.

(c) The question ‘Would you like to work more hours?’ was asked of respondents who were working 15 or fewer hours per week.

(d) The survey identifies discouraged workers only among people who want to work, are not actively looking but could start work within 4 weeks.

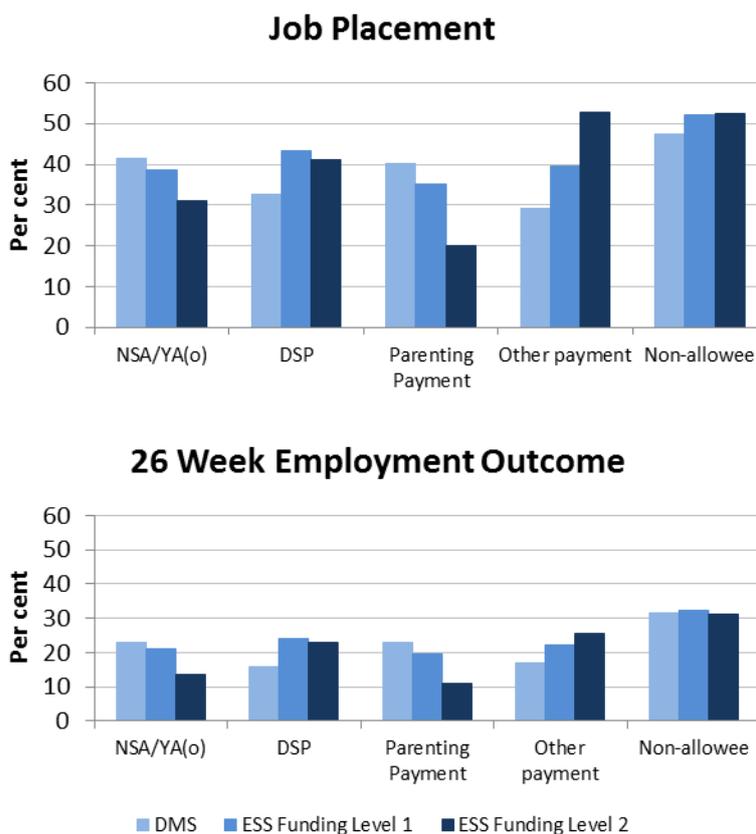
Source: Based on the Australian Bureau of Statistics 2009 *Disability, Ageing and Carers Survey* and *Characteristics of Disability Support Pension Recipients June 2011* (Department of Families, Housing, Community Services and Indigenous Affairs).

## 8.1 Outcomes in employment services

DSP recipients in DES primarily use the ESS programme. Chapter 2 showed that of 29 300 DSP recipients who were in service on 30 June 2012, around 25 100 were in ESS, including 6500 in Ongoing Support. The smaller number in DMS tended to be older at commencement and were more likely to have physical disability than DSP recipients in ESS. Relatively more DSP recipients in ESS have psychiatric, intellectual or learning disability.

In the ESS comparison group analysed for this evaluation DSP recipients achieved higher outcome rates than recipients of Newstart Allowance or Youth Allowance and their outcome rates were consistent across the two funding levels (Figure 8.2). In the DMS comparison group DSP recipients recorded lower outcome rates, which is at least partly explained by a higher percentage in DMS being granted DSP retrospectively, that is, after commencement in the programme.<sup>39</sup> Outcomes tend to be higher for participants who are already receiving DSP when they enter the programme (voluntary participants) than for those who are granted DSP after commencement (a mix of voluntary and non-voluntary participants at commencement).

**Figure 8.2: Employment outcome rates within 18 months of commencing Employment Assistance, by income support type and programme**



Source: Tables 3.6 and 3.7.

39. In the evaluation comparison groups 40 per cent of the DSP recipients in the DMS group had applied for, but were yet granted DSP at commencement, compared with 20 per cent of DSP recipients in the in ESS group.

Given the positive outcomes for DSP recipients in employment services, it is of interest to compare the employment status of people who claimed and were granted DSP with the status of people whose claim was not accepted. Analysis was performed on DSP claims lodged between July and December 2010. Recipients whose income support payments were cancelled or suspended due to reasons other than employment were excluded.<sup>40</sup> After exclusions, approximately 36 000 records were available for analysis.

More than half of the DSP recipients did not use employment services during the 18 months after making a claim. One-quarter engaged with services for less than three months and around eight per cent for six months or longer. Employment status at 18 months after making a claim for DSP is based on reported earnings in the last six months of the 18 month period. Overall, 11 per cent appear to have been employed at 18 months (Table 8.2). Those who spent more time in employment services were more likely to be employed at 18 months. Although very few spent 12 months in assistance, around 40 per cent of those who did were employed at 18 months.

**Table 8.2: DSP recipients, whether had reported earnings by time in employment services**

<b>Time in Employment Service since started receiving DSP</b>	<b>Per cent of recipients</b>	<b>Per cent employed at 18 months</b>
Zero	55.2	10.0
Less than 3 months	26.1	7.6
3 to less than 6 months	10.4	10.7
6 to less than 12 months	5.3	21.3
12 months or more	3.0	40.8
<b>Total</b>	<b>100.0</b>	<b>11.0</b>

*Source:* Administrative data on DSP claims lodged July to December 2010.

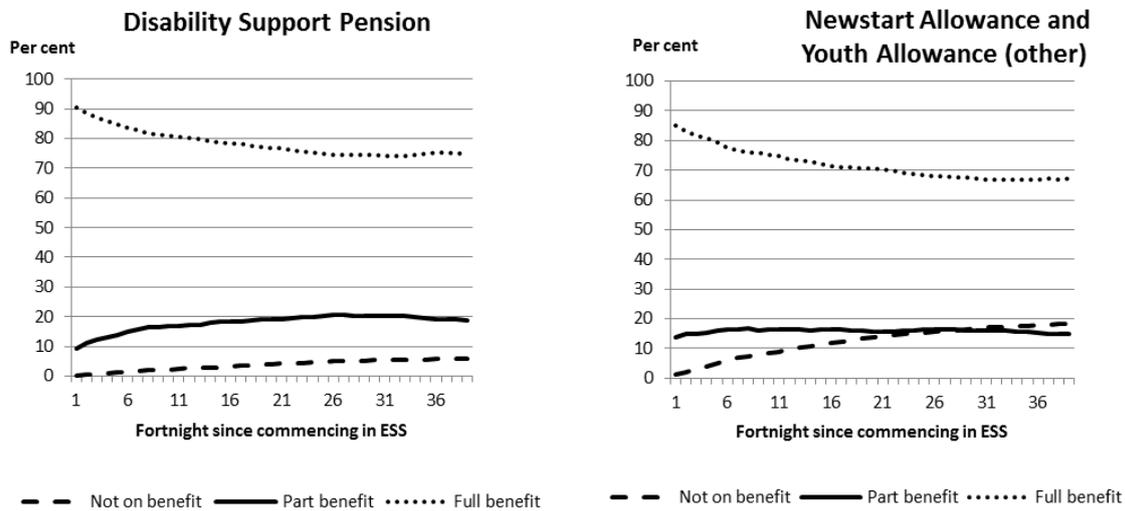
DSP recipients who used employment services tended to be younger and included relatively more people with psychiatric disability than those who did not use employment services. This group also included more people with a future work capacity of eight or more hours per week (profiles in Appendix Table A8.1). Future—with intervention—work capacity of eight or more hours per week is an eligibility requirement for DES. DSP recipients who spent six months or longer in employment services were more likely to have had intellectual or learning disability and be registered with an ESS provider. A high proportion (82 per cent) of the people who spent less than six out of the 18 months in employment services were already in services when they started receiving DSP, mostly people who changed from another payment such as Newstart Allowance during their time in employment services. The group who spent six months or more in employment services were less likely to have been in services when they started receiving DSP. The service participation patterns indicate qualitative differences that are not readily explained by administrative data.

Figures 8.3 and 8.4 show changes in income support reliance among DSP recipients in the ESS and DMS comparison groups used for the evaluation, contrasted against Newstart Allowance and Youth Allowance recipients in the same comparison groups. Around 20 per cent of DSP recipients in these groups had a level of earnings that affected their DSP payment. Changes in income support reliance

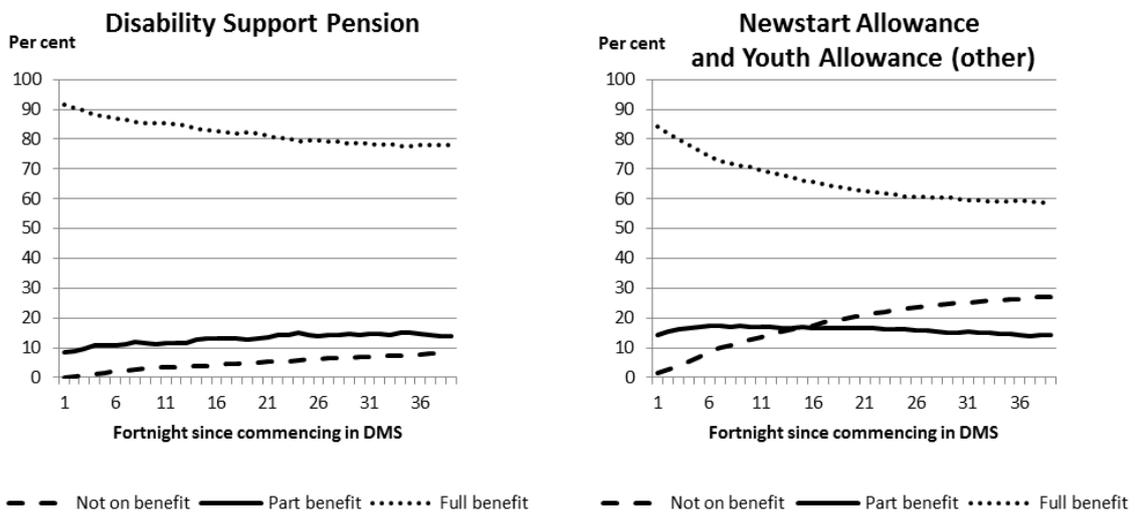
40. Reasons for exclusion include death, imprisonment, relocation overseas and other reasons. Manifest eligibility, terminal illness, requires nursing home level care, totally and permanently incapacitated also excluded.

related to reported earnings were modest and confined mainly to changes from full to part benefit rather than off-benefit outcomes.

**Figure 8.3: Changes in income support status of recipients in ESS over 18 months**



**Figure 8.4: Changes in income support status of recipients in DMS over 18 months**



**Notes:**

1. Data include participants who commenced in DMS between July and December 2010, in receipt of income support as at commencement. DSP recipients include those who were granted DSP after commencement date with receipt of DSP backdated to on or before commencement in DMS.
2. 'Not on benefit'= participants no in receipt of government income support in the fortnight. 'Part benefit'=participants in receipt of income support with reported earnings in the fortnight that exceed payment-specific individual income test amount. 'Full benefit' includes participants in receipt of income support with no reported earnings in the fortnight.

Source: Administrative data.

## 8.2 Labour force participation and engagement with services

To gain a fuller understanding of the labour force participation of DSP recipients we need to turn to sample surveys because, apart from whether a DSP recipient is employed or not, administrative data say little about labour force participation.

A sample of people who lodged a claim for DSP between July and December 2011 was interviewed between May and June 2012 as part of the Dynamics of Australian Income Support and Employment Services longitudinal survey. The data present a picture of labour force participation among 500 DSP claimants aged 18 to 34 years and 2000 aged 35 to 64 years. An estimated 44 per cent of the younger group and 50 per cent of the older group had been granted DSP by the time of the survey, in most cases at least six months before their first interview. The second survey interview was therefore at around 12 months since starting DSP for those who had been granted DSP.

Tables 8.3 and 8.4 report selected characteristics and highlight some differences between younger and older age groups of DSP recipients. Those aged 18 to 34 years were:

- more likely than the older group to participate in the labour market—30 per cent compared with 20 per cent
- more likely to use employment services—17 per cent compared with 12 per cent
- more likely to have psychiatric, learning or intellectual disability than physical disability
- less likely to consider themselves permanently unable to work—50 per cent compared with 73 per cent of the group aged 35 to 64 years.

Around seven per cent of the DSP recipients who were in contact with an Employment Service Provider were not at that time actively engaged in the labour market, as indicated by negative responses to two questions: “Are you currently working?” and “Are you currently looking for work?”

Labour force participation was higher among the people who had not been granted DSP than those who were, but this group also registered a high proportion who were not actively engaged in the labour market. More than 30 per cent of the people not granted DSP who were in contact with an Employment Service Provider at the time of the survey said they were not looking for work (Table 8.4).

**Table 8.3: Labour force status and selected other characteristics of people who claimed DSP between July and December 2011 and were granted DSP, data as at May-June 2012 (per cent)**

	Employed 18-34	U/E 18-34	NILF 18-34	Total 18-34	Employed 35-64	U/E 35-64	NILF 35-64	Total 35-64
<b>Labour force status</b>	9.8	19.0	71.2	100.0	11.2	8.6	80.2	100.0
<b>In contact with ESP</b>	39.2	41.7	7.4	17.0	24.0	48.8	6.8	12.4
<b>Primary disability<sup>(a)</sup></b>								
Psychiatric	25.3	41.2	38.4	37.7	22.4	24.3	22.2	22.4
Physical/diverse	38.8	21.0	38.4	35.1	69.8	61.4	72.5	71.3
Intellectual	16.6	13.3	3.9	7.0	1.8	3.9	0.5	0.9
Learning	19.3	19.3	14.5	15.9	0.9	6.2	1.8	2.1
Sensory/speech	—	2.4	0.8	1.0	2.8	3.2	1.8	2.0
Not stated	—	2.8	4.0	3.4	2.2	1.0	1.2	1.3
<b>Income support type<sup>(b)</sup></b>								
Not on benefit	8.7	—	0.5	1.2	7.6	—	1.6	2.2
DSP	91.3	100.0	99.5	98.8	92.4	100.0	98.4	97.8
<b>Main reason for not currently working or looking for work</b>								
Permanently unable	n.a.	n.a.	49.8	n.a.	n.a.	n.a.	72.9	n.a.
Temporarily unable	n.a.	n.a.	32.6	n.a.	n.a.	n.a.	16.9	n.a.
Study	—	—	11.1	—	—	—	0.6	—
Retired	—	—	—	—	—	—	3.6	—
Other <sup>(c)</sup>	—	—	2.1	—	—	—	2.8	—
Not stated	n.a.	n.a.	4.4	n.a.	n.a.	n.a.	3.2	n.a.
<b>Weighted population (persons)</b>	<b>2,105</b>	<b>290</b>	<b>561</b>	<b>2,956</b>	<b>9,899</b>	<b>1,388</b>	<b>1,059</b>	<b>12,346</b>

U/E=Unemployed—currently not working but looking for work; NILF=Not in labour force—currently not working and not looking for work.  
ESP=Employment Service provider.

a) Based on administrative data from which learning disability were identified using detailed medical records.

b) Based on administrative data.

c) Includes: retired, caring responsibilities, doing voluntary work, etc.

Note: Labour force status was determined from responses to two survey questions:

- Are you currently working in a job, business or farm?
- Are you currently looking for work (for respondents who are not currently employed)?

Proportions are based on weighted data.

Source: Dynamics of Australian Income Support and Employment Services Survey, Cohort 4 (May-June 2012) and administrative data.

