

Ensuring a strong future for Supported Employment

Discussion Paper Submission

Tasmanian Association Disability Employment Services

February 2018

**Tasmanian Association Disability Employment Services (TADES)**

TADES IS the peak body for the eleven Australian Disability Enterprises in Tasmania. The association is an independent body whose key focus is ensuring that Tasmanians with disability have the opportunity to be employed. Across the state the sector employs approximately 420 Supported Employees working in a variety of skilled areas.

This submission reflects the comments, feedback and suggestions of all the members of the Association. Members may respond in separate submissions that will reflect their own responses to the discussion paper.

**Disability Employment Services compared to Australian Disability Enterprise**

Throughout the discussion paper there are approximately 65 references to the DES sector and providers. On the face of it, this would seem to reflect a bias by government to rely on the DES sector to achieve employment outcomes for people with disability, rather than focussing on the opportunities to strengthen the supported employment sector that already employs over 20,000 adults with a disability. It is TADES’ opinion that Government must give greater attention to Australian Disability Enterprises (ADE’s) now and into the future, in order that all of the employment opportunities for people with disability can be maximised.

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Below is a comparison of the ADE and DES sectors;

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| Disability Employment Services  | Australian Disability Enterprises |
| * 44 per cent of DES participants have a physical disability
* 38 per cent have a psychiatric disability
* Four per cent have an intellectual disability
* DES participants must have an assessed current or future work capacity of eight hours per week as determined by an allied health professional via an Employment Services Assessment or a Job Capacity Assessment (ESAt/JCA)
* DES participant ages range from under 20, to over 65, with an average age of 43
* 78 per cent of DES participants are accessing Newstart or Youth Allowance
* 11 per cent are accessing the DSP
* Over 95 percent of DES participants are paid a full award wage, and
* At any given time there are 189,000 DES participants accessing support through DES providers that are collectively paid up to $800 million annually.
 | * 70-75 per cent of supported employees have an intellectual disability
* The average weekly wage for a supported employee is $121.72
* The average hourly rate is $5.61, with wages ranging from $1.00 per hour to full award wage
* All supported employees qualify for DSP
* The pension income test free area (including for DSP) from 1 July 2017 is $168 per fortnight for singles and $300 per fortnight for couples combined
* Supported employees must be able to work a minimum of eight hours of work per week as determined by employer, employee and family and carers
* The average hours worked are 23 per week
* Supported employee ages range from under 20, to over 65, with 41 the average age, and
* The average cost of employment support from the Government per supported employee is $11,800.
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It is evident that both sectors have a key role to play in providing employment opportunities for people with disability. However, one of the critical strengths of the supported employment sector is the commitment to providing people with an intellectual disability with work that is appropriate for their skills and which provides an environment that is safe from bullying and discrimination. ADEs have established systems, practices and business models that support people with disability with a range of behaviours and support needs – particularly those with (not limited) to those with an intellectual disability The sector can clearly demonstrate positive outcomes for our employees through modified workplaces and tasks, skill based training, life skills and work skill development.

Open employment has shown time and time again, that it does not always have the resources or skills to appropriately support people with an intellectual disability in the workplace, nor will they tolerate it for an extended period. This is why employees from ADEs who venture into open employment frequently return to an ADE.

TADES acknowledges that DES providers appear to more effective when they secure employment for those with physical disability, as this cohort may not present with mild to severe learning difficulties or come from lower social economic backgrounds. Both which imped employment readiness and the ability to maintain employment.

The primary role of the National Disability Insurance Scheme (NDIS) is to give the participant the freedom of choice which TADES agrees is a positive move forward. However, there are still barriers between Job Active, DES and ADE’s and the key reasons for this have been identified as;

1. Job Active and DES refer to ADE’s as an enclave which is outdated and inaccurate,
2. There is no outcome for either DES or Job Active if an individual is offered meaningful employment in an ADE,
3. An ADE does not approach either Job Active or DES for placements as we are aware of the above.

There have been undocumented cases were a DES has put an individual forward for employment at an ADE as a mechanism to either move them through the system or appear to be achieving an outcome.

The comparison of difference between an ADE and DES requires feedback particularly with the following;

*ADEs act as a link,* ***helping people with moderate to severe disability*** *gain training and experience to confidently step into open employment or to continue in supported employment if they choose.*

ADES should not only be viewed as a link to other employment. ADEs are legitimate social enterprises that are a valid destination for some people with disability (particularly those with moderate to high support needs). ADEs assist employees to gain skills and knowledge to maintain employment. Employees remain long term in an ADE, as the Government is aware hence we have incentive payments to assist employee to retirement.

*Once placed* ***in an ADE****,* ***a supported employee generally immediately commences in a job role****.*

Supported Employees are not placed in an ADE they are interviewed, offered a position and commence employment as any other individual entering the workforce.

