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DISABILITY EMPLOYMENT SERVICE OUTCOMES IN 2020: EFFECTS OF COVID-19 RESTRICTIONS

in partnership with



About the CRE-DH

The first centre of its kind internationally, the Centre of Research Excellence in Disability and Health (CRE-DH) is generating evidence to guide social and health policy reform with the aim of improving the health of Australians with disability aged 15-64 years, and reducing the avoidable (inequitable) health and wellbeing disparities between Australians with and without disability. The CRE-DH has a strong focus on reducing disability-related inequities in the social determinants of health, that is, the factors that affect health through the conditions in which people are born, grow, live, work, and age, and which are, in turn, shaped by political, social and economic forces.

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Abbreviations

ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
CRE-DH	Centre of Research Excellence in Disability and Health
DES	Disability Employment Service
DMS	Disability Management Service
DSS	Department of Social Services
ESS	Employment Support Service
RBA	Reserve Bank of Australia

Executive Summary

We explored publicly available Disability Employment Service (DES) employment outcome data for people with disability during the months of the COVID-19 lockdown until the end of August 2020, and compared these outcomes to relevant pre-COVID data.

Relative to pre-COVID outcomes, we found large relative falls in job acquisition in the first months of the COVID-19 restrictions, followed by a partial rebound, but to levels still well below the pre-COVID situation. Job retention also fell substantially, but with no sign of a rebound so far.

1. Introduction

Prior to the COVID-19 pandemic, people with disability faced longstanding barriers to employment. In 2018, Australians aged 15-64 with disability had a vastly lower employment rate (48%) than their peers without disability (80%).¹ The restrictions put in place to stop the spread of coronavirus have severely affected the Australian labour market and could make this employment situation even worse. We already know that the economic harms have not been spread evenly. For example, workforce groups such as women and young people have faced greater disadvantage.²

One important way Australians with disability are supported to find and retain a job is through a [Disability Employment Service](#) (DES). We analysed data on monthly employment outcomes for people with disability who use DESs. By tracking employment outcomes, month by month, through the pandemic, we could assess how people with disability who use DESs were faring this year during COVID-19, compared to when we were COVID-free.

Relative to pre-COVID outcomes, we found large relative falls in job acquisition in the first months of the COVID-19 restrictions, followed by a partial rebound, but to levels still well below the pre-COVID situation. Job retention also fell substantially, but with no sign of a rebound so far.

2. Australian Disability Employment Services

In Australia, DESs are a major government-funded program to help people with a disability find and keep employment. DESs do not directly employ their clients with disability, but instead assist them to find a job in the mainstream labour market. As of August 2020, this program served a total caseload of 291,119 Australians with a disability, injury or health condition, an increase of 14.7% compared to August 2019. DESs are operated by non-profit and for-profit non-government organisations and are available nationally, with 110 providers operating from 3,736 different sites in August 2020.

Each month, aggregated national data on the employment outcomes of DES participants are available online via the [Australian Government's Labour Market Information Portal](#).³ These data include the number of people achieving 4-week, 13-week, 26-week and 52-week employment outcomes. The outcomes indicate that the DES participant has retained and worked in their

current job for a minimum of their specified Employment Benchmark hours, on average, each week for the number of weeks specified. The data provide a monthly snapshot of the number of DES participants who achieved these outcomes in that month, but do not report the current total number of DES participants in employment. Many Australians with disability gain and retain jobs without support from DESs, so their employment outcomes are not included in DES monthly reports.

There are two streams of DESs, and employment outcome data are reported separately for each. A *Disability Management Service* (DMS) is for individuals who need help with finding a job and occasional support to keep it. An *Employment Support Service* (ESS) serves those with a permanent disability who also need regular, ongoing support in the workplace to keep a job.

3. COVID-19 in Australia

The first confirmed case of COVID-19 in Australia was identified in late-January 2020. [Case numbers in the first wave peaked in late March, and in early August for the second wave](#). There has been quite uneven distribution of cases nationally. For example, the state of Victoria had most cases in the second wave.

Like other countries, Australia instituted [multiple restrictions on activity and gatherings](#). By late March, Australia had implemented a major lockdown. By mid-May lockdown restrictions began to be eased gradually. Due to a second wave centred in Melbourne and Victoria, lockdown was reimposed in that city and state in early July, with even more stringent restrictions in early August. These restrictions have had a major impact on the employment of many Australians, including Australians with disability. Given this timeline so far, we expected that employment-related effects would be evident from April 2020, with some easing in June, but with further employment detriments in July and August.

4. Australian Unemployment Statistics in 2020

In 2020, the seasonally adjusted unemployment rate in Australia grew sharply from 5.1% and 5.2 % in February and March respectively to 7.5 % in July (Australian Bureau of Statistics (ABS), August 2020). And the 7.5% unemployment rate does not reflect the true scale of the problem. The introduction of the [JobKeeper payment](#) on 30 March, 2020 meant that people working reduced or zero hours but who receive JobKeeper are not counted as unemployed. Despite that, the overall trend was for continuing sharp increases in unemployment between April and July. There was a notable improvement in August with a drop in unemployment rates to 6.8%³ but still much worse than in the pre-lockdown period of early 2020.

