**Jobsupport Submission re the National Disability Employment Framework Issues Paper**

**Workforce Participation**

The Issues Paper focuses on the employment of a broad population of people with disability and observes that Australia’s workforce participation for people with a disability is low by international standards.

The Report also notes in the section on diversity that people with intellectual impairment do poorly in open employment.

Jobsupport specialises in working with people with a moderate intellectual disability (MID) and is a good example of a service specialising in an NDIS eligible group. Jobsupport currently supports 662 people in open employment jobs of their choice throughout Sydney and the northern suburbs of Melbourne with average job tenure of 6.8 years, average wages of $377 per week and average hours of 20 per week. The 2013 DEEWR Moderate Intellectual Disability Loading (MIDL) evaluation reported that Jobsupport’s 26-week employment outcome rate for people with an intellectual disability was 77.8% (national average other providers 28.7%). Jobsupport’s 13-week employment outcome was 87% (national average other providers 42.8%).

It is true that people with a moderate intellectual disability need greater encouragement to attempt open employment however it is not correct to say that people with an intellectual disability do poorly in customised jobs in open employment. Whilst there is certainly room for improvement, Australia’s open employment outcome rate for people with an intellectual disability who attempt employment holds up well by international standards.

* The Institute for Community Inclusion at the University of Massachusetts Boston (2013) *State Data: The National Report on Employment Services and Outcomes* reports a 13-week employment outcome in the US for people with an intellectual disability of 34.3%.
* The *Journal of Vocational Rehabilitation* vol 37, No 3, 2012 provides a collection of articles that describe the state of open employment in Europe. (Open employment is termed ‘supported employment’ in Europe).

The MIDL evaluation contrasted Jobsupport’s results with other services and reported that ‘peak organisations recognise that few DES providers have the specialist skill sets and competencies to support people with a moderate intellectual disability. Consultations highlighted a need for specialist services or units to better support these job seekers to obtain substantial employment’.

Jobsupport has worked with the Rehabilitation Research and Training Centre (RRTC) at Virginia Commonwealth University both to evaluate its own service and to provide training and technical assistance to other services in Australia. The RRTC has evaluated services across the US and internationally and ranks Jobsupport as one of the top five in the world. Their view is that Jobsupport achieves higher outcomes because it has identified and tightly implemented evidence-based best practice (that is, Jobsupport’s performance is replicable).

The Government’s decision to combine DES services, the NDIS (including ADEs and Community Participation) and the DSP within the same portfolio has created an historic opportunity to improve employment outcomes whilst at the same time reducing cost within the Department of Social Services (DSS).

The Centre for International Economics (CIE) is currently finalising a report titled *DES and the NDIS: opportunities for portfolio wide savings.* The report will be provided to DSS next week and notes that the people with a moderate intellectual disability placed into open employment in Sydney by Jobsupport create a saving relative to the cost of the same people attending an ADE of $3M per annum and between $5M and $10M per annum relative to the cost of the same people attending Community Participation. If Jobsupport’s outcomes were replicated across Australia through the adoption and implementation of evidence-based best practice the savings over 40 years (the period used for the intergenerational report) are $308M relative to ADEs and between $407M and $916M relative to Community Participation.

**Change comments regarding Disability Employment Services**

* ***Change should be guided by evidence based best practice***

A key principle missing from the Issues Paper is that any changes should build on what works. Any proposed changes should also be checked against current best practice to ensure that what is currently working doesn’t become an unintended casualty.

The DES program deserves praise for the data collection and KPIs (the ongoing support KPI needs adjustment - later discussion refers) that have been established. The upcoming publication of outcome data by type of disability will enable:

* The best performers by type of disability to be identified and investigated
* Training based on best practice to be developed
* Employers and people with a disability to make an informed choice between services and vote with your feet creating market pressure on services to improve
* Improved system performance because more people with disability will enter the more effective services.

DES also deserves praise for introducing consequences for poor performance. Unfortunately the reallocation of approximately half the DES-ESS contracts in Australia has not to date led to an improvement in performance. The DES funded training and technical assistance project by Jobsupport and the RRTC was initiated prior to the introduction of consequences and also failed to significantly lift performance. The nine participating services were reluctant to make changes that would be unpopular with staff however three services did begin to implement change once it became obvious that consequences for poor performance were being introduced.

Jobsupport’s view is that the combination of consequences for poor performance combined with training and technical assistance for services willing to change offers the best chance for improving employment outcomes.

* ***Disincentives in the DES program discourage the placement of people with a moderate intellectual disability and need to be removed***

Policies developed within DES when it was administered by DEEWR effectively discourage DES services from working with people with MID. Four particular issues are especially relevant:

* No indexation of funding– services have little choice but to move to client groups that require less support hours to achieve employment outcomes so that funding covers costs. It is important that the real cost of best practice service provision is met.
* Ongoing support funding is effectively a billable hours approach that makes it impossible to realise efficiencies as real funding declines.
* The bulk of expenditure is incurred pre-placement and during the first 6 weeks of employment. The bulk of income is received after 13 weeks and 26 weeks of employment. The average DES service is reluctant to place people with MID because only 44.8% of job placements of 15 hours per week or more last 26 weeks and expenditure cannot be recouped (81% of Jobsupport’s placements are retained for 26 weeks).
* The ongoing support KPI assumes that people with disabilities who exit employed are forever employed whereas services catering for people with ongoing support needs have every job loss counted. The ongoing support KPI represents 15% of the Star Rating that determines continued funding.