**Moving Forward**

It is evident that ADEs have a significant role in ensuring that people with disabilities can exercise their right to access skilled based employment regardless of the level of their disability.

All entities need to be able to work together to deliver the best possible outcome for individuals wanting to enter the workforce.

The perception of ADEs being an enclave must be removed from policies as this is not factual. Our enterprises are real businesses that offer extensive opportunities in training, job security and quality of life to their staff. We should not be regarded as a transitional stage to Open Employment which is raised with in the Discussion Paper.

**Open Employment compared to Supported Employment**

The discussion paper clearly identifies that Government preference is to have people of all age groups and disabilities enter or transition to open employment.

The definition of Supported Employment as per Social Security Law 1.1.S.430 Supported Employment (DSP[[1]](#footnote-1)) is;

`For the purposes of DSP, supported employment is employment provided by an Australian Disability Enterprise funded under the Disability Services Act 1986. Australian Disability Enterprises are commercial enterprises which provide employment opportunities for people with disabilities, for whom competitive employment at or above the relevant award wage is unlikely; and who, because of their disabilities, need substantial ongoing support to obtain or retain paid employment.`

 The above definition demonstrated that ADE’s have a place in the Australian economy, as per the discussion paper the sector employs `*around 20,000 people`* (page 11)

As per the profile of Supported Employees in the discussion paper (page 10) this would equate 14,000 people with an intellectual disability currently maintaining meaningful and rewarding employment throughout Australia.

The number for Tasmania would be approximately 300 people.

With the uncertain future of Australian Disability Enterprises there is potential loss of skilled staff with an Intellectual disability from the Australian Workforce. This will also have a significant impact on Social Security payments.

The table below highlights the benefits of gaining employment and remaining employment in a supported environment compared to open employment.

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| --- | --- |
| Supported Employment  | Open Employment  |
| 1 | Established systems and process to offer emotional support with a physical or intellectual disability. | 1 | Would need to invest in establishing systems and processes to cater for emotional support.  |
| 2 | Established work practices and infrastructure to supported sustainable job security to skilled employees. | 2 | Would need to invest in establishing practices and infrastructure to cater for staff with a disability. |
| 3 | Annual accreditation of the National Standard for Disability Services to ensure person centred practices throughout the employees working life. | 3 | Currently accreditation not required, therefore not able to demonstrate quality practices in the workplace in relation to supporting employees with a disability. |
| 4 | Australian Qualification Framework Certifications offered as part of the employment package. | 4 | Not required  |
| 5  | Established training objectives  | 5 | Not required |
| 6 | Qualified staff to assist with on the job support to employees with work and life issues.  | 6 | Not required  |