The DES employment data reported below are not directly comparable with these

unemployment statistics, but the unemployment trend for 2020 provides a context within which to interpret the DES data.

5. Employment Outcomes for Disability Employment Service Participants

We explore publicly available DES employment outcome data for people with disability during the months of the lockdown until the end of August 2020, and compare these outcomes to relevant pre-COVID data.

Job acquisition: 4-week outcomes

A fundamental purpose of DESs is to help people with disability acquire a job. The most direct available measure of job acquisition is the monthly number achieving a 4-week employment outcome. *Figure 1* depicts available data for each month in 2020 expressed as a percentage of the number achieving that outcome in the same month in 2019.

The relative employment outcomes will be larger than 100% if the number with a 4-week outcome is higher in 2020 than in 2019. This approach is intended to help account for seasonal variation between months, so that the effects of COVID restrictions on employment outcomes are clearer.

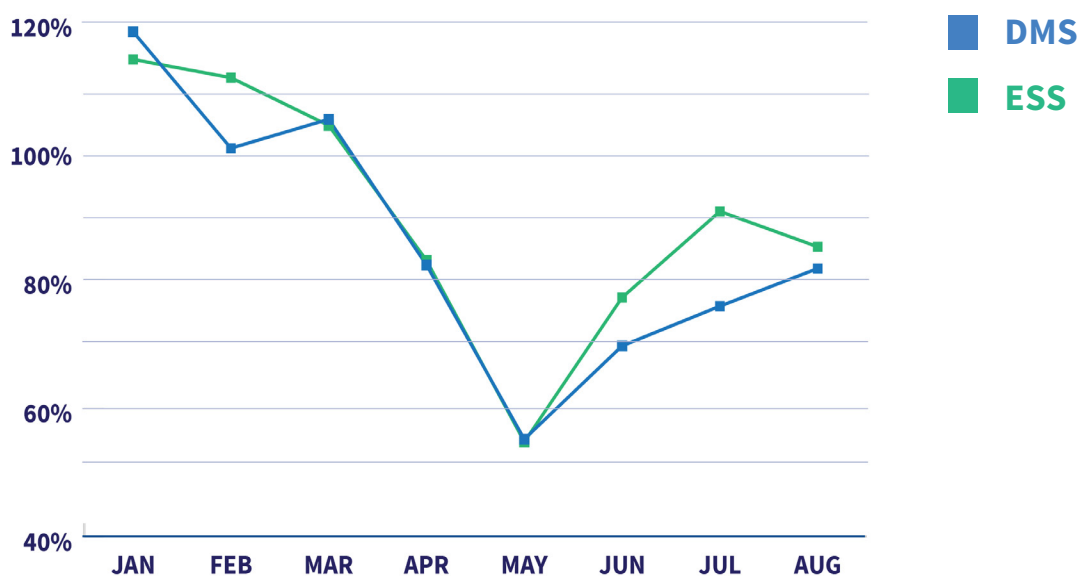


Figure 1. DES participants who achieved a 4-week outcome in 2020 as a percentage of the number achieving that outcome in the same month in 2019, by month and by DES type. Data source: Labour Market Information Portal, [DES Monthly Data](#), August 2020

The overall DES caseload has increased by more than 14% relative to 2019. Other things being equal, this should mean that proportionally more DES participants obtained jobs in 2020 than in 2019. As expected, the percentages in *Figure 1* for January to March 2020 all exceed 100% of the 2019 monthly equivalents. However, following the imposition of lockdown restrictions in late March, there was a substantial and sustained decline in 4-week outcomes in April and May, followed by a moderate recovery in subsequent months as restrictions were eased in most states. Nevertheless, by August 2020, the percentages remained below 100% for both DMS (81.7%) and ESS (85.0%) services, still well under the percentages achieved in the first months of 2020.

The data we report reflect relative monthly employment performance pre- and post-COVID, but do not reveal whether the absolute outcomes achieved are satisfactory. In absolute terms, the job acquisition outcomes (i.e. number of people who achieved a 4-week employment outcome) in January 2020 for example, represented 1.4% (DMS) and 1.4% (ESS) of the total respective caseloads in December 2019. Despite large government investment in DES and other employment programs, the persistently low level of employment outcomes for Australians with disability was recently cited by [George Sotiropoulos](#),⁴ the Disability, Employment and Carers Group Manager at the Department of Social Services (DSS) as a key reason for the proposed development of a National Disability Employment Strategy.

Job retention: 26-week outcomes

A person who begins a new job, achieves a 4-week outcome and continues to work in that job, would usually attain a 26-week outcome 5 months later. As an overall index of job retention, for each month in 2020, *Figure 2* shows the percentage of participants who achieved a 26-week outcome, relative to the number who attained a 4-week outcome 5 months prior. For example, the percentage who reached a 26-week outcome in July 2020, represents the number of people with 26-week outcomes in that month, divided by the number who attained a 4-week outcome in February 2020, multiplied by 100.