A key point is that the current DES disincentives need to be addressed as a matter of urgency or the 2018 full NDIS rollout may find no DES services focussed on the NDIS population for MID. Even Jobsupport with results three times the national average is concerned about its financial viability. The disincentives are a counter-productive false economy now that DES and the NDIS are within the same portfolio.

* ***Individual funding based on needs and aspirations and a market based service provision***

NDIS employment outcomes will only ever be as good as the results achieved by the DES services they refer to. There is no evidence in Australia or overseas of significant numbers of people with MID achieving open employment without a DES service.

Jobsupport’s CEO travels to the US and Europe every two or three years to visit services trialling new approaches. Jobsupport’s contacts in Europe and the US have been unable to identify anywhere where the introduction of consumer choice has improved employment outcomes for people with a moderate intellectual disability in the absence of a competent open employment service.

The MIDL evaluation reported that Jobsupport was the only service in Australia successfully placing a significant number of people with intellectual disability into open employment. It is unlikely that consumer demand alone will result in other service outcomes for people with a moderate intellectual disability improving.

Funding within the current system is already attached to individuals. Individual funding based on needs and aspirations would be strengthened if people with a disability could to make an informed choice between providers based on service outcome data by type of disability. There may also be an opportunity to move to the client approval of outcome payments and reduce the current level of red tape.

Outcome based funding was introduced to ensure a focus on achieving jobs however the Achilles heel of outcome based funding is creaming and this is demonstrated in the low numbers of people with a moderate intellectual disability achieving open employment outside Jobsupport. The MIDL evaluation consultations highlighted the need for specialist contracts for people with a moderate intellectual disability.

The trend for people with an intellectual disability in both Australia and the US is that the number entering Community Participation programs is increasing whilst the number in open employment has plateaued. Jobsupport believes that our best chance for improving outcomes and realising significant savings within the Department of Social Services lies in the following initiatives.

* + Specialist contracts that force a focus on the NDIS population or subgroups such as people with a moderate intellectual disability
  + The removal of systemic disincentives
  + The retention of consequences for poor performance
  + The publication of service performance data by type (and where possible severity e.g. MID) of disability
  + People with disabilities and employers making informed choices between providers based on outcomes
  + The provision of training and technical assistance to DES providers, who can demonstrate a willingness to change, based on an evidence based investigation of best practice by type and severity of disability

There is no doubt that different approaches are more effective with different populations. Consumer control of the design of their open employment assistance is being sought by some, particularly by people with physical and sensory disabilities, and could be usefully trialled by these groups and evaluated. There is no evidence base for believing that this approach will work for people with a moderate intellectual disability. Those suggesting changes that would result in people with a moderate intellectual disability and their advocates designing their own employment assistance should be asked to identify anywhere in the world where this has worked.

* ***Understanding employer needs***

Discussions regarding employer needs typically focus on how to improve normal recruitment pathways within companies and filling relatively standard positions. Employer initiatives such as the NDRC may be useful for some types of disability however in the twenty years since these initiatives began (Partnerships with Industry began in 1994) Jobsupport has only achieved one job placement. Normal recruitment pathways and resume-based approaches simply don’t work for people with a moderate intellectual disability.

Fifty per cent of Jobsupport’s placements are additions to current staffing created by developing customised jobs that meet both employer and client needs. Customised jobs are typically developed at the department or office manager level and represent a different and important recruitment pathway that increases the pool of available jobs but is often overlooked when discussing the broader disability population. Customised jobs will be particularly important in assisting people eligible from the NDIS to obtain employment.

Jobsupport’s experience is that employers are most positively influenced by success stories told by colleagues in the same industry.

* ***Effective Pathways***

Prior to the introduction of the 1986 Disability Services Act there was limited movement from supported employment (then termed ‘sheltered workshops’) into open employment. In 1984/85 there were 9,974 people receiving Supported Employment Allowance and 50 people received Training Fees because they moved through to open employment. Thirty years later the Issues Paper reports that in 2014 there were 20,000 people with a disability in supported employment and 159 moved into open employment. Supported employment and open employment offer two different types of employment however there is no evidence that ADEs prepare people with an intellectual disability for open employment.

The Commonwealth Department of Social Security funded Work Preparation Centres prior to the introduction of the 1986 Disability Services Act. These centres focused on people with an IQ of 65 or more (people with lower IQs were not seen as able to generalise skills) and provided extended pre-training. The US research that underpinned the Disability Service Act open employment demonstration projects, including Jobsupport, demonstrated that placement and onsite training in permanent jobs (rather than pre-training) was a more effective approach for people with an IQ less than 65.

We need to be careful not to recycle pre-training and flowthrough models that have already been shown to be ineffective or redundant.

Jobsupport established the Transition to Work (TTW) pilot in NSW that led to the creation of NSW TTW services. Our experience is that people with a moderate intellectual disability, their families and their teachers typically have low expectations regarding open employment that become self-fulfilling. Only 40% of students with a moderate intellectual disability graduating from Sydney high schools are able to catch public transport when they finish schooling. It is highly unlikely that either the students who are unable to travel or their families will consider open employment as a possibility unless they are actively encouraged by an open employment service that can demonstrate a proven track record. Jobsupport’s TTW program aims to lift open employment expectations and has increased the number people with a moderate intellectual disability willing to attempt employment. It has not improved outcome rates or reduced the training time required in DES.

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