**Table 8.4: Labour force status and selected other characteristics of people who claimed DSP between July and December 2011 and were not granted DSP, data as at May-June 2012 (per cent)**

	Employed 18-34	U/E 18-34	NILF 18-34	Total 18-34	Employed 35-64	U/E 35-64	NILF 35-64	Total 35-64
<b>Labour force status</b>	25.1	30.1	43.9	100.0	17.5	23.1	59.4	100.0
<b>In contact with ESP</b>	49.9	81.3	31.6	51.6	53.4	74.3	35.5	47.6
<b>Income support type<sup>(a)</sup></b>								
Not on benefit	51.8	2.2	13.5	19.6	44.3	14.2	16.6	20.9
Newstart/Youth Allowance(other)	36.3	92.0	59.7	63.9	50.0	78.8	64.5	65.3
Parenting Payment	4.4	3.4	17.1	9.6	1.5	3.9	7.1	5.4
Study-related <sup>(b)</sup>	5.4	2.4	3.5	3.7	1.0	1.2	0.3	0.6
Other	2.4	—	6.2	3.3	3.3	1.9	11.6	7.9
<b>Main reason for not currently working or looking for work</b>								
Permanently unable	n.a.	n.a.	25.8	n.a.	n.a.	n.a.	47.7	n.a.
Temporarily unable	n.a.	n.a.	34.7	n.a.	n.a.	n.a.	32.3	n.a.
Study	—	—	12.5	—	—	—	1.2	—
Retired	—	—	—	—	—	—	3.7	—
Other reason <sup>(c)</sup>	n.a.	n.a.	22.7	n.a.	n.a.	n.a.	9.1	n.a.
Not stated	n.a.	n.a.	4.2	n.a.	n.a.	n.a.	6.0	n.a.
<b>Weighted population (persons)</b>	<b>927</b>	<b>1,146</b>	<b>1,624</b>	<b>3,697</b>	<b>2,145</b>	<b>2,837</b>	<b>7,273</b>	<b>12,254</b>

U/E=Unemployed—currently not working but looking for work; NILF=Not in labour force—currently not working and not looking for work.  
ESP=Employment Service provider.

a) Based on administrative data.

b) Abstudy, Austudy or Youth Allowance(full-time student)

c) Includes retired, caring responsibilities, voluntary work , etc.

Source: Dynamics of Australian Income Support and Employment Services Survey, Cohort 4 (May-June 2012) and administrative data.

People who were not participating in the labour market at their first interview mostly remained inactive over the next six months (Table 8.5). The data show movements from unemployment (looking for work) to employment or out of the labour force. Most of those who were employed at the first interview were employed six months later. While most of the employed people remained employed, among those who had been granted DSP, transitions were more often from employment to out of labour force, whereas transitions among people whose DSP claim was rejected were more often from employment to unemployment.

**Table 8.5: Changes in labour force status over six months in a sample of DSP claimants, 2012**

<b>Status at first interview</b>	<b>Employed at second interview</b>	<b>Not employed, looking for work at second interview</b>	<b>Not employed, not looking for work at second interview</b>	<b>Total</b>
<b>Granted DSP</b>				
Employed	9.8	0.8	1.3	11.9
Not employed, looking for work	1.2	5.7	3.6	10.6
Not employed, not looking for work	1.7	4.4	71.4	77.5
<b>Total</b>	<b>12.8</b>	<b>10.9</b>	<b>76.3</b>	<b>100.0</b>
<b>Not granted DSP</b>				
Employed	16.1	2.4	0.9	19.5
Not employed, looking for work	4.1	13.8	6.9	24.7
Not employed, not looking for work	3.2	7.8	44.8	55.8
<b>Total</b>	<b>23.4</b>	<b>24.0</b>	<b>52.6</b>	<b>100.0</b>

*Note:* Includes survey participants who responded in both waves (1039 responses from DSP granted; 1031 from DSP not granted). Excludes 235 respondents (11 per cent of sample) at first interview who did not complete a second interview (56% not in labour force; 18% employed; 26% looking for work).

*Source:* Dynamics of Australian Income Support and Employment Services Survey; Cohort 4, 2012.

Reasons for disengaging from Employment Service Providers (DES or JSA) over the period differed between the groups. The DSP recipients were more likely to have left their service provider than the people who were not granted DSP. The most common reasons given for leaving employment services were health/personal reasons or commencing DSP (Table 8.6).

The survey continues in 2013 to complete third and fourth interviews with the same people. This will build a picture of labour force transitions over two years.

**Table 8.6: Reasons for leaving Employment Services in a sample of DSP claimants, 2012  
(per cent)**

Reason for leaving service	Granted DSP 18-34	Granted DSP 35-64	Not granted DSP 18-34	Not granted DSP 35-64
<b>Health and personal circumstances</b>				
Health reasons or personal problems	11.6	16.1	2.7	6.5
Moved to another location in Australia	2.7	0.4	1.2	0.8
Parenting or caring responsibilities	—	—	1.1	0.5
Change of family circumstances <sup>(a)</sup>	—	—	—	—
<b>Employment or study related</b>				
Got a job or started own business	4.1	2.1	3.2	1.6
Commenced education/training	—	—	2.7	0.1
Pay increase or more hours of work in my job	—	—	—	0.2
<b>Programme related</b>				
I found my provider unsuitable or not useful	10.7	4.8	2.7	1.2
Provider asked me to leave, irretrievable breakdown	—	1.7	—	—
Changed to another provider	—	0.5	—	0.4
Completed/time period in programme ended	—	0.3	—	0.3
<b>Income support related</b>				
Change of type of income support	8.7	12.5	2.7	2.0
No longer required to work/meet the requirements	—	0.3	—	1.3
<b>Other</b>				
Other reason, not specified	—	1.4	—	0.3
Not stated	3.4	0.7	0.3	0.8
<b>Not exited/exit status unknown</b>	60.6	60.6	83.4	84.8
<b>Weighted population (persons)</b>	<b>830</b>	<b>2,520</b>	<b>2,287</b>	<b>6,877</b>

(a) Includes married or became partnered; partner/spouse got a job; partner or spouse income increased.

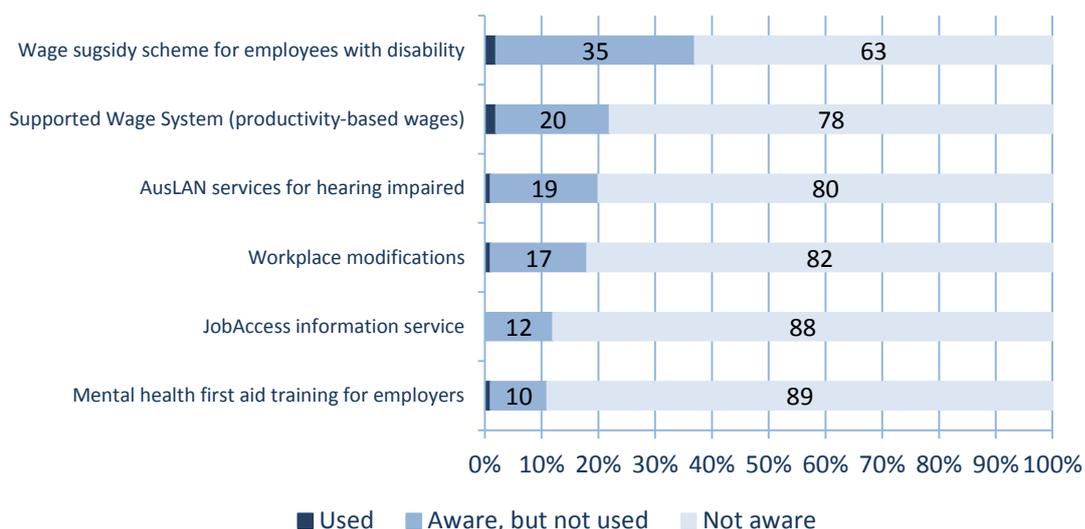
Source: Dynamics of Australian Income Support and Employment Services (DAISES) survey, Cohort 4, weighted data.

## 9 Employer servicing

### 9.1 Employers' awareness and use of DES

A survey of employers in 2012 found that almost two-thirds knew that government-funded employment services existed.<sup>41</sup> Employers generally viewed employment services as providing screening and short-listing of unemployed people for job vacancies. Slightly more than half of employers (52 per cent) had some awareness specifically of DES.<sup>42</sup> On the question of the types of assistance that could be accessed through DES, employers were more aware of wage subsidies than of other types of assistance and few knew about the full range of assistance available (Figure 9.1). Many DES providers prefer to use their own organisation's branding to avoid the problem of negative stereotypes of not-for-profit organisations, unemployed people, and disability. Limited use of the DES brand by providers means that employers who receive assistance are not always aware that the service is funded by the DES programme.

**Figure 9.1: Awareness and use of assistance available through Disability Employment Services**



*Note:* A minimum of 2900 employers responded to each item (minimum weighted population: 810 224 businesses).

*Source:* 2012 Business Use of Government Employment Services ('Employer') Survey Summary Report, Orima Research 2012.

41. The 2012 Survey of Business Users of Employment Services ('Employer') Survey was conducted by Orima Research on behalf of the then Department of Education, Employment and Workplace Relations.

42. Based on a random sample of 2904 businesses.

An employer's use of DES is most often the result of a direct approach by a DES provider, which accounts for one in two occasions of use. Repeat business, advertising, business or industry contacts, and word-of-mouth also lead to employer engagement, to a lesser extent. Of the 52 per cent of employers who knew about DES, three per cent said they had used a DES service in the twelve months before the survey.

## 9.2 Employers' experiences of DES

The Employers' Use of Employment Services Survey conducted in March to May 2013 asked employers who had lodged a job vacancy with a DES or JSA provider on or after 1 July 2012 about their service experience. This survey looked at how employers engage with employment service providers, the types of assistance received, and their assessment of the suitability of job applicants and overall quality of service.<sup>43</sup> It was completed by 512 employers who had used DES, of whom 307 were aware that they had used a *disability* employment service. The fact that some 200 did not know they had dealt with a DES provider further highlights the difference between awareness of the programme and awareness of a particular service provider without necessarily connecting the two. To avoid inadvertent, unwanted disclosure certain survey questions were not asked of employers who appeared to be unaware that they had used a disability employment service.

Most commonly, employers were referred job applicants and received assistance with wage subsidies, which may or may not have included actual payment of a subsidy (Table 9.1). Post-placement support for new employees also featured prominently. Around 80 per cent of employers rated post-placement support as important or very important. Some providers tend to classify employers into two camps: those who want financial assistance and those who want support, yet the employers interviewed considered that both are important.<sup>44</sup>

Employers who were sent job applicants generally agreed that DES providers understood their business needs (85 per cent) and accurately described the skills and abilities of the applicants (83 per cent). Most were positive about the skills and personal attributes of the people referred (Figure 9.2). For the many people who enter DES with little or no recent work experience their DES job placement is a vital step in creating a work history. Employers rated applicants lower on relevant work experience than on other applicant attributes which is perhaps not surprising given the high percentage of DES participants who enter the programme with no recent work experience (see Chapter 5).

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43. Market Solutions conducted the 2013 survey of employers who had used JSA and DES services. 512 interviews were completed with employers who had used DES, representing an estimated population of 12 218 employers who had lodged a job vacancy with a DES provider on or after 1 July 2012.

44. 2012 Survey of Employment Service Providers Qualitative Report (Orima Research).

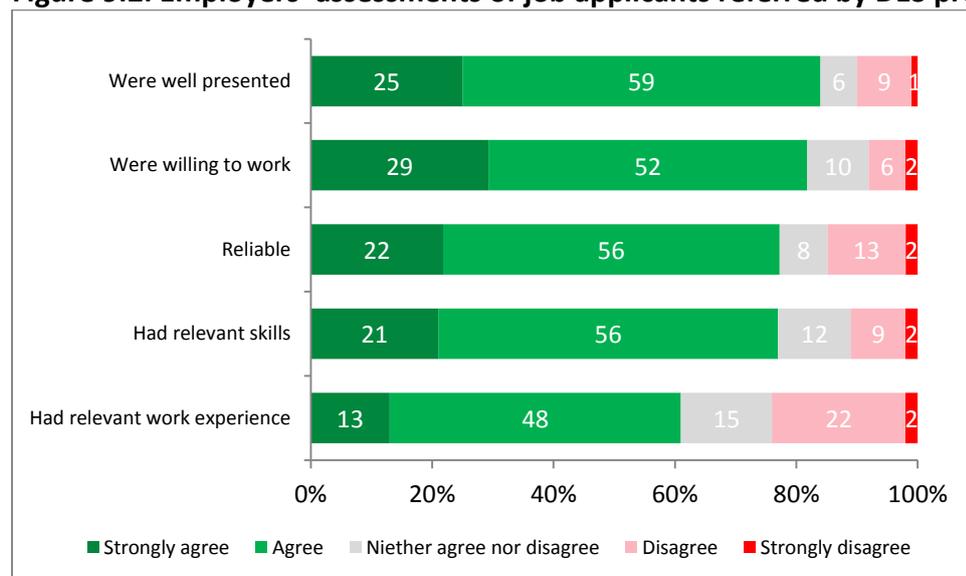
**Table 9.1: Services received from DES provider**

Service	Per cent
Assistance with wage subsidies	70
Referral of job applicants to your workplace	67
Advice on assisting employees with disability	56
Information about assistance for employers from government employment programmes	56
Assistance with recruitment	55
Post-placement support for new employees	52
Provision of workplace-tailored training	28
Advice on workplace modifications	27
Disability awareness training for supervisors and co-workers	20
Advice on the local labour market	20
Assistance with literacy and numeracy issues	19
Advice on local training opportunities	19
Any other service received	2
None of the above	8

*Note:* Base is 307 employers who were aware they had used a DES provider.

*Source:* Employers Use of Employment Services Survey Summary Report, Market Solutions, June 2013.

**Figure 9.2: Employers' assessments of job applicants referred by DES providers**

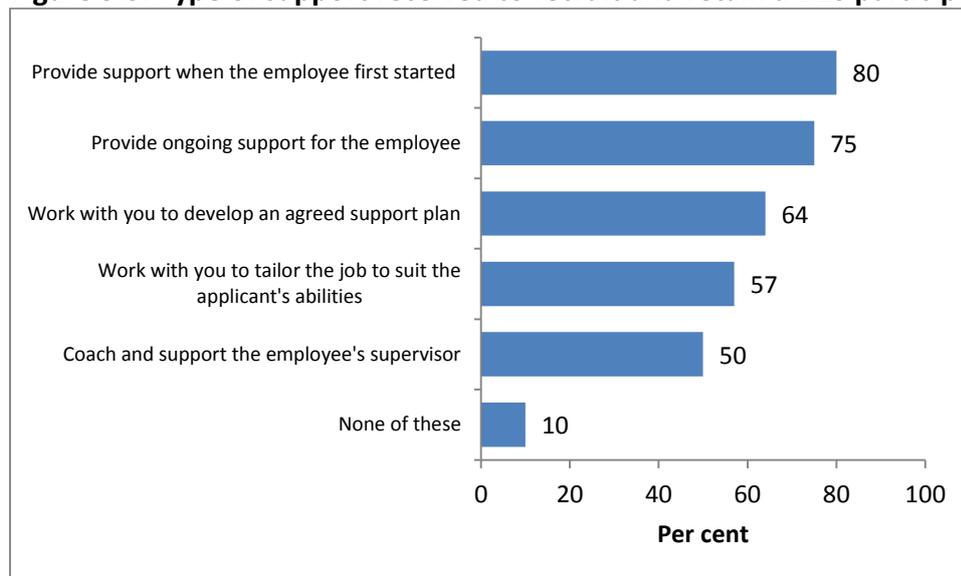


*Note:* Base is 176 employers who were sent job applicants via DES providers. Sample size varies across items because of varying numbers of “Don’t know” responses.