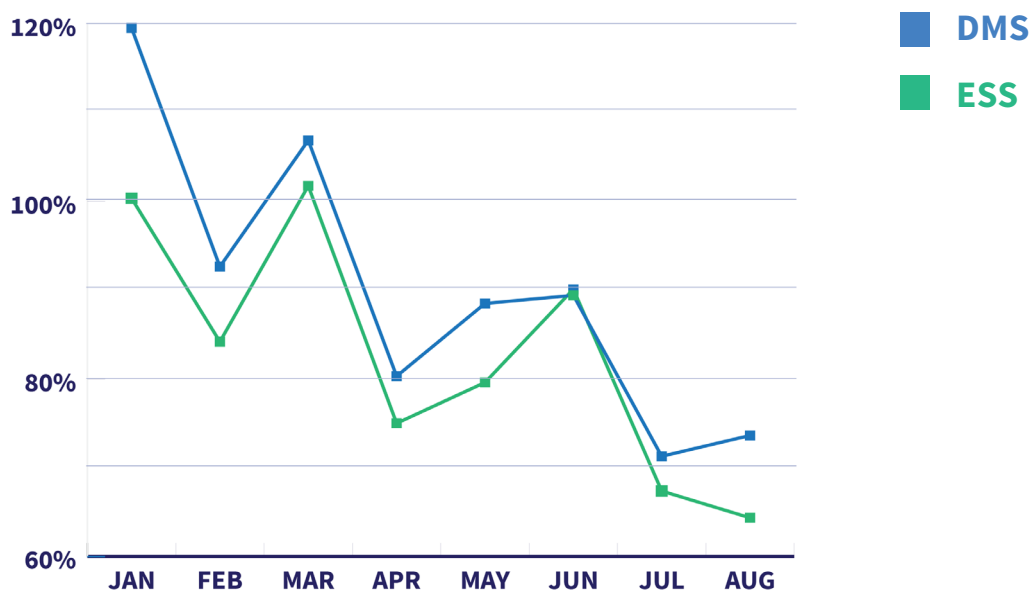


Figure 2. Percentage of DES participants who achieved a 4-week outcome who also achieved a 26-week outcome 5 months later in 2020, by month and by DES type. Data source: Labour Market Information Portal, [DES Monthly Data](#), August 2020.

There is some month-to-month variability (e.g. due to Christmas/New Year holidays and closedowns delaying achievement and/or reporting of a 26-week outcome). Nevertheless, there appears to be a clear overall trend to lower percentages in April and May during the peak of the wave-1 lockdown, and again in July and August during the ongoing lockdown in Victoria due to wave 2. The August 2020 figures of 73.6% (DMS) and 64.4% (ESS) reveal a sharp decline relative to the first three months of 2020. Moreover, the drop in job acquisition from April 2020 (*Figure 1*) will flow through to future 26-week job retention outcomes, but may be offset to an unknown degree by delayed achievement of 26-week outcomes for individuals returning to the same job after being stood down.

Unfortunately, because of a major change in mid-2018 in the way DES outcomes were measured and reported, it is not possible to validly calculate the equivalent job retention percentages for the same months in 2019 or prior years.

Given the unique circumstances of the pandemic, it is possible that some unknown proportion of DES participants in *Figure 2* have not achieved a 26-week outcome on schedule, not because of job loss, but because they have been temporarily stood down from their job (or are working too few hours to meet their DES specified Employment Benchmark hours) in the expectation that they will eventually return to normal work arrangements and may achieve a delayed 26-week outcome. The DES data provide no information on this issue, so it is not possible to estimate how many DES participants are in this situation.

6. Conclusions

Similar to other Australians, the COVID-19 lockdowns and related restrictions have had a substantial negative impact on employment for people with disability. The DES data indicate major effects on both employment acquisition and retention relative to pre-COVID months. While there were some signs of a partial rebound in job acquisition (4-week employment outcomes) by August 2020, there is still a large amount of ground to recover. No equivalent rebound in job retention (26-week outcomes) was apparent. Importantly, these declines in relative DES employment outcomes, need to be understood within the context of persistently unsatisfactory absolute disability employment levels pre-COVID-19.^{1,4} That is, a bad pre-COVID employment situation has become even worse in the first months of the pandemic.

The necessary data were not available to allow us to determine what proportion of the evident decline in job retention was due to DES participants losing their job, as compared to those who were stood down or working reduced/zero hours with some future expectation of a return to work. Like other Australians, their employment prospects in the coming months will be strongly affected by the extent to which COVID is under control and lockdowns are not reimposed.

Looking beyond the immediate future, August 2020 Reserve Bank of Australia⁵ projections indicate that unemployment will peak toward the end of 2020 then fall slowly to a still high 7 percent by the end of 2022.

Internationally, the experience from recent recessions is that employment of people with disability was disproportionately affected. For example, in the USA in the 2007-09 recession, people with disability experienced significantly higher levels of job loss and unemployment.⁶ Continued monitoring of the employment situation of Australians with disability is needed to help develop and evaluate policies to improve their workforce participation and economic wellbeing. We hope that the Australian Government's initiative to develop a [*National Disability Employment Strategy*](#)⁴ will make a major contribution toward such improvements.

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