

Submission in Response to the Transition to Work 2022-2027 Consultation Paper

NDS welcomes this opportunity to respond to the Transition to Work 2022-2027 Consultation Paper released in June 2021. NDS notes that the recent Federal Budget measures are intended to strengthen the Transition to Work service and position it as the sole youth specialist service in the New Employment Services Model (NESM).

The submission will address particular topics identified in the consultation paper and examine the relationship between NESM, Transition to Work and Disability Employment Services (DES) going forward. As DES is currently subject to changes to its service model, as well as being redesigned for the next contract period from mid-2023 it is important to note some of its current performance outcomes for young people.

In May 2021 there were 201,976 DES participants being actively assisted by providers to find employment and a further 16,738 in ongoing support, having achieved 26 weeks in employment.

There were 4,360 26 week outcomes achieved by DES in May, or 21.6 outcomes per 1,000 jobseekers. There were 26,862 DES participants under 25, which is 13.3% of active DES participants. This cohort achieved 785 26 week outcomes in May, or 29.22 outcomes per 1,000 active job seekers (Source: [LMIP DES Data](#)). Clearly, DES is achieving positive employment outcomes for young jobseekers with disability.

The key recommendation in this submission is that Transition to Work complement DES in future and that the Job Seeker Assessment Framework ensures that young jobseekers are referred to the employment services program that best meets their needs.

Retained components and proposed enhancements to Transition to Work

NDS notes the core components of Transition to Work that will be retained for the period 2022-27. Several of the components retained are of relevance to the interaction between DES and Transition to Work. These include:

- Non-competitive and flexible service delivery
- Eligibility for participants not in receipt of income support
- A demand driven funding model that places more emphasis on upfront investment in participants
- A Youth Bonus Wage Subsidy of \$10,000

The components above do not feature currently in DES, especially following the removal from DES eligibility of jobseekers not in receipt of income support.

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While NDS supports the proposed enhancements to Transition to Work as identified in the consultation paper, we recommend that aspects of its service delivery model be considered for the DES contract from mid-2023.

Assessment, referral and eligibility

In regard to the assessment process for Transition to Work, the paper states that the Job Seeker Classification Instrument (JSCI) will remain a key element of the Job Seeker Assessment Framework.

The recently released report by Boston Consulting Group (BCG) on their mid-2020 review of Employment Services Assessments (ESAs) examined how these assessments could be improved and better targeted. The JSCI currently determines if a jobseeker requires an ESA.

Several recommendations in the report identified how the JSCI could be enhanced for the New Employment Services Model. Enhancements should consider the likely impacts on ESA referrals and improve their accuracy and efficiency. The medical conditions that trigger ESA referrals from the JSCI should also be updated.

NDS recommends the JSCI be improved to ensure that all employment and non-employment related barriers of jobseekers are considered and results in their referral to the employment services program that best meets their needs. If a jobseeker is an NDIS participant, referral to a DES provider should be the preferred option.

Eligibility criteria for Transition to Work

NDS agrees with the proposed eligibility criteria changes for Transition to Work but cautions again that non vocational barriers arising from a jobseeker's disability should ideally result in referral to DES.

Maximum duration of service for participant

The consultation paper identifies an increase in the maximum duration of service for Transition to Work participants from 18 to 24 months for the subset of young people with complex, non-vocational barriers.

The characteristics that determine if a jobseeker has complex, non-vocational barriers requiring 24 months of service provision should ideally be examined between 12-18 months. If the jobseeker is no closer to overcoming their barriers and has insufficiently engaged in work experience, vocational education, or employment, then the maximum service period should be applied.

Improving attendance at the initial appointment

The consultation paper examines how to ensure that jobseekers attend their initial appointment in order to commence service provision and build a relationship with their provider. Two "levers" are identified; eligibility for RapidConnect and suspension of Income Support (including being exited to jobactive). As most Transition to Work

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participants are exempt from RapidConnect, suspension of income support remains the primary lever.

NDS agrees that suspension of Income Support should be the key lever to engage participants in their initial appointment. We recommend these appointments should be held face to face, with future appointments held either face to face or through videocalls or other electronic contact methods.

The Performance Framework

The consultation paper identifies enhancements to the Transition to Work performance framework, including a series of new Key Performance Indicators (KPIs). NDS notes the inclusion of a set of KPIs addressing quality through separate participant and employer satisfaction surveys and an assessment of service quality by Account Managers.

NDS agrees with the inclusion of KPIs that measure the quality of service provision. However, we would caution against assessments of service quality by Account Managers as they may not be in a position to objectively or consistently assess this measure.

Regarding the measurement of the achievement of Education Outcomes, NDS recommends completion of an education outcome should occur within an acceptable timeframe, allowing for delays in course completion due to circumstances beyond the participant's control. The achievement of employment by a jobseeker within six months of completing an education outcome should also be monitored.

Recognition of education outcomes should be aligned with the Skills Priority List to address labour market shortages in particular industries or vocations.

Upfront Payments and de-linking Outcome Targets from Payments

Given the emphasis of Transition to Work on the provision of individual tailored services and capacity building for participants, NDS agrees with the upfront payment model and the de-linking of outcome targets from payments.

We recommend aspects of the payment model should be considered for inclusion in the new DES program from 2023 to ensure consistency in service models assisting jobseekers with multiple non-vocational barriers to employment.

Connecting to local approaches

In order to facilitate Transition to Work providers maintaining strong connections and collaborate effectively with local services, NDS recommends that the Department examine our [Ticket to Work](#) initiative, which promotes collaborative, locally based partnerships designed to improve post-school social and economic outcomes for young people with disability.

Summary of Recommendations

NDS makes the following recommendations for Transition to Work 2022-2027:

- That Transition to Work complement DES and that the Job Seeker Assessment Framework (in particular the JSCI) is enhanced to ensure that young jobseekers are referred to the employment services program that best meets their needs
- That certain aspects of the Transition to Work service delivery model should also be considered for the new DES contract from mid-2023
- If after a period of 12-18 months, a jobseeker is no closer to overcoming their barriers and has insufficiently engaged in work experience, vocational education, or employment, the maximum service period of 24 months should be applied
- Initial appointments with a service provider should be held face to face, with future appointments held either face to face or through videocalls or other electronic contact methods
- Completion of an education outcome should occur within an acceptable timeframe, allowing for delays in course completion due to circumstances beyond the participant's control
- The achievement of employment by a jobseeker within six months of completing an education outcome should also be monitored
- Recognition of education outcomes should be aligned with the Skills Priority List to address labour market shortages in particular industries or vocations
- Aspects of the payment model should be considered for inclusion in the new DES program from 2023 to ensure consistency in service models assisting jobseekers with multiple non-vocational barriers to employment
- The Department examine our Ticket to Work initiative, which promotes collaborative, locally based partnerships designed to improve post-school social and economic outcomes for young people with disability

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National Disability Services is the peak industry body for non-government disability services. It represents service providers across Australia in their work to deliver high-quality supports and life opportunities for people with disability. Its Australia-wide membership includes over 1,150 non-government organisations which support people with all forms of disability. Its members collectively provide the full range of disability services — from accommodation support, respite and therapy to community access and employment. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Federal governments.