*Source:* Employers Use of Employment Services Survey Summary Report, Market Solutions, June 2013.

Most of the employers who had recruited a DES participant said they had received post-placement support and 64 per cent said there was an agreed plan for the provision of support from the DES provider (Figure 9.3). Support to help maintain people in their jobs was variously described as: contacting the employee to offer support, counselling, additional training or mentoring, special equipment, transport, and keeping in touch with the employer to check on the worker's progress. Several employers commented that a DES provider maintained contact with them as a matter of course, in addition to monitoring individual placements.

**Figure 9.3: Type of support received to recruit and retain a DES participant**



*Note:* Base is employers who received assistance with recruitment from DES provider (n=170).

*Source:* Employers Use of Employment Services Survey Summary Report, Market Solutions, June 2013.

Forty-two (42) per cent of employers who recruited through DES retained all recruits and a further 40 per cent said they had retained some, but not all recruits. Reasons given by employers for employment having ended included attendance problems, lack of interest or poor attitude, or that the worker left for personal reasons, for example, relocation or parenting responsibilities.

Satisfaction with services among all 512 employers who had used DES was moderately high: 75 per cent rated their service experience as good or very good; 17 per cent gave a rating of 'acceptable'; and eight per cent said they had received poor or very poor service.<sup>45</sup> Recalling that the scope of the survey was employers who had lodged a job vacancy through DES, any employers who had been contacted by providers but not lodged vacancies could not be identified and are therefore not included in the data.

Asked what they consider to be the most important aspect of an employment service, employers nominated knowledge of the types of government assistance available to employers (rated important by 89 per cent of respondents); access to a pool of skilled workers (85 per cent); post-placement support (83 per cent); and the ability to provide subsidised employment (82 per cent). On how DES might better meet their needs, employers suggested that providers could:

- work to better understand the employer's needs and applicant's skill and motivation levels prior to sending for an interview
- conduct background checks on applicants prior to sending

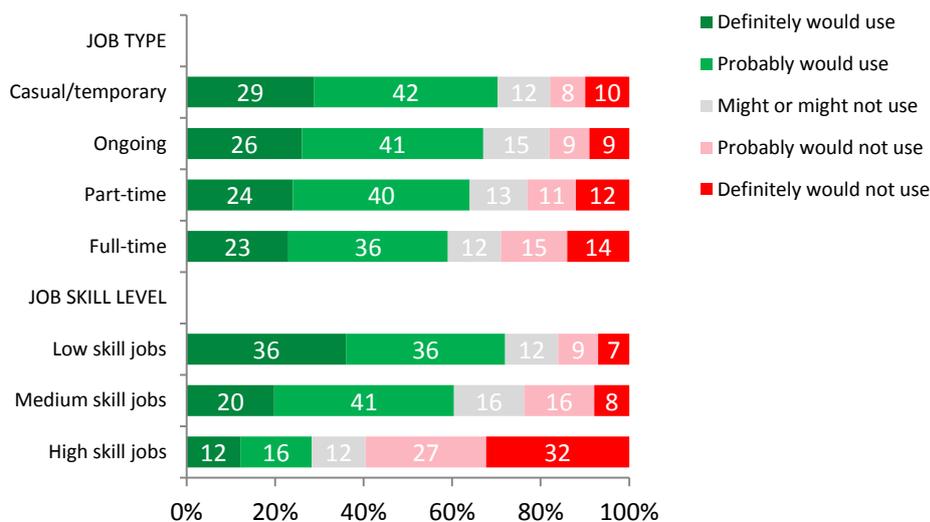
45. Corresponding results from a sample of 220 employers who were sent job applicants from DES between March and August 2010, the first year of DES, were: 72 per cent very good or good; 19 per cent acceptable; 9 per cent poor or very poor (2010 Survey of Employers).

- ensure greater consistency in the information supplied
- build stronger provider-employer relationships and respond faster
- reduce confusing and cumbersome paperwork
- pay wage subsidies in a more timely fashion.

### 9.3 Discussion

When interpreting the results it is important to remember that many DES jobs are low-skilled, casual or fixed-term positions, which means that this is where DES providers focus their efforts and/or are most successful at engaging with employers. Employer satisfaction levels need to be viewed in this context. It is less common for a DES participant to be placed into a professional or management position which to some extent reflects the lower level of skills and experience of many participants. However, this is not a full explanation because even those with higher qualifications are often placed into low-skilled jobs. There appears to be a strong perception or attitudinal dimension to the issue. Although access to a pool of skilled workers was high on the employers' wish list few considered the programme as a potential source of high-skilled labour (Figure 9.4). Comparing these data to a survey conducted in 2010 which asked about use of DES suggests that employers respond more optimistically to a hypothetical scenario than is suggested by actual behaviour.<sup>46</sup>

**Figure 9.4: Likelihood of an employer using a DES provider to fill certain types of jobs**



Note: Base is 512 employers who had lodged a job vacancy with a DES provider, excluding missing responses to this question (n=499).

Source: Employers Use of Employment Services Survey Summary Report, Market Solutions, June 2013.

Chapter 5 showed that participants who, based on available data, appear to be over-qualified for their jobs were generally satisfied with their employment despite preferring to have job with better long-term prospects. Were the programme to appeal more broadly to employers then, theoretically, job seekers with higher qualifications would be able to find more suitable jobs and more low-skilled jobs would be available for job seekers with lower skills and less experience. Over time the number

46. To the question "What type of jobs did you fill using DES?" the results were: casual/temporary (72 per cent); ongoing/permanent (41 per cent); part-time (34 per cent); full time (41 per cent); low-skilled jobs (78 per cent); medium-skilled jobs (47 per cent); high-skilled jobs (8 per cent).

and proportion of people in disability employment services with post-school qualifications has increased so that DES providers are working with a more diverse group of job seekers than ever before. In theory at least, providers are now better positioned to service employers with a range of skills needs.<sup>47</sup> However, this potential is unlikely to be realised as long as employers do not consider disability employment services as a source of skilled labour. Even with the best possible job matching DES participants as a group are at a significant disadvantage when it comes to meeting the needs of employers. As at 30 June 2012, excluding Eligible School Leavers:

- 63 per cent of participants had secondary school education only; 16 per cent had completed Year 12
- 23 per cent had basic or skilled vocational qualifications
- six per cent had a diploma and eight per cent a bachelor or higher degree.

Job seekers without qualifications will find it increasingly difficult to succeed in a labour market looking for skilled workers and offering fewer opportunities for the unskilled. Modelling by the Australian Workforce and Productivity Agency shows that demand for skills will be strong in the years to 2025, with higher demand for higher level, particularly postgraduate, qualifications. Vocational education and training appears to be a practical pathway to jobs with good long-term prospects for those DES participants who are able to increase their qualifications:

“Industry demand for Certificate III and IV qualifications is projected to grow between 2.8 and 4.0 per cent in the three higher growth scenarios, while the demand for Certificates I and II shows more modest growth. AWPA recognises the importance of Certificates I and II in increasing workforce participation and as a pathway to higher level qualifications, especially for those from backgrounds of disadvantage. Nevertheless, the modelling confirms the importance of supporting progress from lower level to higher level qualifications.” (AWPA 2013: 11)

Yet even an increased investment in skills is unlikely to greatly improve employment opportunities and outcomes for people with disability unless there is also a change in employer attitudes. Attitudes towards mature-age job seekers, very long-term unemployed people, parents returning to the workforce after long-term child care, and job seekers with disability were explored in the 2012 survey of employers.<sup>49</sup> While most regarded a job seeker’s skills as the prime consideration, and outweighing any barriers or risks posed by individual circumstances, employers expressed greater resistance to the idea of hiring a person with disability than to hiring a person from the other groups. Asked about their willingness to consider job applicants for future vacancies, a random sample of employers responded as follows:<sup>48</sup>

- mature-age job seekers—90 per cent willing
- parents returning to the workforce after a long-term child care—89 per cent willing
- very long-term unemployed people—71 per cent willing
- job seekers with disability—54 per cent willing.

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47. The percentage of people aged 15 to 64 years with disability who have post-school qualifications has increased from an estimated 43 per cent in 1998 to 46 per cent in 2003 and 50 per cent in 2009. The percentage who had completed Year 12 schooling increased from 27 per cent in 1998 to 33 per cent in 2009 (ABS Disability, Ageing and Carers Surveys 2009, 2003, 1998).

48. 2012 Business Use of Government Employment Services (Employer) Survey conducted by Orima Research on behalf of the then Department of Education, Employment and Workplace Relations.

A significant proportion could see no benefit, that is, no business case for employing a person with disability (38 per cent) or a very long-term unemployed person (35 per cent). Perceived barriers relating to disability included: physical inability to perform the role, safety concerns and difficulties involved in adapting the physical work environment, such as installing lifts, to make a worksite wheelchair accessible. Larger businesses were more likely than small and medium businesses to see benefits in employing people with disability, including the benefits of workplace diversity.

Employer engagement is a particularly challenging aspect of service delivery in DES and in this crucial area it appears that little has changed in recent years. A similar survey of employers conducted in 2007 revealed attitudes that were often stereotypical in nature and which presented considerable barriers to increased employer uptake of employment services. Of all the groups, parents returning to work and mature age people were considered in the most positive light, while there were greater challenges identified with increasing the employment of people with disability and very long-term unemployed people—a double jeopardy for the many job seekers with disability who are also very long-term unemployed (2007 Employer Survey Papers: Employer Attitudes towards Recruiting and Retaining Job Seekers from Particular Equity Groups).<sup>49</sup> The 2007 research highlighted a chicken-and-egg type interdependency between employer attitudes and job seeker capability with a message that remains highly relevant in 2013:

“Within an environment of skills shortages, the perceived lack of suitable employees within the available labour pool places considerable pressure on employers and it is a challenge for government to provide candidates who are deemed to meet core employer criteria focused on capability, work ethic and workplace fit. While the employer perceptions of certain equity groups can present barriers to increased employment of these groups, there are other factors in play and it is important that such employees can actually meet, as far as possible, the requirements of employers.

Greater adoption of the equity groups into the workforce will not only require attitude change amongst some employers but practices which support the transition of these groups into the workforce so that they can provide employers with a viable employment option. This will require strategies which facilitate positive experience and advocacy of these groups, provide support for employers and employees alike during transition, and help to equip the population with the tools and skills to meet employer expectations and need.”

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49. Paper by TNS Social Research for the then Department of Education, Employment and Workplace Relations.

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## Appendix A: Additional tables

### Chapter 2

**Table A2.1: Estimated number of eligible persons (employed, unemployed or not in labour force) aged 25 to 64 years, by sex and age group, 30 June of reference year**

Sex/age group	2009	2010	2011	2012
Males 25–34	38,700	39,500	40,300	41,200
Males 35–49	66,300	66,600	66,600	66,700
Males 50–64	59,300	60,600	61,900	62,600
<i>Males 25–64</i>	<i>164,300</i>	<i>166,700</i>	<i>168,800</i>	<i>170,500</i>
Females 25–34	37,400	38,100	38,900	39,600
Females 35–49	91,100	91,400	91,600	91,800
Females 50–64	81,400	83,300	85,300	86,500
<i>Females 25–64</i>	<i>209,900</i>	<i>212,800</i>	<i>215,800</i>	<i>217,900</i>
Persons 25–34	76,100	77,600	79,200	80,800
Persons 35–49	157,400	158,000	158,200	158,500
Persons 50–64	140,700	143,900	147,200	149,100
<b>Persons 25–64</b>	<b>374,200</b>	<b>379,500</b>	<b>384,600</b>	<b>388,400</b>

*Note:* Eligible persons exclude people who said they could not work at all because of disability but includes people not in the labour force for other reasons.

*Source:* Australian Institute of Health and Welfare analysis (unpublished) of the 2009 ABS Disability, Ageing and Carers Survey confidentialised unit record file and ABS Estimated Resident Populations.

**Table A2.2: Estimated target population (employed or unemployed) aged 25 to 64 years, by sex and age group, 30 June of reference year**

Sex/age group	2009	2010	2011	2012
Males 25–34	31,700	32,300	33,000	33,800
Males 35–49	49,100	49,300	49,500	49,600
Males 50–64	44,300	45,200	46,200	46,700
<i>Males 25–64</i>	<i>125,100</i>	<i>126,800</i>	<i>128,700</i>	<i>130,100</i>
Females 25–34	22,600	23,000	23,500	23,900
Females 35–49	66,900	67,100	67,300	67,500
Females 50–64	52,200	53,400	54,700	55,500
<i>Females 25–64</i>	<i>141,700</i>	<i>143,500</i>	<i>145,500</i>	<i>146,900</i>
Persons 25–34	54,300	55,300	56,500	57,700
Persons 35–49	116,000	116,400	116,800	117,100
Persons 50–64	96,500	98,600	100,900	102,200
<b>Persons 25–64</b>	<b>266,800</b>	<b>270,300</b>	<b>274,200</b>	<b>277,000</b>

*Note:* Estimated target population excludes people not in the labour force.

*Source:* Based on Australian Institute of Health and Welfare analysis (unpublished) of the 2009 ABS Disability, Ageing and Carers Survey confidentialised unit record file and ABS Estimated Resident Populations. AIHW estimates have been adjusted to exclude people not in the labour force.

**Table A2.3: Estimated number of eligible persons (employed, unemployed or not in labour force) aged 25 to 64 years by primary disability, 30 June of reference year**

Primary disability	2009	2010	2011	2012
Physical/diverse	261,700	265,500	269,100	271,700
Psychiatric	81,700	82,900	84,000	84,800
Intellectual/learning	11,100	11,300	11,400	11,500
Sensory/speech	13,600	13,800	14,000	14,200

*Notes:*

1. Estimated number of eligible persons excludes people who said they could not work at all because of disability but includes people not in the labour force for other reasons.
2. Estimates by primary disability exclude people who self-identify as DSP recipients and who do not report medical conditions in the survey.
3. For classification of Main Condition codes in survey data to primary disability groups see Table A2.9.

*Source:* Australian Institute of Health and Welfare analysis (unpublished) of the 2009 ABS Disability, Ageing and Carers Survey confidentialised unit record file and ABS Estimated Resident Populations.

**Table A2.4: Estimated target population (employed or unemployed) aged 25–64 years by primary disability, 30 June of reference year**

Primary disability	2009	2010	2011	2012
Physical/diverse	193,200	196,000	198,700	200,600
Psychiatric	54,300	55,100	55,900	56,400
Intellectual/learning	8,300	8,400	8,500	8,600
Sensory/speech	10,800	11,000	11,100	11,300

*Notes:*

1. Estimated target population excludes people not in the labour force.
2. Estimates by primary disability exclude people who self-identify as DSP recipients and who do not report medical conditions in the survey.
3. For classification of Main Condition codes in survey data to primary disability groups see Table A2.9.

*Source:* Based on Australian Institute of Health and Welfare analysis (unpublished) of the 2009 ABS Disability, Ageing and Carers Survey confidentialised unit record file and ABS Estimated Resident Populations. AIHW estimates have been adjusted to exclude people not in the labour force.

**Table A2.5: Total caseload aged 25 to 64 years in disability employment services, by sex and age group, 30 June of reference year**

Sex/age group	2009	2010	2011	2012
Males 25–34	14,367	15,511	16,595	15,489
Males 35–49	22,552	25,061	27,387	25,639
Males 50–64	15,999	19,081	22,133	22,819
<i>Males 25–64</i>	<i>52,918</i>	<i>59,653</i>	<i>66,115</i>	<i>63,947</i>
Females 25–34	7,537	8,031	9,127	9,049
Females 35–49	18,684	20,284	22,653	22,229
Females 50–64	13,003	15,851	18,990	21,323
<i>Females 25–64</i>	<i>39,224</i>	<i>44,166</i>	<i>50,770</i>	<i>52,601</i>
Persons 25–34	21,904	23,542	25,722	24,538
Persons 35–49	41,236	45,345	50,040	47,868
Persons 50–64	29,002	34,932	41,123	44,142
<b>Persons 25–64</b>	<b>92,142</b>	<b>103,819</b>	<b>116,885</b>	<b>116,548</b>

*Note:* Figures are total caseload, including people referred but not commenced as at 30 June. 2009 figures are DEN/VRS caseload; 2010, 2011 and 2012 figures are DES caseload.

*Source:* Administrative data, courtesy DES Performance Section.

**Table A2.6: Total caseload aged 25–64 years in disability employment services, by primary disability, 30 June of reference year**

<b>Primary disability</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Physical/diverse	48,075	57,628	64,574	63,410
Psychiatric	32,630	34,203	39,361	40,705
Intellectual/learning	7,300	7,835	8,388	8,021
Sensory/speech	3,754	4,015	4,492	4,356

*Note:* Figures are total caseload with a recorded primary disability, including people referred but not commenced as at 30 June. 2009 figures are DEN/VRS caseload; 2010, 2011 and 2012 figures are DES caseload.

*Source:* Administrative data, courtesy DES Performance Section.

**Table A2.7: Estimated percentage of eligible persons aged 25 to 64 years participating in disability employment services, by sex and age group, 2009 to 2012**

<b>Sex/age group</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Males 25–34	37.1	39.3	41.2	37.6
Males 35–49	34.0	37.6	41.1	38.4
Males 50–64	27.0	31.5	35.8	36.5
<i>Males 25–64</i>	<i>32.2</i>	<i>35.8</i>	<i>39.1</i>	<i>37.5</i>
Females 25–34	20.2	21.1	23.5	22.9
Females 35–49	20.5	22.2	24.7	24.2
Females 50–64	16.0	19.0	22.3	24.7
<i>Females 25–64</i>	<i>18.7</i>	<i>20.8</i>	<i>23.5</i>	<i>24.1</i>
Persons 25–34	28.8	30.4	32.5	30.4
Persons 35–49	26.2	28.7	31.6	30.2
Persons 50–64	20.6	24.3	27.9	29.6
<b>Persons 25–64</b>	<b>24.6</b>	<b>27.4</b>	<b>30.4</b>	<b>30.0</b>

*Note:* 2009 figures are participation rates under DEN/VRS; 2010, 2011 and 2012 figures pertain to DES.

*Source:* Tables A2.1 and A2.5.

**Table A2.8: Estimated percentage of eligible persons aged 25–64 years participating in disability employment services, by primary disability, 2009 to 2012**

<b>Primary disability</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Physical/diverse	18.4	21.7	24.0	23.3
Psychiatric	39.9	41.3	46.9	48.0
Intellectual/learning	65.8	69.3	73.6	69.7
Sensory/speech	27.6	29.1	32.1	30.7

*Note:* 2009 figures are participation rates under DEN/VRS; 2010, 2011 and 2012 figures pertain to DES.

*Source:* Tables A2.3 and A2.6.

**Table A2.9: Assignment of Main Condition (medical) in ABS Disability, Ageing and Carers Survey to primary disability groups**

<b>Primary disability (assigned)</b>	<b>Main condition code in ABS survey</b>
Psychiatric	0500. Mental and behavioural disorders n.f.d. 0511. Dementia 0512. Schizophrenia 0513. Depression/mood affective disorders 0521. Phobic and anxiety disorders 0522. Nervous tension/stress 0599. Other mental and behavioural disorders 0605. Alzheimer's disease
Intellectual/learning	0530. Intellectual and developmental disorders n.e.c. 0531. Mental retardation/intellectual disability 0532. Autism and related disorders (including Rett's syndrome and Asperger's syndrome) 0595. Attention deficit disorder/hyperactivity 0530. Intellectual and developmental disorders n.e.c.
Sensory/speech	0596. Speech impediment 0703. Retinal disorders/defects 0704. Glaucoma 0707. Sight loss 0799. Other diseases of the eye and adnexa 0802. Diseases of the middle ear and mastoid 0803. Diseases of the inner ear (except noise induced deafness) 0804. Tinnitus 0810. Deafness/hearing loss 0811. Deafness/hearing loss—noise induced 0812. Deafness/hearing loss—congenital 0899. Other diseases of the ear and mastoid process 1705. Unspecified speech difficulties
Physical/diverse	All other main condition codes

*Source:* Australian Institute of Health and Welfare (unpublished).

## Chapter 3

**Table A3.1: Age and sex profile of comparison groups as at commencement (per cent)**

Sex	Age group (years)	DES	DES	DES	DES	VRS	DEN
		DMS	ESS FL1	ESS FL2	ESS Total		
Male	15-20	2.2	5.1	14.5	7.8	1.3	7.3
Male	21-24	3.8	4.9	9.1	6.2	3.1	5.7
Male	25-34	10.4	10.9	15.4	12.2	10.4	12.1
Male	35-49	21.0	18.7	18.4	18.6	22.9	19.1
Male	50-64	19.1	17.7	6.7	14.5	18.5	14.0
<i>Male</i>	<i>15-64</i>	<i>56.5</i>	<i>57.3</i>	<i>64.0</i>	<i>59.3</i>	<i>56.2</i>	<i>58.1</i>
Female	15-20	2.1	2.9	6.3	3.9	1.3	3.9
Female	21-24	2.6	3.1	4.1	3.4	1.7	3.3
Female	25-34	5.5	6.0	7.8	6.5	5.0	6.3
Female	35-49	18.8	16.1	11.9	14.9	21.3	17.1
Female	50-64	14.6	14.5	5.9	12.0	14.4	11.2
<i>Female</i>	<i>15-64</i>	<i>43.5</i>	<i>42.7</i>	<i>36.0</i>	<i>40.7</i>	<i>43.8</i>	<i>41.9</i>
<b>Total (per cent)</b>	<b>15-64</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>15-64</b>	<b>23,388</b>	<b>15,276</b>	<b>6,364</b>	<b>21,640</b>	<b>19,066</b>	<b>13,965</b>

*Notes:*

1. DEN/VRS comparison groups—six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. Rows may not add up to exact totals due to rounding.

*Source:* Administrative data.

**Table A3.2: Job Placement rate in comparison groups by age and sex (per cent who obtained employment within 18 months)**

Sex	Age group (years)	DMS	ESS FL1	ESS FL2	ESS Total	VRS	DEN
Male	15-20	46.0	53.6	46.7	49.9	44.0	52.5
Male	21-24	51.0	53.3	47.1	50.6	50.0	53.7
Male	25-34	48.6	49.5	41.6	46.6	42.5	47.7
Male	35-49	43.8	45.0	33.4	41.7	38.7	41.3
Male	50-64	34.3	34.2	26.9	33.2	28.8	30.0
<i>Male</i>	<i>15-64</i>	<i>42.1</i>	<i>44.0</i>	<i>39.6</i>	<i>42.6</i>	<i>36.9</i>	<i>42.5</i>
Female	15-20	39.5	45.7	41.4	43.7	47.3	47.0
Female	21-24	46.3	45.3	38.8	43.0	43.8	46.9
Female	25-34	45.0	45.9	35.5	42.2	40.1	44.5
Female	35-49	41.1	40.2	29.1	37.6	33.6	38.8
Female	50-64	32.8	29.7	17.9	28.0	24.6	26.3
<i>Female</i>	<i>15-64</i>	<i>39.0</i>	<i>38.2</i>	<i>31.9</i>	<i>36.6</i>	<i>32.2</i>	<i>37.7</i>
<b>All participants</b>	<b>15-64</b>	<b>40.7</b>	<b>41.5</b>	<b>36.9</b>	<b>40.1</b>	<b>34.8</b>	<b>40.5</b>

Notes:

1. DEN/VRS comparison groups— six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010. Job Placement rate is based on the number of people in each group who achieved a Job Placement within 18 months of their individual date of commencement in service.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. DEN job placements are based on 4 Week Milestones.
4. Rows may not add up to exact totals due to rounding.

Source: Administrative data.

**Table A3.3: 26 Week Employment Outcome rate in comparison groups by age and sex (per cent who achieved Outcome within 18 months)**

Sex	Age group (years)	DMS	ESS FL1	ESS FL2	ESS Total	VRS	DEN
Male	15-20	20.7	29.2	24.2	26.5	18.7	29.9
Male	21-24	24.2	31.3	22.7	27.6	19.7	29.4
Male	25-34	26.8	24.5	22.5	23.8	19.4	27.7
Male	35-49	25.0	25.1	18.8	23.3	19.0	25.6
Male	50-64	20.2	20.1	13.6	19.2	15.3	18.5
<i>Male</i>	<i>15-64</i>	<i>23.5</i>	<i>24.3</i>	<i>20.9</i>	<i>23.2</i>	<i>17.9</i>	<i>25.2</i>
Female	15-20	19.2	22.0	18.1	20.1	22.4	29.6
Female	21-24	25.0	24.4	19.2	22.6	18.9	27.5
Female	25-34	25.7	25.3	16.9	22.4	20.0	26.5
Female	35-49	23.7	23.0	15.2	21.2	17.3	24.6
Female	50-64	19.5	18.5	11.8	17.5	12.8	15.9
<i>Female</i>	<i>15-64</i>	<i>22.4</i>	<i>21.8</i>	<i>16.0</i>	<i>20.3</i>	<i>16.3</i>	<i>23.3</i>
<b>All participants</b>	<b>15-64</b>	<b>23.0</b>	<b>23.3</b>	<b>19.1</b>	<b>22.0</b>	<b>17.2</b>	<b>24.4</b>

Notes:

1. DEN/VRS comparison groups— six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010. 26 Week Employment Outcome rate is based on the number of people in each group who achieved a 26 Week Employment Outcome (Full or Pathway) within 18 months of their individual date of commencement in service.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. Rows may not add up to exact totals due to rounding.

Source: Administrative data.

**Table A3.4: Primary disability and age profile of comparison groups at commencement (per cent)**

Primary disability	Age group (years)	DES DMS	DES ESS FL1	DES ESS FL2	DES ESS Total	VRS	DEN
Psychiatric	15-20	1.8	1.7	4.0	2.4	1.0	2.3
Psychiatric	21-24	2.9	2.6	4.0	3.0	1.9	3.7
Psychiatric	25-34	6.7	8.7	11.4	9.5	5.6	9.6
Psychiatric	35-49	13.0	15.3	16.1	15.5	10.6	15.1
Psychiatric	50-64	6.7	8.6	5.1	7.6	4.8	6.4
<i>Psychiatric</i>	<i>Total</i>	<i>31.1</i>	<i>36.9</i>	<i>40.7</i>	<i>38.0</i>	<i>23.9</i>	<i>37.2</i>
Physical	15-20	1.9	1.7	1.8	1.8	1.4	1.8
Physical	21-24	2.9	1.9	1.4	1.8	2.6	1.6
Physical	25-34	8.5	4.7	3.4	4.3	9.2	4.9
Physical	35-49	25.8	16.2	7.4	13.6	32.8	16.3
Physical	50-64	26.0	21.4	5.5	16.7	27.4	16.7
<i>Physical</i>	<i>15-64</i>	<i>65.1</i>	<i>45.9</i>	<i>19.6</i>	<i>38.2</i>	<i>73.5</i>	<i>41.3</i>
Intellectual	15-20	n.p.	1.2	5.6	2.5	n.p.	2.5
Intellectual	21-24	n.p.	1.0	3.0	1.6	n.p.	1.2
Intellectual	25-34	n.p.	1.1	4.0	2.0	n.p.	1.4
Intellectual	35-49	n.p.	0.8	3.2	1.5	n.p.	1.2
Intellectual	50-64	n.p.	0.3	0.8	0.4	n.p.	0.3
<i>Intellectual</i>	<i>15-64</i>	<i>0.3</i>	<i>4.4</i>	<i>16.6</i>	<i>8.0</i>	<i>0.2</i>	<i>6.6</i>
Learning	15-20	0.4	2.8	8.8	4.6	n.p.	3.9
Learning	21-24	0.4	2.0	4.2	2.7	0.2	1.9
Learning	25-34	0.3	1.5	3.7	2.1	0.2	1.5
Learning	35-49	0.2	1.1	2.3	1.4	n.p.	1.4
Learning	50-64	n.p.	0.3	n.p.	0.3	n.p.	n.p.
<i>Learning</i>	<i>15-64</i>	<i>1.3</i>	<i>7.7</i>	<i>19.3</i>	<i>11.1</i>	<i>0.8</i>	<i>8.9</i>
Sensory	15-20	n.p.	0.6	0.5	0.6	n.p.	0.8
Sensory	21-24	n.p.	0.5	0.5	0.5	n.p.	0.5
Sensory	25-34	0.3	0.8	0.6	0.7	0.2	1.0
Sensory	35-49	0.7	1.5	1.3	1.5	0.6	2.2
Sensory	50-64	0.9	1.7	0.8	1.5	0.6	1.6
<i>Sensory</i>	<i>15-64</i>	<i>2.2</i>	<i>5.2</i>	<i>3.8</i>	<i>4.8</i>	<i>1.6</i>	<i>6.1</i>
<b>Total (per cent)</b>	<b>15-64</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>15-64</b>	<b>23,388</b>	<b>15,276</b>	<b>6,364</b>	<b>21,640</b>	<b>19,066</b>	<b>13,965</b>

Notes:

1. DEN/VRS comparison groups— six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010. Tracking period of 18 months from the day of commencement for each member of each group.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. Rows may not add up to exact totals due to rounding.

Source: Administrative data.

**Table A3.5: Job Placement rate in comparison groups by primary disability and age (per cent who obtained employment within 18 months)**

Primary disability	Age group (years)	DES DMS	DES ESS-1	DES ESS-2	DES ESS Total	VRS	DEN
Psychiatric	15-20	38.4	43.1	32.3	37.7	42.9	42.9
Psychiatric	21-24	46.5	43.9	38.0	41.6	46.7	48.8
Psychiatric	25-34	46.4	45.7	35.4	42.1	43.0	46.9
Psychiatric	35-49	42.0	43.8	28.5	39.1	39.0	42.7
Psychiatric	50-64	35.6	32.3	23.9	30.6	32.4	31.8
<i>Psychiatric</i>	<i>15-64</i>	<i>41.8</i>	<i>41.6</i>	<i>31.2</i>	<i>38.3</i>	<i>39.4</i>	<i>42.5</i>
Physical	15-20	45.5	48.7	44.0	47.2	47.4	51.2
Physical	21-24	51.0	50.9	36.3	47.4	48.0	51.3
Physical	25-34	47.9	46.5	32.0	43.1	40.9	41.8
Physical	35-49	42.6	39.5	27.2	37.5	35.3	35.2
Physical	50-64	32.9	31.0	18.1	29.8	25.8	25.1
<i>Physical</i>	<i>15-64</i>	<i>39.9</i>	<i>37.1</i>	<i>27.7</i>	<i>35.7</i>	<i>33.1</i>	<i>33.3</i>
Intellectual	15-20	n.p.	55.9	48.9	51.3	n.p.	48.1
Intellectual	21-24	n.p.	54.5	48.9	51.5	n.p.	55.5
Intellectual	25-34	n.p.	57.3	52.0	54.1	n.p.	55.3
Intellectual	35-49	n.p.	56.0	46.8	50.2	n.p.	57.1
Intellectual	50-64	n.p.	45.0	46.3	45.7	n.p.	50.0
<i>Intellectual</i>	<i>15-64</i>	<i>36.0</i>	<i>55.3</i>	<i>49.1</i>	<i>51.5</i>	<i>32.3</i>	<i>52.7</i>
Learning	15-20	50.0	54.9	48.0	51.0	n.p.	54.8
Learning	21-24	55.4	52.8	49.6	51.3	55.9	50.6
Learning	25-34	52.7	61.0	45.9	53.4	43.5	52.8
Learning	35-49	46.7	58.3	43.1	51.1	n.p.	46.0
Learning	50-64	n.p.	47.7	n.p.	40.0	n.p.	n.p.
<i>Learning</i>	<i>15-64</i>	<i>51.6</i>	<i>55.8</i>	<i>47.0</i>	<i>51.2</i>	<i>48.3</i>	<i>52.0</i>
Sensory	15-20	n.p.	47.8	61.3	51.2	n.p.	58.6
Sensory	21-24	n.p.	61.0	50.0	57.7	n.p.	61.4
Sensory	25-34	52.6	47.9	39.0	45.6	40.9	44.8
Sensory	35-49	50.3	50.2	39.8	47.5	41.5	45.7
Sensory	50-64	39.6	41.6	21.6	38.4	33.9	42.3
<i>Sensory</i>	<i>15-64</i>	<i>45.8</i>	<i>47.7</i>	<i>40.0</i>	<i>45.9</i>	<i>39.0</i>	<i>47.6</i>
<b>All</b>	<b>15-64</b>	<b>40.7</b>	<b>41.5</b>	<b>36.9</b>	<b>40.1</b>	<b>34.8</b>	<b>40.5</b>

Notes:

1. DEN/VRS comparison groups— six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010. Job Placement rate is based on the number of people in each group who achieved a Job Placement within 18 months of their individual date of commencement in service.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. Rows may not add up to exact totals due to rounding.

n.p.: Rates are not shown in cells with fewer than 30 participants.

Source: Administrative data.

**Table A3.6: 26 Week Employment Outcome rate in comparison groups by primary disability and age (per cent who achieved Outcome within 18 months)**

Primary disability	Age group (years)	DES DMS	DES ESS-1	DES ESS-2	DES ESS Total	VRS	DEN
Psychiatric	15-20	17.1	20.8	14.0	17.4	17.9	18.3
Psychiatric	21-24	21.1	23.1	12.2	18.8	16.2	23.9
Psychiatric	25-34	25.5	21.2	15.3	19.1	19.6	25.2
Psychiatric	35-49	23.1	24.1	14.5	21.2	19.3	25.3
Psychiatric	50-64	20.7	18.0	12.2	16.8	15.8	18.9
<i>Psychiatric</i>	<i>15-64</i>	<i>22.6</i>	<i>21.8</i>	<i>14.2</i>	<i>19.4</i>	<i>18.4</i>	<i>23.6</i>
Physical	15-20	22.1	22.4	25.0	23.2	22.3	34.9
Physical	21-24	27.4	30.2	20.9	28.0	21.8	27.7
Physical	25-34	27.1	25.1	18.3	23.5	19.5	26.4
Physical	35-49	24.8	22.8	15.7	21.6	17.7	22.8
Physical	50-64	19.5	19.0	10.0	18.1	13.9	15.4
<i>Physical</i>	<i>15-64</i>	<i>23.0</i>	<i>21.6</i>	<i>15.8</i>	<i>20.7</i>	<i>16.7</i>	<i>20.9</i>
Intellectual	15-20	n.p.	29.6	23.7	25.7	n.p.	31.5
Intellectual	21-24	n.p.	31.2	28.7	29.8	n.p.	33.5
Intellectual	25-34	n.p.	37.4	29.7	32.8	n.p.	37.4
Intellectual	35-49	n.p.	32.8	26.6	28.8	n.p.	36.2
Intellectual	50-64	n.p.	30.0	25.9	27.7	n.p.	33.3
<i>Intellectual</i>	<i>15-64</i>	<i>13.3</i>	<i>32.5</i>	<i>26.7</i>	<i>29.0</i>	<i>12.9</i>	<i>34.0</i>
Learning	15-20	23.8	30.8	24.3	27.1	n.p.	30.2
Learning	21-24	30.4	29.3	25.2	27.4	23.5	33.7
Learning	25-34	29.7	35.1	29.6	32.3	15.2	30.6
Learning	35-49	17.8	31.3	22.2	27.0	n.p.	27.0
Learning	50-64	n.p.	31.8	n.p.	27.7	n.p.	n.p.
<i>Learning</i>	<i>15-64</i>	<i>26.8</i>	<i>31.3</i>	<i>25.2</i>	<i>28.2</i>	<i>21.4</i>	<i>30.3</i>
Sensory	15-20	n.p.	28.9	29.0	28.9	n.p.	44.1
Sensory	21-24	n.p.	44.2	26.5	38.7	n.p.	37.1
Sensory	25-34	26.3	26.1	19.5	24.4	27.3	34.3
Sensory	35-49	32.7	29.4	30.1	29.6	24.6	34.5
Sensory	50-64	25.9	26.6	17.6	25.2	16.9	27.7
<i>Sensory</i>	<i>15-64</i>	<i>27.7</i>	<i>29.3</i>	<i>25.0</i>	<i>28.3</i>	<i>20.7</i>	<i>34.2</i>
<b>All</b>	<b>15-64</b>	<b>23.0</b>	<b>23.3</b>	<b>19.1</b>	<b>22.0</b>	<b>17.2</b>	<b>24.4</b>

Notes:

1. DEN/VRS comparison groups— six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010. 26 Week Employment Outcome rate is based on the number of people in each group who achieved a 26 Week Employment Outcome (Full or Pathway) within 18 months of their individual date of commencement in service.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. Rows may not add up to exact totals due to rounding.

n.p.: Rates are not shown in cells with fewer than 30 participants.

Source: Administrative data.

**Table A3.7: Primary disability and employment benchmark profile of comparison groups at commencement (per cent)**

Primary disability	Employment benchmark	DES DMS	DES ESS FL1	DES ESS FL2	DES ESS Total	VRS	DEN
Psychiatric	Zero	n.p.	n.p.	n.p.	0.2	n.p.	0.4
Psychiatric	8 hours	2.9	14.3	21.5	16.4	2.6	8.4
Psychiatric	15 hours	14.2	17.6	16.7	17.3	12.1	16.8
Psychiatric	30 hours	13.9	4.8	2.3	4.1	9.2	11.7
<i>Psychiatric</i>	<i>All</i>	<i>31.1</i>	<i>36.9</i>	<i>40.7</i>	<i>38.0</i>	<i>23.9</i>	<i>37.2</i>
Physical	Zero	0.1	n.p.	n.p.	0.1	n.p.	0.8
Physical	8 hours	4.9	15.5	9.4	13.7	10.6	10.4
Physical	15 hours	34.0	25.5	9.0	20.7	45.8	20.4
Physical	30 hours	26.1	4.8	0.9	3.6	17.1	9.7
<i>Physical</i>	<i>All</i>	<i>65.1</i>	<i>45.9</i>	<i>19.6</i>	<i>38.2</i>	<i>73.5</i>	<i>41.3</i>
Intellectual	Zero	n.p.	n.p.	n.p.	n.p.	n.p.	0.4
Intellectual	8 hours	0.2	3.1	12.6	5.9	n.p.	2.6
Intellectual	15 hours	n.p.	0.6	3.1	1.3	n.p.	2.0
Intellectual	30 hours	n.p.	0.6	1.0	0.7	n.p.	1.6
<i>Intellectual</i>	<i>All</i>	<i>0.3</i>	<i>4.4</i>	<i>16.6</i>	<i>8.0</i>	<i>0.2</i>	<i>6.6</i>
Learning	Zero	n.p.	n.p.	n.p.	n.p.	n.p.	0.3
Learning	8 hours	0.2	3.2	11.3	5.6	n.p.	2.0
Learning	15 hours	0.4	2.2	5.3	3.1	0.4	3.0
Learning	30 hours	0.7	2.3	2.7	2.4	0.3	3.7
<i>Learning</i>	<i>All</i>	<i>1.3</i>	<i>7.7</i>	<i>19.3</i>	<i>11.1</i>	<i>0.8</i>	<i>8.9</i>
Sensory	Zero	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Sensory	8 hours	0.2	2.3	2.7	2.4	0.3	1.3
Sensory	15 hours	0.9	1.5	0.9	1.3	0.9	2.1
Sensory	30 hours	1.1	1.3	n.p.	1.0	0.4	2.6
<i>Sensory</i>	<i>All</i>	<i>2.2</i>	<i>5.2</i>	<i>3.8</i>	<i>4.8</i>	<i>1.6</i>	<i>6.1</i>
<b>Total (per cent)</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>		<b>23,388</b>	<b>15,276</b>	<b>6,364</b>	<b>21,640</b>	<b>19,066</b>	<b>13,965</b>

Notes:

1. DEN/VRS comparison groups— six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010. Tracking period of 18 months from the day of commencement for each member of each group.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. DEN participants all defaulted to an Employment Benchmark of 8 hours. Future work capacity with intervention was used to assign a proxy benchmark to members of the DEN cohort.
4. Rows may not add up to exact totals due to rounding.

n.p.: Rates are not shown in cells with fewer than 30 participants.

Source: Administrative data.

**Table A3.8: Job Placement rate in comparison groups by primary disability and employment benchmark (per cent who obtained employment within 18 months)**

Primary disability	Employment benchmark	DES DMS	DES ESS FL1	DES ESS FL2	DES ESS Total	VRS	DEN
Psychiatric	Zero	n.p.	n.p.	n.p.	14.7	n.p.	32.7
Psychiatric	8 hours	35.2	40.7	33.1	37.8	39.8	41.3
Psychiatric	15 hours	41.3	40.8	28.6	37.4	38.7	39.1
Psychiatric	30 hours	43.8	47.6	33.1	45.2	40.2	48.7
<i>Psychiatric</i>	<i>All</i>	<i>41.8</i>	<i>41.6</i>	<i>31.2</i>	<i>38.3</i>	<i>39.4</i>	<i>42.5</i>
Physical	Zero	3.1	n.p.	n.p.	6.3	n.p.	25.2
Physical	8 hours	31.4	41.9	35.9	40.7	29.8	29.9
Physical	15 hours	37.2	32.9	21.2	31.4	32.0	30.3
Physical	30 hours	45.2	44.7	13.6	42.4	38.3	43.7
<i>Physical</i>	<i>All</i>	<i>39.9</i>	<i>37.1</i>	<i>27.7</i>	<i>35.7</i>	<i>33.1</i>	<i>33.3</i>
Intellectual	Zero	n.p.	n.p.	n.p.	n.p.	n.p.	44.9
Intellectual	8 hours	36.6	55.6	49.4	51.8	n.p.	51.8
Intellectual	15 hours	n.p.	52.1	46.2	48.1	n.p.	51.4
Intellectual	30 hours	n.p.	57.0	54.0	55.8	n.p.	57.5
<i>Intellectual</i>	<i>All</i>	<i>36.0</i>	<i>55.3</i>	<i>49.1</i>	<i>51.5</i>	<i>32.3</i>	<i>52.7</i>
Learning	Zero	n.p.	n.p.	n.p.	n.p.	n.p.	41.5
Learning	8 hours	54.4	52.9	48.2	50.1	n.p.	50.7
Learning	15 hours	48.9	57.3	43.8	50.5	48.0	49.5
Learning	30 hours	52.2	58.2	48.5	55.0	47.9	55.6
<i>Learning</i>	<i>All</i>	<i>51.6</i>	<i>55.8</i>	<i>47.0</i>	<i>51.2</i>	<i>48.3</i>	<i>52.0</i>
Sensory	Zero	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Sensory	8 hours	48.3	47.7	39.5	45.0	41.4	48.0
Sensory	15 hours	45.5	40.3	34.5	39.2	35.3	40.3
Sensory	30 hours	45.5	56.3	n.p.	56.9	45.0	53.9
<i>Sensory</i>	<i>All</i>	<i>45.8</i>	<i>47.7</i>	<i>40.0</i>	<i>45.9</i>	<i>39.0</i>	<i>47.6</i>
<b>All</b>		<b>40.7</b>	<b>41.5</b>	<b>36.9</b>	<b>40.1</b>	<b>34.8</b>	<b>40.5</b>

Notes:

1. DEN/VRS comparison groups— six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010. Job Placement rate is based on the number of people in each group who achieved a Job Placement within 18 months of their individual date of commencement in service.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. DEN participants all defaulted to an Employment Benchmark of 8 hours. Future work capacity with intervention was used to assign a proxy benchmark to members of the DEN cohort.
4. Rows may not add up to exact totals due to rounding.

n.p.: Rates are not shown in cells with fewer than 30 participants.

Source: Administrative data.

**Table A3.9: 26 Week Employment Outcome rate in comparison groups by primary disability and employment benchmark (per cent who achieved Outcome within 18 months)**

Primary disability	Employment benchmark	DES DMS	DES ESS FL1	DES ESS FL2	DES ESS Total	VRS	DEN
Psychiatric	Zero	n.p.	n.p.	n.p.	5.9	n.p.	18.2
Psychiatric	8 hours	14.3	19.9	16.2	18.5	23.3	22.7
Psychiatric	15 hours	23.1	22.9	11.8	19.8	18.9	20.6
Psychiatric	30 hours	23.9	23.5	13.8	21.9	16.2	28.7
<i>Psychiatric</i>	<i>All</i>	<i>22.6</i>	<i>21.8</i>	<i>14.2</i>	<i>19.4</i>	<i>18.4</i>	<i>23.6</i>
Physical	Zero	0.0	n.p.	n.p.	6.3	n.p.	13.1
Physical	8 hours	16.9	24.7	22.0	24.1	17.5	20.6
Physical	15 hours	21.8	19.4	10.4	18.2	16.2	18.0
Physical	30 hours	25.9	23.4	8.5	22.3	17.7	28.0
<i>Physical</i>	<i>Zero</i>	<i>23.0</i>	<i>21.6</i>	<i>15.8</i>	<i>20.7</i>	<i>16.7</i>	<i>20.9</i>
Intellectual	Zero	n.p.	n.p.	n.p.	n.p.	n.p.	22.4
Intellectual	8 hours	14.6	33.1	28.5	30.3	n.p.	36.2
Intellectual	15 hours	n.p.	24.5	20.3	21.6	n.p.	30.9
Intellectual	30 hours	n.p.	37.6	23.8	32.1	n.p.	37.1
<i>Intellectual</i>	<i>All</i>	<i>13.3</i>	<i>32.5</i>	<i>26.7</i>	<i>29.0</i>	<i>12.9</i>	<i>34.0</i>
Learning	Zero	n.p.	n.p.	n.p.	n.p.	n.p.	31.7
Learning	8 hours	33.3	30.4	27.8	28.9	n.p.	30.9
Learning	15 hours	23.9	32.2	20.5	26.4	24.0	28.4
Learning	30 hours	26.1	31.8	23.1	29.0	12.5	31.4
<i>Learning</i>	<i>All</i>	<i>26.8</i>	<i>31.3</i>	<i>25.2</i>	<i>28.2</i>	<i>21.4</i>	<i>30.3</i>
Sensory	Zero	n.p.	n.p.	n.p.	n.p.	n.p.	n.p.
Sensory	8 hours	29.3	30.3	23.8	28.2	17.2	34.3
Sensory	15 hours	28.2	24.6	23.6	24.4	21.0	30.2
Sensory	30 hours	26.8	33.0	n.p.	33.3	22.5	37.3
<i>Sensory</i>	<i>All</i>	<i>27.7</i>	<i>29.3</i>	<i>25.0</i>	<i>28.3</i>	<i>20.7</i>	<i>34.2</i>
<b>All</b>		<b>23.0</b>	<b>23.3</b>	<b>19.1</b>	<b>22.0</b>	<b>17.2</b>	<b>24.4</b>

Notes:

1. DEN/VRS comparison groups— six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010. 26 Week Employment Outcome rate is based on the number of people in each group who achieved a 26 Week Employment Outcome (Full or Pathway) within 18 months of their individual date of commencement in service.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. DEN participants all defaulted to an Employment Benchmark of 8 hours. Future work capacity with intervention was used to assign a proxy benchmark to members of the DEN cohort.
4. Rows may not add up to exact totals due to rounding.

n.p.: Rates are not shown in cells with fewer than 30 participants.

Source: Administrative data.

**Table A3.10: Other key characteristics of comparison groups at commencement (per cent)**

Characteristic	DES DMS	DES ESS FL1	DES ESS FL2	DES ESS Total	VRS	DEN
<b>Indigenous status</b>						
Indigenous	3.4	2.5	9.4	4.5	4.2	4.7
Not Indigenous	96.6	97.5	90.6	95.5	95.8	95.3
<b>Cultural and linguistic diversity indicator</b>						
Non-English speaking country of birth	24.1	17.9	12.0	16.2	26.1	16.9
English-speaking country of birth	75.9	82.1	88.0	83.8	73.9	83.1
<b>Remoteness</b>						
Major City	63.7	61.3	59.9	60.9	63.1	59.2
Inner Regional	22.1	23.4	22.8	23.2	21.2	24.1
Outer Regional	11.8	13.1	14.0	13.4	12.9	13.6
Remote	1.3	1.3	1.7	1.4	1.4	1.6
Very Remote	0.9	0.8	1.4	1.0	1.1	1.1
Unknown/Other	0.1	0.1	0.1	0.1	0.3	0.4
<b>Educational attainment</b>						
Less than Year 10	14.7	14.1	34.2	20.0	24.7	24.6
Year 10	31.5	29.6	37.0	31.7	33.3	30.5
Year 12 or higher	50.7	49.8	25.9	42.8	38.4	35.1
Not stated	3.1	6.5	2.9	5.5	3.6	9.8
<b>Income support type</b>						
Newstart/Youth Allowance(other)	76.9	48.8	38.7	45.8	69.7	50.4
Disability Support Pension	8.6	37.2	54.2	42.2	8.0	32.8
Parenting Payment	7.1	3.9	3.8	3.9	15.1	8.6
Other pension/allowance	1.0	1.0	0.8	1.0	1.0	1.0
Not on income support	6.5	9.0	2.5	7.1	6.2	7.2
<b>Lifetime duration on income support</b>						
Nil	2.0	4.1	1.3	3.3	1.6	3.5
Less than 6 months	7.9	5.8	3.5	5.1	5.7	5.5
6 to less than 12 months	5.7	4.2	2.8	3.8	4.2	3.5
12 to less than 24 months	9.9	7.6	6.1	7.2	7.7	6.0
2 years or more	74.5	78.3	86.4	80.7	80.7	81.6
<b>Duration of current spell on income support</b>						
Not receiving income support	6.7	9.3	2.7	7.4	6.3	7.4
Less than 6 months	37.7	26.8	19.3	24.6	31.7	28.4
6 to less than 12 months	15.3	11.0	8.8	10.3	12.7	9.5
12 to less than 24 months	15.9	14.1	14.1	14.1	13.4	10.6
2 years or more	24.3	38.9	55.0	43.6	35.8	44.1
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>23,388</b>	<b>15,276</b>	<b>6,364</b>	<b>21,640</b>	<b>19,066</b>	<b>13,965</b>

*Notes:*

1. DEN/VRS comparison groups— six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups—six month intake period from 1 July 2010 to 31 December 2010. Tracking period of 18 months from the day of commencement for each member of each group.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. Rows may not add up to exactly 100 per cent due to rounding.

Source: Administrative data.

**Table A3.11: Selected programme parameters of comparison groups at commencement (per cent)**

Programme parameter	DES DMS	DES ESS FL1	DES ESS FL2	DES ESS Total	VRS	DEN
<b>Employment benchmark</b>						
Zero	0.2	0.3	0.5	0.4	—	1.9
8 hours	8.5	38.4	57.5	44.1	13.7	24.6
15 hours	49.6	47.4	35.0	43.8	59.3	44.2
30 hours	41.7	13.8	7.0	11.8	27.0	29.2
<b>Registration type</b>						
Referred participant	95.9	85.3	87.4	85.9	98.6	94.4
Direct registration	4.1	14.7	12.6	14.1	1.4	5.6
<b>Participation status</b>						
Activity-tested	84.8	53.1	42.7	50.1	85.7	60.6
Not activity-tested	15.2	46.9	57.3	49.9	14.3	39.4
<b>Remote Participant</b>						
Non-remote participant	99.1	99.3	98.9	99.2	98.3	100.0
Remote participant	0.9	0.7	1.1	0.8	1.7	—
<b>Recent work experience</b>						
Has recent work experience	48.1	37.7	16.0	31.3	40.4	29.6
No recent work experience	51.9	62.3	84.0	68.7	59.6	70.4
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (number)</b>	<b>23,388</b>	<b>15,276</b>	<b>6,364</b>	<b>21,640</b>	<b>19,066</b>	<b>13,965</b>

*Notes:*

1. DEN/VRS comparison groups- six month intake period from 1 July 2007 to 31 December 2007. DES comparison groups-six month intake period from 1 July 2010 to 31 December 2010. Tracking period of 18 months from the day of commencement for each member of each group.
2. Excludes Job in Jeopardy and Eligible School Leaver participants.
3. DEN participants all defaulted to an Employment Benchmark of 8 hours. Future work capacity with intervention was used to assign a proxy benchmark to members of the DEN cohort.
4. Rows may not add up to exact totals due to rounding.
5. Remote participants were defined as those with at least one remote loading claim.
6. Rows may not add to exactly 100 per cent due to rounding.

*Source:* Administrative data.

## Chapter 4

**Table A4.1: Definitions of variables included in the full regression models**

Variable	Levels	Description
<b>Primary disability</b>	Psychiatric Physical/diverse (reference) Intellectual Learning Sensory/speech	Primary disability recorded by provider. For DMS and VRS, sensory/speech are included in physical/diverse and Intellectual and Learning are combined into one group.
<b>Sex</b>	Female Male (reference)	Sex
<b>Age group (years)</b>	<21 21-24 25-34 (reference) 35-49 50-64	Age in years at commencement.
<b>Educational attainment</b>	Less than Year 10 Completed Year 10 (reference) Completed Year 12 Trade/TAFE Tertiary Unknown	Highest education level at commencement.
<b>Remoteness</b>	Major City (reference) Inner region Outer region Remote/very remote	Base on mapping of participant's home postcode at commencement to ARIA+ category.
<b>Income support type</b>	NSA/YA(o) DSP Parenting payment Other pension/allowance Not on benefit (reference)	Income support type at commencement.
<b>Assessed future work capacity with intervention (hours per week)</b>	0-7 8-14 15-22 (reference) 23-29 30+ 8+	Based on JCA or ESAt at commencement, missing for around 10 and 3 per cent of records in the DEN and ESS cohorts respectively. Missing values were imputed by setting to 8+ for DSP recipients (at commencement) and to current work capacity for other cases with missing values.
<b>Employment benchmark</b>	0-7 8-14 15-29 30+	The employment benchmark gives the weekly number of hours that a participant must work on average to achieve a Full Employment Outcome.
<b>Lifetime duration of income support</b>	Under 5 years (reference) 5+ years	Total time on income support, measured at commencement.
<b>Recent work experience</b>	Yes or No (Reference=No)	Set to 'yes' if in the last two years the participant was mostly involved in: Paid full-time work (30+ hours per week), Paid regular part-time work (8 to 30 hours per week), Paid part-time work less than 8 hours per week, or Paid seasonal/irregular work.

**Table A4.1 (continued): Definitions of variables included in the full regression models**

<b>Variable</b>	<b>Levels</b>	<b>Description</b>
<b>Aboriginal or Torres Strait Islander</b>	Yes or No (Reference=No)	Participant is Indigenous.
<b>Non-English speaking background</b>	Yes or No (Reference=No)	Based on country of birth.
<b>Participant requested to exit programme indicator</b>	Yes or No (Reference=No)	For ESS, based on exit reason: volunteer job seeker confirms request to exit; volunteer job seeker not participating and not contactable; or withdrew from labour force. For DEN, based on exit reason: Job seeker wishes to leave DEN programme; job seeker no longer receiving Newstart Allowance, Youth Allowance or Parenting Payment; Job seeker no longer requires assistance.
<b>Suspension indicator</b>	Yes or No (Reference=No)	During the 18 months of follow-up whether the participant was suspended from programme participation for any of the following reasons: temporary medical/reduced work capacity exemption; claiming DSP exemption; personal crisis; special circumstances; caring responsibility; approved leave; or awaiting further investigation.
<b>Ex-offender status</b>	Yes or No (Reference=No)	Identified as having had a custodial sentence.
<b>Social behaviour</b>	Yes—required this type of support for 6 months or more; No, did not require this type of support for 6 months (Reference=No)	Maximum duration of support required in any of employment support requirement categories: interact with others, maintain appropriate behaviour, cope with work related stress and pressure, and control inappropriate language.
<b>Learning</b>	As above	Maximum duration of support required in any of employment support requirement categories: learn new tasks, maintain learned tasks, concentrate or remain task focused, and understand and follow instructions.
<b>Personal care</b>	As above	Duration of support required in attending to personal care.
<b>Communication</b>	As above	Duration of support required to communicate with others.
<b>Mobility</b>	As above	Maximum duration of support required in any of the employment support requirement categories: physically complete work tasks; move around safely.
<b>Build capacity</b>	As above	Duration of support required to build work capacity.
<b>Maintain employment</b>	As above	Duration of support required to maintain employment.
<b>JSCI score</b>	0 to 70 points	Job Seeker Classification Instrument score at commencement (a composite measure of the labour market disadvantage of the participant).
<b>Unemployment duration</b>	Days	Unemployment duration between registration and commencement.

<b>Variable</b>	<b>Levels</b>	<b>Description</b>
<b>Average unemployment rate</b>	Per cent	Average unemployment rate in the reference period based on Australian Bureau of Statistics Regions quarterly data and participant's residential postcode.
<b>Employment growth</b>	Per cent	Growth in employment in the reference period based the Australian Bureau of Statistics Region corresponding to the participant's residential postcode.
<b>Industry shares</b>	Mining, Manufacturing, Construction, Retail, Accommodation & Food Services, Professional, scientific and technical services, Health care and social assistance (per cent)	Industry share of employment in the Australian Bureau Statistics Statistical Regions corresponding to the participant's residential postcode using the May 2008 quarter data and May 2011 quarter data for DEN/VRS and DES comparison groups respectively.

## Chapter 5

**Table A5.1: Occupations recorded on VRS jobs with an associated paid 26 Week Outcome**

ASCO Major Group	Total
Labourers and Related Workers	26.2
Intermediate Clerical, Sales and Services Workers	21.1
Elementary Clerical, Sales and Services Workers	13.8
Tradespersons and Related Workers	10.5
Intermediate Production and Transport Workers	10.5
Professionals	8.4
Associate Professionals	4.9
Managers and Administrators	2.4
Advanced Clerical and Service Workers	2.2
<b>Total</b>	<b>100.0</b>

Source: Administrative data.

**Table A5.2: Occupations recorded on DES jobs with an associated paid 26 Week Outcome**

ANZSCO Major Group	DMS	ESS	Total
Labourers	27.7	37.4	32.4
Community and Personal Service Workers	15.3	12.9	14.1
Sales Workers	12.4	11.9	12.1
Technicians and Trades Workers	10.7	11.2	10.9
Clerical and Administrative Workers	10.5	10.8	10.7
Machinery Operators and Drivers	12.8	8.1	10.5
Professionals	5.5	4.1	4.9
Managers	5.1	3.6	4.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Administrative data.

**Table A5.3: Estimated number of jobs undertaken to achieve 26 Week Outcome**

Number of jobs	VRS	DEN	DEN/VRS Total	DMS	ESS	DES Total
One	81.2	55.4	64.6	70.7	71.5	71.0
Two	15.3	25.7	22.0	21.4	20.7	21.1
Three	2.8	10.7	7.9	5.7	5.5	5.6
Four	0.5	4.2	2.9	1.7	1.6	1.6
Five	0.1	1.8	1.2	0.4	0.5	0.5
Six or more	0.1	2.2	1.4	0.1	0.2	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Administrative data.

**Table A5.4: Jobs without a 26 Week Outcome, number of weeks before ending**

Weeks	DMS	ESS	Total
Less than 1 week	2.5	2.5	2.5
1–4	17.3	17.5	17.4
5–8	16.0	17.7	16.8
9–12	15.0	14.0	14.5
13–16	15.7	14.1	15.0
17–20	10.1	11.4	10.7
21–26	11.2	12.0	11.5
More than 27	12.2	10.8	11.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Administrative data.

**Table A5.6: Participants' attitudes towards current job—able to use skills and abilities**

Level of agreement	VRS	DEN	DEN/VRS Total	DMS	ESS	DES Total
Strongly agree/agree	88.2	89.5	89.2	89.7	90.7	90.2
Neutral	1.1	1.3	1.2	0.4	0.8	0.6
Strongly disagree/disagree	9.3	7.6	8.1	9.3	8.1	8.8
Not stated	1.4	1.6	1.5	0.6	0.4	0.4
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (sample size)</b>	<b>941</b>	<b>355</b>	<b>1,296</b>	<b>544</b>	<b>513</b>	<b>1,057</b>

Note: Results based on unweighted survey data.

Source: Dynamics of Australian Income Support and Employment Survey Cohorts 2 (DEN/VRS) and 3 (DES).

**Table A5.7: Participants' attitudes towards current job—able to learn new skills**

Level of agreement	VRS	DEN	DEN/VRS Total	DMS	ESS	DES Total
Strongly agree/agree	71.2	80.4	77.9	73.2	80.1	76.6
Neutral	0.3	1.0	0.8	0.9	1.4	1.1
Strongly disagree/disagree	26.5	16.9	19.5	25.4	18.3	21.9
Not stated	2.0	1.7	1.8	0.5	0.2	0.4
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (sample size)</b>	<b>941</b>	<b>355</b>	<b>1,296</b>	<b>544</b>	<b>513</b>	<b>1,057</b>

Note: Results based on unweighted survey data.

Source: Dynamics of Australian Income Support and Employment Survey Cohorts 2 (DEN/VRS) and 3 (DES).

**Table A5.8: Participants' attitudes towards current job—able to gain useful experience**

Level of agreement	VRS	DEN	DEN/VRS Total	DMS	ESS	DES Total
Strongly agree/agree	83.1	87.1	86.0	83.8	89.5	86.6
Neutral	1.1	1.0	1.0	2.0	0.4	1.2
Strongly disagree/disagree	14.9	10.0	11.4	13.3	9.7	11.5
Not stated	0.9	1.9	1.6	0.9	0.4	0.7
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (sample size)</b>	<b>941</b>	<b>355</b>	<b>1,296</b>	<b>544</b>	<b>513</b>	<b>1,057</b>

Note: Results based on unweighted survey data.

Source: Dynamics of Australian Income Support and Employment Survey Cohorts 2 (DEN/VRS) and 3 (DES).

**Table A5.9: Participants' attitudes towards current job—opportunities for promotion**

Level of agreement	VRS	DEN	DEN/VRS Total	DMS	ESS	DES Total
Strongly agree/agree	30.7	35.9	34.5	37.3	39.9	38.6
Neutral	2.8	1.7	2.0	2.4	1.4	1.9
Strongly disagree/disagree	47.1	50.0	49.1	46.0	44.5	45.2
Not stated	19.4	12.4	14.4	14.3	14.2	14.3
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (sample size)</b>	<b>941</b>	<b>355</b>	<b>1,296</b>	<b>544</b>	<b>513</b>	<b>1,057</b>

*Note:* Results based on unweighted survey data.

*Source:* Dynamics of Australian Income Support and Employment Survey Cohorts 2 (DEN/VRS) and 3 (DES).

**Table A5.10: Participants' attitudes towards current job—this is a temporary job until something better comes along**

Level of agreement	VRS	DEN	DEN/VRS Total	DMS	ESS	DES Total
Strongly agree/agree	49.3	44.0	45.5	50.4	46.0	48.3
Neutral	4.2	2.6	3.0	2.8	2.7	2.7
Strongly disagree/disagree	42.3	47.8	46.3	43.5	47.8	45.6
Not stated	4.2	5.6	5.2	3.3	3.5	3.4
<b>Total (per cent)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total (sample size)</b>	<b>941</b>	<b>355</b>	<b>1,296</b>	<b>544</b>	<b>513</b>	<b>1,057</b>

*Note:* Results based on unweighted survey data.

*Source:* Dynamics of Australian Income Support and Employment Survey Cohorts 2 (DEN/VRS) and 3 (DES).

**Table A5.11: Survey respondents' opinions on whether DES providers had improved their chances of getting a job**

	Did not improve	Improved a little	Improved a lot
12 months in EA/PPM (DMS)	25.8	43.8	30.8
Exited EA/PPM (DMS)	38.7	37.1	24.2
12 months in EA/PPM (ESS)	26.4	42.7	30.9
Exited EA/PPM (ESS)	39.0	35.5	25.5
CODES	33.2	31.6	27.9

*Note:* In the CODES survey, only participants who were currently not working were asked this question.

*Source:* DES Post Programme Monitoring Survey (June 2012 data) and Clients of DES Survey (2011), unweighted data.

**Table A5.12: Survey respondents' opinions on whether DES providers had helped to build self-confidence**

	Did not improve	Improved a little	Improved a lot
12 months in EA/PPM (DMS)	23.0	44.2	32.8
Exited EA/PPM (DMS)	32.1	38.8	29.1
Exited OS (DMS)	20.5	45.7	33.8
12 months in EA/PPM (ESS)	22.7	42.6	34.6
Exited EA/PPM (ESS)	32.4	37.7	29.9
Exited OS (ESS)	19.8	46.4	33.9
CODES	20.0	28.8	45.4

*Source:* DES Post Programme Monitoring Survey (June 2012 data) and Clients of DES Survey (2011), unweighted data.

**Table A5.13: Survey respondents' opinions on whether DES providers had helped to improve work skills**

	Did not improve	Improved a little	Improved a lot
12 months in EA/PPM (DMS)	33.5	40.4	26.1
Exited EA/PPM (DMS)	45.7	33.5	20.8
Exited OS (DMS)	30.2	44.5	25.4
12 months in EA/PPM (ESS)	31.7	40.5	27.7
Exited EA/PPM (ESS)	42.3	33.5	24.2
Exited OS (ESS)	26.7	43.7	29.6
CODES	27.4	25.2	44.2

*Source:* DES Post Programme Monitoring Survey (June 2012 data) and Clients of DES Survey (2011), unweighted data.

**Table A5.14: Survey respondents' opinions on whether DES providers had helped them to manage disability at work**

	Did not improve	Improved a little	Improved a lot
12 months in EA/PPM (DMS)	31.4	43.0	25.6
Exited EA/PPM (DMS)	41.7	35.3	23.0
Exited OS (DMS)	27.0	39.3	33.7
12 months in EA/PPM (ESS)	31.3	40.7	27.9
Exited EA/PPM (ESS)	40.5	35.0	24.5
Exited OS (ESS)	23.1	46.1	30.8

*Source:* DES Post Programme Monitoring Survey (June 2012 data), unweighted data.

## Chapter 8

**Table A8.1: Selected characteristics of newly granted Disability Support Pension recipients by whether participating in employment services (per cent)**

Characteristic	In services			Not in services
	under 6 months <sup>(a)</sup>	In services 6+ months <sup>(a)</sup>	In services total <sup>(a)</sup>	
Mean age at starting DSP (years)	45	40	44	45
Reported earnings in the last 6 months	8.5	28.4	12.2	10.0
Female	46.4	42.9	45.8	52.8
<b>Age group (years)</b>				
Under 21	4.6	13.1	6.2	13.4
21 to 24	3.6	5.6	4.0	2.8
25 to 34	12.1	14.5	12.5	7.8
35 to 49	37.9	34.3	37.2	24.4
50 to 64	41.8	32.5	40.1	51.5
<b>Primary disability<sup>(b)</sup></b>				
Psychiatric	36.5	31.9	35.7	22.8
Physical/diverse	53.4	47.5	52.3	62.7
Intellectual/learning	8.4	17.9	10.1	11.9
Sensory/speech	1.6	2.5	1.7	2.3
<b>Assessed future work capacity<sup>(c)</sup></b>				
0 to 7 hours per week	25.4	9.4	22.4	37.0
8+ hours per week	74.6	90.6	77.6	63.0
<b>Impairment rating<sup>(d)</sup></b>				
20 points	54.1	55.9	54.4	48.8
More than 20 points	45.9	44.1	45.6	51.2
In Employment Services on starting DSP	82.3	53.3	76.9	—

(a) After starting DSP. Does not include people who had been in Employment Services before starting to receive DSP but not after.

(b) Based on primary disability for claiming DSP. Recipients with Asperger's or Autistic Disorder were identified using Medical Details data and regrouped to Intellectual/Learning disability category.

(c) Missing values excluded.

(d) The type of Employment Service in which recipient spent most time within the 18 months of follow-up.

Note: Rows may not add up to exact totals due to rounding.

Source: Administrative data.

## Appendix B: Technical Notes

### Chapter 2

The interim evaluation of DES derived a proxy measure of the DES target population from income support administrative data covering the Disability Support Pension (DSP), Newstart Allowance and Youth Allowance (other) recipient populations. While this was satisfactory for looking at changing patterns of service use in a well-defined population over time, as an absolute measure of target population it suffered from two major deficiencies. First, the income support population, principally the DSP component, includes people with severe disability who are unable to work for at least eight hours per week and other people who have permanently withdrawn from the labour force and are not required to participate in employment services. Existing administrative data on DSP recipients do not record labour force status making it impossible to exclude people who do not participate in the labour force from the target population estimates. Second, people in the labour force who are potentially eligible for and in need of services but who do not receive government income support ('non-allowees') are not represented in income support data. The income support data approach is therefore not good at picking up the volunteer element in disability employment services or screening out the segment of income support recipients who are unlikely to ever look for work and hence, to use employment services.

The department engaged the Australian Institute of Health and Welfare (AIHW) to assess the suitability of the ABS Disability, Ageing and Carers survey for this purpose. The AIHW advised that Disability, Ageing and Carers survey data can be used to estimate the target population based on the prevalence and severity of disability-related employment restrictions among labour force participants and people marginally attached to the labour force. Some limitations of the survey data were noted:

- disability status is determined by self-reported need for assistance, not formal assessment
- no data item aligns exactly with the concept of individual work capacity
- income support status is self-reported
- intellectual and learning disabilities cannot be separated for reporting purposes
- data does not include Indigenous status
- persons' ages on the data file allow for analysis by defined five-year age groups only
- the survey data are not suitable for identifying full-time students who may be eligible for disability employment services (these people are mostly under 21 years of age)
- the survey is conducted every three years, most recently in 2012, with a lag of up to two years between fieldwork and release of data files.

These were considered minor issues when balanced against the advantage of a disability population approach over an income support population approach. The ABS Disability, Ageing and Carers survey identifies people with disability from responses about health conditions and activities in a comprehensive set of questions based on international standards.<sup>50</sup> The AIHW was able to map

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<sup>50</sup> International Classification of Functioning, Disability and Health and the International Statistical Classification of Diseases and Related Health Problems, 10<sup>th</sup> Revision (ABS 2011).

survey items to key programme eligibility criteria to model the target population in 2009. A survey data item 'Permanently unable to work—could not work at all' was used to approximate work capacity under eight hours per week and this subpopulation was excluded.

Method for identifying the target group for disability employment services using the ABS Disability, Ageing and Carers Survey:

- Start with the household population with disability in the age range 25 to 64 years. Younger people were excluded because of the difficulty identifying eligible full-time students in the survey data.
- Use indicators of the nature and severity of employment restrictions to generate a baseline count of people with substantially reduced capacity for paid employment.
- Use the survey item 'Permanently unable to work—could not work at all' to approximate a work capacity of zero to seven hours; exclude these cases (ineligible).
- Use indicators of a need for support to maintain employment, for example, need for a support person or other special arrangement at work, to identify people who need ongoing support to remain employed (approximates eligibility for the DES Employment Support Service).
- Use receipt of income support payment or low income (self-report) to identify eligible people who do not need ongoing support (approximates eligibility for the DES Disability Management Service).

### **Potentially eligible population— a qualifying level of disability and able to work at least 8 hours per week**

According to the model, in June 2009 around 374,000 people aged 25 to 64 years had a level of disability that made them potentially eligible for disability employment services. This included employed (59 per cent) and unemployed (12 per cent) persons and persons outside the labour force (29 per cent). The employed group includes people who were in the programmes and receiving support after starting a new job, though this cannot be seen in the survey data. Even with this allowance the employed segment is clearly larger than one would imagine for the DES target group. Only in certain circumstances, such as an immediate risk of unemployment, would an employed person be found eligible for programme support and not all of the potentially eligible employed people would have met this condition.

Of those who were not in the labour force—around 106,000 people—disability was the most common but not only main reason for not looking for work. Child care responsibilities or caring for another person with disability or an older person were also cited. Around one-third said they did not *want* to work at the moment, most typically because of their own illness, injury, or disability (50 per cent) but also for other reasons including caring responsibilities. For the other two-thirds it appears more a matter of feeling *unable* to work in their present circumstances, rather than not wanting to work.

Only 1 in 5 of those not in the labour force had looked for work in the previous 12 months. The interesting point about potentially eligible people outside the labour force is that very few regard themselves as permanently unable to work. On the other hand, there is low labour market attachment in this group, often for multiple reasons, not just disability.

The potentially eligible population is projected to have increased to around 388,000 by June 2012 as a result of population growth. These estimates exclude people under 25 years of age because of difficulties in identifying eligible full-time students in the survey data.

## Chapter 3

### Calculation of outcome rates

Outcome rates for the comparison groups were calculated by finding the percentage of participants in the group who achieved the relevant outcome at least once (where a participant attracts more than one Job Placement Fee, because he or she has been placed in jobs on multiple occasions, that participant only counts once toward the Job Placement rate) during the 18 month period beginning with that participant's commencement in services.

Outcome rate=Number of participants who achieved outcome at least once divided by the total number of participants.

The evaluation counted outcomes over 18 months from commencement because DES provides up to 18 months of employment assistance (with a possible six months extension). In this way the evaluation has measured outcomes consistent with the period of support that is offered.

### Group profiles are sufficiently similar to ensure the validity of comparison between groups

Failing the ability to randomly assign people to the programme or intervention under study (which, in this case was not possible), for a comparison of outcomes to be valid, the groups being compared should ideally have similar profiles. Tables showing the comparison group demographic profiles are presented in the appendix and show that the comparison groups have sufficiently similar demographic compositions for good comparability.

### Differences between comparison groups (commencement cohorts) and caseload

Profiles of the DES caseload were presented in Chapter 2. It is reasonable to assume that participants who are more prevalent in the caseload than in the comparison groups are those who are less likely to achieve sustainable employment and therefore remain in the caseload after others have left employment services. Comparing profiles, we see that the comparison groups are broadly similar to the caseload. Differences of note are listed below.

- The caseload profile gives the appearance of more participants under the age of 21, but in reality this is only because Eligible School Leavers are excluded from the comparison groups.
- Participants with intellectual disability or learning disability made up slightly higher proportions of ESS/DEN caseloads than in the comparison groups, while psychiatric and physical disabilities were correspondingly less prevalent. DMS caseload data had a higher proportion of participants with learning disability and a lower proportion with physical disability compared to the DMS comparison group. The VRS caseload had more participants with psychiatric disability and fewer with physical disability.
- There are few noteworthy differences between caseload and comparison group profiles. In general, caseload data has more non-allowees and fewer Newstart/Youth Allowance(other) recipients as well as slightly fewer DSP and Parenting Payment recipients. As is to be expected caseload data has a slightly higher proportion of participants who have been on income support for more than two years. The inclusion of Eligible School Leavers in the caseload profile means that caseload data also has more participants who have never been

on income support. This is particularly noticeable for ESS Funding Level 2 participants aged under 21 years, since the majority of Eligible School Leavers are in ESS Funding Level 2.

## Chapter 4

Administrative data on fully eligible JSA participants with disability-related partial capacity to work who commenced in Stream 2, 3 or 4 of JSA between July and December 2010 was examined to test the feasibility of using them to compare the effects of mainstream and specialist employment assistance. DES-ESS was excluded from the analysis. The need for ongoing support to maintain employment is a defining eligibility for DES-ESS and distinguishes the ESS service and funding model from that of DMS. The system is designed to ensure that a job seeker with disability who needs ongoing support to maintain employment is referred to DES-ESS. The support needs of ESS participants are too different from the needs of other job seekers with disability and a comparison involving ESS therefore makes little sense. Three groups were compared:

- DES-DMS participants with partial capacity to work who commenced in DMS between 1 July 2010 and 31 December 2010.
- 'JSA-only' group—job seekers with disability who received only JSA assistance during an 18 month period—14,419 participants with partial capacity to work who commenced in Stream 2, 3, or 4, were fully eligible for a 26 Week Employment Outcome, and did not transfer to DES within 18 months of commencement.
- 'JSA and DES' group—job seekers with disability who received JSA and DES assistance at different times during an 18 month period—4,930 participants with partial capacity to work who commenced in Stream 2, 3, or 4, were fully eligible to achieve a 26 Week Employment Outcome, and transferred to DES within 18 months of commencing in JSA. This group spent an average of 8 months in JSA before transferring to DES, almost half of the 18-month reference period over which outcomes were measured.

## Chapter 5

### Data sources

Data sources for Chapter 5 are: administrative data; the Dynamics of Australian Income Support and Employment Survey (DAISES) survey, a longitudinal survey of job seekers that collects information on the experiences and outcomes of programme participants, conducted over four years from 2009; and the DES Post-Programme Monitoring Survey (June 2012) and companion Clients of DES Survey, which is a face-to-face version of the PPM survey designed specifically for DES participants with intellectual or learning disability. Participant satisfaction with jobs and services is sourced from the surveys.

### Key definitions and methods

Successful jobs are defined as jobs with an approved 26 Week Outcome claim (both full and pathway outcomes) and a claim end date on or before:

- 30 June 2009 for DEN/VRS jobs
- 30 June 2012 for DES jobs.

Jobs were excluded if the participant had transitioned from DEN/VRS to DES. Jobs were also excluded if the participant had transferred to stream services during the 26 Week period.

To count the number of employers per outcome, the full service period was examined for participants who achieved a 26 Week Outcome, including transfers. All jobs that occurred between the participant's referral date and the end date of the 26 Week Outcome were counted, regardless of whether an outcome fee was paid. Number of employers per 26 Week Outcome was used instead of number of jobs per 26 Week Outcome because in some cases job placement records appear to be duplicates of the same job with the same employer but with different start dates, possibly indicating a false start or a temporary break from work. Thus, the employer count per 26 Week Outcome is a more reliable representation of providers' success in matching participants to employers and jobs.

Unsuccessful jobs are jobs that had been anchored for a 13 or 26 Week Outcome but did not receive a paid 26 Week Outcome. Jobs must have been anchored by 31 December 2011 for a 13 Week Outcome or 30 March 2012 for a 26 Week Outcome to be counted in the analysis.

Job satisfaction measures were produced from DAISES survey data. Cohort 2 (Wave 3) was used for DEN/VRS results while Cohort 3 (Wave 5) was used for DES results.

### Data issues and limitations

Jobs in DEN/VRS did not have unique job identifiers, making it impossible to directly link 26 Week Outcome claims with jobs. Thus, claims were matched using job start dates. This method resulted in 100 per cent of DEN and 89 per cent of VRS 26 Week Outcome claims that could be matched to a job. This was also an issue when matching jobs with wage subsidy claims. As wage subsidy claim start dates do not always match job start dates, claims were matched if the claim start date was between the job start date and three months after the 26 Week Outcome end date.

DEN jobs sometimes had multiple entries for the same job. When this occurred, an average was taken for the hours worked; any entries with '0' hours recorded or recorded hours greater than recorded wages were discounted. For both DEN and VRS jobs, any entries with recorded hours greater than 40 were also discounted as it is highly unlikely a person with disability would work more than 40 hours in one week. Most DES recorded hours had 'PW' (i.e. per week) as a suffix. However, some had a 'HR' suffix; these entries were discounted as there was no way to know what unit measure these entries used (e.g. per week, per fortnight, etc.).

DEN participants did not have employment benchmarks so could not be included in this part of the analysis. Only a small percentage of VRS jobs had benchmark and working hours recorded (12 per cent), in comparison to 86 per cent of DES jobs. The resulting VRS population was only about 1,100 compared to over 15,000 in the DMS population, hence was considered too small to use as an adequate comparison population. Thus, Chapter 5 only includes DES data for comparing benchmark hours to actual working hours.

Wage data using administrative data was inconsistent across the different programmes. While 100 per cent of DEN jobs had recorded wage data, less than 5 per cent of VRS jobs had wages recorded. For DES jobs, the only wage records were associated with advertised vacancies, so there was no guarantee that the wages remained the same once a person was placed in the vacancy, particularly if the actual hours worked differed from the advertised hours. Over 64 per cent of DES jobs did not have wages recorded. The wages data field in DES is free text, so the payment amounts can be listed per hour, per week, per annum or are simply text based (e.g. 'award wage'). Many values do not have the counting unit recorded and as the field is free text there are typographical errors in a number of entries. Therefore, the DES wage data in administrative data was deemed unsuitable for quantitative analysis. Income data from Centrelink for DES jobs was extremely sparse; less than 2 per cent of all DES jobs had a recorded wage that began within two weeks of the job start date with a recorded period of seven days or more. Due to the paucity of available income data, it was excluded from Chapter 5's analysis.

Less than five per cent of DEN jobs had recorded occupation data, while both VRS and DES jobs had comprehensive occupation data. However, each uses a different occupation classification. VRS data uses the Australian Standard Classification of Occupations (ASCO) whereas DES data uses the Australian and New Zealand Standard Classification of Occupations (ANZSCO). The VRS data was not detailed enough to map to ANZSCO data using ABS concordance data, so each has been presented at the 'Major Group' level.

The employer field for DEN/VRS jobs is free text rather than a unique employer identifier and difficulties were encountered in interpreting the data. Data manipulation was used to disregard typographical errors or slightly different employer names (e.g. 'Woolworths' versus 'Woolworths Ltd'), however it is important to note that the total employer count per 26 Week Outcome is an estimate only and may be slightly higher than the actual count.

There were no entries for DEN/VRS jobs in the data table used to identify anchored jobs that did not receive a 26 Week Outcome, so analysis of how long 'unsuccessful' jobs last in DEN/VRS compared to DES could not be included in Chapter 5.

## Addendum: Figure text for accessibility

### Figure 1: DES 2010-2013 service model

The diagram shows that the DES Service Model begins with the Employment Assistance phase which is followed by the Post Placement Support phase which is followed by the Ongoing Support phase. An optional Extended Employment Assistance Phase may appear between the Employment Assistance Phase and the Post Placement Support phase.

#### Figure 1.1: DES service model at a glance

The diagram shows that service begins with the Employment Assistance phase which is followed by the Post Placement Support phase which is followed by the Ongoing Support phase. An optional Extended Employment Assistance Phase may appear between the Employment Assistance Phase and the Post Placement Support phase.

Employment Assistance phase can last up to 78 weeks and involve up to 6 quarterly service fees.

Extended Employment Assistance phase (optional) requires an Employment Services Assessment, can last up to 26 weeks and involve up to 2 quarterly service fees.

Post Placement Support phase commences with an education or employment outcome and can involve a Job Placement Fee, 13 week outcome fee and a 26 week outcome fee.

Ongoing Support phase is optional and commences following a 26 week employment outcome. After 52 weeks in this phase an Ongoing Support Assessment (OSA) is required for the phase to continue. Ongoing Support may continue indefinitely with an OSA every 52 weeks.

#### Figure 1.2: Number of DES providers by state and territory September 2012

A diagram showing the number of specialist and generalist DMS and ESS providers in each state and territory as well as the speciality disability type serviced by the providers and population groups. The figure shows the majority of providers are generalists and commonly assist people with psychiatric disability or mental illness.

#### Figure 2.1: Estimated household population aged 15 to 64 years by disability and labour force, Australia, 2009

This graph shows the caseload for DEN/VRS and for DES. Total caseload was fairly steady at around 100,000 in DEN/VRS, then began to rise with the introduction of DES in March 2010, stabilising six months later at about 150,000.

#### Figure 2.2: Estimated target group for disability employment services at ages 25 to 64 years, by sex and age group, 30 June of reference year

At 30 June 2012, DES caseload was distributed as follows:

- 49 per cent in Employment Assistance.
- 20 per cent in Post Placement Support.

- 16 per cent suspended.
- 9 per cent in Ongoing Support.
- 5.9 per cent referred but not yet commenced.

### **Figure 2.3: Days from referral to commencement by whether suspended within 28 days**

Two graphs showing the number of days between referral and commencement for DMS participants and ESS participants. Each graph has a curve for participants who commenced and were not suspended, a curve for participants who were suspended within 28 days of commencement and a curve for all participants. Conclusions to be drawn from the graphs are described in the text below.

### **Figure 3.1: Comparison group intake and tracking periods and significant programme events**

Key dates relating to the comparison group intake and tracking periods. The diagram shows how the intake periods for the comparison groups were matching six month periods in the last half of 2007 and the last half of 2010. The 18 month tracking periods for the comparison groups mean that DEN and VRS group members could be observed as late as 30 June 2009 and DES members could be observed as late as 30 June 2012. The intake and tracking periods were positioned to avoid the start of DES in March 2010 but could not avoid the beginning of tendering for the new contract in April 2012.

### **Figure 3.2: Income support status of DMS comparison group over 18 months**

Graph 1 shows that over 18 months from commencement, the percentage of DMS participants on full benefit drops from 80 to 60, while the percentage of those not on benefit rises from less than 10 to almost 30.

Graph 2 shows that over 18 months from commencement, the percentage of 26 week outcome achieving DMS participants on full benefit drops from 65 to 10 (at 1 year from commencement) then rises back up to almost 20 at 18 months from commencement. The percentage not on benefit begins at 10, rises to almost 60 at 1 year from commencement then descends slightly over the following six months.

### **Figure 3.3: Income support status of ESS comparison group over 18 months**

Graph 1 shows that over 18 months from commencement, the percentage of ESS participants on full benefit drops from more than 80 to under 70, while the percentage of those not on benefit rises from less almost 10 to almost 20.

Graph 2 shows that over 18 months from commencement, the percentage of 26 week outcome achieving ESS participants on full benefit drops from 65 to under 20 (at 1 year from commencement) then rises back up to 30 at 18 months from commencement. The percentage not on benefit begins at 10, rises to almost 35 at 1 year from commencement then descends slightly over the following six months.

### **Figure 3.4: Number of participants who exited DES as independent workers, by month**

The graph shows that independent worker exits from DES began with a handful of exits in October 2010 and rose steadily until reaching a more or less stable rate of around 2000 independent worker exits per month in January 2000.

### **Figure 3.5: Weeks between exit as independent worker and return to services**

The graph shows the number of weeks between exit as an independent worker and return to employment services for those who did return. Returns peak between 3 and 6 weeks after exit, with the return rate more than 10 weeks after exit being less than half the peak rate. In short, people who return to services after exiting as independent workers are most likely to do so within the first two months or so after exit.

### **Figure 5.1: Survey respondents' opinions on whether DES providers had improved their chances of getting a job**

These two graphs show information from Appendix Table A5 point 11. They report whether survey respondents felt that DES providers had improved the likelihood that they would get a job.

### **Figure 5.2: Survey respondents' opinions on whether DES providers had helped to build self-confidence**

These two graphs show information from Appendix Table A5 point 12. The graphs show whether survey respondents felt DES providers had helped build their self-confidence.

### **Figure 5.3: Survey respondents' opinions on whether DES providers had helped to improve work skills**

These two graphs show information from Appendix Table A5 point 13. The graphs indicate whether survey respondents felt DES providers were helpful in improving work skills.

### **Figure 5.4: Survey respondents' opinions on whether DES providers had helped them to manage disability at work**

These two graphs show information from Appendix Table A5 point 14. The graphs indicate whether survey respondents felt DES providers were helpful in managing their disability at work.

### **Figure 6.1: Eligible School Leaver registrations, 2009-10 and 2010-11 financial years, by month**

The graph shows the number of Eligible School Leaver registrations each month from July 2009 to June 2011. Prior to the introduction of DES in March 2010, there were roughly 200 registrations per month. The number of registration rose steadily after the introduction of DES, reaching around 800 registrations per month in May and June 2011. On 1 July 2010, two new Eligible School Leaver

pathways were introduced (12 Months Post School and Transition to Work). By May 2011, these two new pathways accounted for around 100 of the 800 registrations per month.

### **Figure 6.2: Eligible School Leaver registrations, October 2011 to March 2013, by month**

The graph shows the number of Eligible School Leaver registrations each month from October 2011 to March 2013. Over the period from October 2011 to September 2012, the number of registrations per month varied but averaged around 900. On 1 October 2012 revised guidelines were introduced and the number of registrations immediately dropped from 1000 in September 2012 to 450 in October 2012. From there to March 2013, there were around 100 to 200 registrations per month.

### **Figure 8.1: Labour force participation of self-reported DSP recipients by age, 2009**

The graph shows a breakdown of DSP recipients into the categories of employed, unemployed or not in the labour force by different age groups. In general, the older the age group, the more people are not in the labour force, from 60 per cent for 20 to 24 year olds to over 90 per cent for 50 to 64 year olds. Among 20 to 29 year olds, almost 10 per cent report being unemployed. Over the age of 40 very few report being unemployed.

### **Figure 8.2: Employment outcome rates within 18 months of commencing employment assistance, by income support type and programme**

The first graph in Figure 8.2 shows job placement rates by income support type as reported in Table 3 point 6.

The second graph in Figure 8.2 shows 26 week employment outcome rates by income support type as reported in Table 3 point 7.

### **Figure 8.3: Changes in income support status of recipients in ESS over 18 months**

The first graph shows that for DSP recipients in ESS, over the period from commencement to 40 weeks later, the percentage on full benefit goes from 90 to around 75, the percentage not on benefit goes from 0 to around 5 and the percentage on part benefit goes from 10 to 20.

The second graph shows that for Newstart and Youth Allowance (other) recipients in ESS, over the period from commencement to 40 weeks later, the percentage on full benefit goes from 85 to under 70, the percentage not on benefit goes from 0 to almost 20 and the percentage on part benefit remains around 15.

### **Figure 8.4: Changes in income support status of recipients in DMS over 18 months**

The first graph shows that for DSP recipients in DMS, over the period from commencement to 40 weeks later, the percentage on full benefit goes from over 90 to under 80, the percentage not on benefit goes from 0 to almost 10 and the percentage on part benefit goes from under 10 to around 15.

The second graph shows that for Newstart and Youth Allowance (other) recipients in DMS, over the period from commencement to 40 weeks later, the percentage on full benefit goes from 85 to under

60, the percentage not on benefit goes from 0 to almost 30 and the percentage on part benefit remains around 15.

### **Figure 9.1: Awareness and use of assistance available through Disability Employment Services**

The figure shows employer awareness and use of different types of assistance accessible through DES, such as wage subsidies, the Supported Wage System, AusLAN, workplace modifications, Job Access and mental health first aid training. Few employers were aware of the full range of services available. Employers were more aware of wage subsidies than any other type of assistance, 37 per cent.

### **Figure 9.2: Employers' assessments of job applicants referred by DES providers**

The figure shows how employers assessed the job applicants referred to them by DES providers. 84 per cent of employers thought applicants were well presented, 81 per cent were willing to work, 78 per cent were reliable, 77 per cent had relevant skills, and 61 per cent had relevant work experience.

### **Figure 9.3: Type of support received to recruit and retain a DES participant**

The figure shows the type of support employers received to recruit and retain a DES participant. 80 per cent of employers were provided support when the employee first started and 75 per cent were provided with ongoing support for the employee. 64 per cent of employers had an agreed plan with the DES provider to receive support. 57 per cent of employers said they received support to tailor the job to suit the applicant's ability, and 50 per cent of employers received coaching and support for the employee's supervisor.

### **Figure 9.4: Likelihood of an employer using a DES provider to fill certain types of jobs**

The figure shows that employers are most likely to use a DES provider to fill low skill jobs (72 per cent) rather than medium or high skill jobs (61 per cent and 28 per cent respectively). Employers are also more likely to use DES providers to fill jobs that are casual or temporary in nature rather than ongoing, part-time or full-time jobs.