| **Question**  | **Response**  |
| --- | --- |
| 1. *Are there other principles, which should guide the Government’s policy direction for supported employment?* | Social Return on Investment needs to be demonstrated with either ADEs or Open Employment. This will give all Stakeholders the confidence in correct policy decisions. The July 2017 BuyAbility Impact Tool Report[[2]](#footnote-2) demonstrates that tax paid by Supported Employees equates to $226,900 and Disability Support Pension recovered from Supported Employees was $8,732,955. These figures are based on only 74 BuyAbility members. |
| 2. *What is a good participation outcome for a supported employee and how can good outcomes be measured?* | One ADE in Tasmania has adopted the Core Skills for Employment Framework as a work and life skills based approach to employment. This is measurable and is an outcome based methodology.  |
| 3. *What do supported employees most value about working in an ADE?* | The 2017[[3]](#footnote-3) Supported Employment Survey responses highlight what is important;Q1. I get on well with my workmates 87.6%Q2. I have made friends at work 85%Q3. My income from work means I can buy more things I need and want 85%Q4. I like where I work 86%Q5. I like what I make and do at work 86%Q6. I can try new jobs and learn new things 85% |
| 4. *Why do most supported employees transition back to supported employment from open employment?* | The key reason is that there is no support within the workplace to cater for their needs. Therefore, ADEs are often the best work environment for Supported Employees. When asked this question to our Supported Employees the key responses were;* Isolation, no one will talk to me
* Lack of Social Inclusion
* Not be valued by my work colleagues
* Lack of knowledge of my support needs
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| 5.*How can more supported employees be provided the opportunity to choose open employment?* | The response to this question is why should this a priority because if msupported employees return to Supported Employment. Out of the 74 BuyAbility Campaign members there are 6,161 Supported Employees[[4]](#footnote-4) with a DMI break up of;DMI 1 = 376 (6%)DMI 2 = 1245 (20%)DMI 3 = 1666 (27%)DMI 4 = 2874 (47%)As DMI 4 is the higher support category it is evident that a greater focus is required on maintaining and growing Australian Disability Enterprises who are in a position to continue the support we give to our staff.  |
| 6. *Why is participant access to concurrent DES and ADE support so low?* | The ability of DES and ADEs being able to work together for an individual is extremely limited due to the different and competing business rules which are in place for each sector and to some extent a difference in values While DES’ key objective is to consider Open Employment options and that ADE’s are an enclave hence Supported Employment is not classed as an employment outcome for DES.If a DES client gains a paid position with an ADE on their own accord then the DES is not able to record this as an outcome. |
| 7. *What is the role a supported employer can play in building capacity for transition to open employment?* | TADES questions the policy assumption that underpins this question. The question assumes that the key role for ADES is to act as a train station (a transition point that provides supported employees with work skills so they can move onto something ‘better’.) This is a false assumption and devalues the work that supported employees do every day in ADEs throughout Tasmania. It devalues the worth of supported employment as a valid employment destination. There are two aspects to responding to this question;1. Refer to the response to question 5 as it is the issues.2. One ADE has adopted the Core Skills for Employment Framework which assists staff to transition to Open Employment. |
| 8. *What will attract NDIS participants to employment opportunities in the future?* | The promotion of the role Supported Employment Enterprises play in ensuring NDIS participants will have a;* Non-judgmental yet supportive work environment
* National Standards for Disability Services frame to ensure that they are the centre of their employment needs (that are subject to independent annual audit)
* Purpose built facilities to cater for their disability
* information for people with disability and their carers about the benefits of work, for example. social engagements, economic independence, doing work of value and being respect for their work.
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| 9. *How are ADE’s marketing their services to an expanded market of potential NDIS participants?* | There needs to be a collaborative approach to this issue. The discussion paper highlights on page 19 *An `employment first` approach for all NDIS participants of working age.*As TADES we wanted to create a collaboration between the NDIA and the ADE’s in Tasmania. However, this was met with a sense of resistance within the State level NDIA. The ownership was put back onto the ADE’s to create market opportunities.Planners, Co-ordinators of Supports and Local Area Coordinators need information on how ADE’s will contribute to a participant’s employment pathway |
| 10. *What is the range of NDIS supports that ADE’s currently offer?* | This depends on the model and structure of the ADE’s. The NDIA price guide needs to be more comprehensive in the supports thus giving the ADE scope to offer new supports that it may not already be claiming but undertaking at a cost to the business.Within the discussion paper it is noted that *The National Disability Insurance Agency (NDIA) is currently mirroring the ADE case-based funding model and is considering whether pricing controls for employment support are required.*The question in relation to this statement is, there needs to be pricing controls to ensure that the participant is receiving the correct support in plan however the ADE’s will need to have an input into unit pricing to ensure that costs of support are being met.  |
| 11. *What costs would be involved for ADE’s that choose to:*1. *Reform to more open employment models?*
2. *Redevelop as service providers offering other NDIS supports?*
3. *Specialise in the provision of employment support as a non-employer?*
 | Employing people with moderate and high support needs results in additional costs (both actual and opportunity). Sufficient funding needs to be provided in order for ADEs to continue to employ people who have been rejected by open employment This includes:* Additional funding for support and training
* Additional funding for workplace and task analysis and job design
* Recognition of foregone productivity (employing people is a costly exercise. Employing people who cannot work as fast or as efficiently as a person without a disability has a business cost. This needs to be recognised in funding models
* Recognition that employment occurs in a group context (not all supports are provided on a 1:1 basis) and that some supports cannot and should not be individualised and that suitable funding needs to be in place to accommodate this

ADEs also require funding to implement the changes and invest in technology, equipment, processes and people to be effective and efficient providers under the NDIS. While the NDIS transition funding provided by Government (rounds 1 – 3) has been useful, the expenditure on consultant only supports ADEs to implementation stage. It does not provide the funds to implement/invest.  |
| 12. *Should the Government have a role is supporting new market entrants and start-ups in the short-term?* | No, the Government needs to support existing ADEs, that employ approximately 437 Tasmanians with disability, rather than saturating the market. The eleven enterprises in Tasmania are commercial businesses who are located in all regions of the state. Offering realistic economic participation opportunities.  |
| 13. *What investment, or industry adjustment will promote viable expansion in the employer/provider market?* | For Tasmania, State and Federal Governments need to introduce mandatory procurement legislation as per New South Wales.  |
| 14. *How could employer/providers share learnings of their success and failures within a competitive market?* | The Tasmanian Association of Disability Employment Services is an independent state based peak body. At our Bi-monthly meetings we share learning of both success and failure. We have attempted to build a relationship with the NDIA however at this stage this has not progressed. |
| 15. *How can wage supplementation be better targeted?* | This is difficult to respond to until the Fair Work Commission hand down their findings. By the discussion paper on page 24 it appears that authors have concluded that ADE’s will only have two options (*Wage supplementation has been made available for ADE’s that choose to transition to a productivity based wage assessment tool, being the Supported Wage System (SWS) or varied SWS, once in effect.)*Will wage supplementation needs to be considered for other tools if they are deemed compliant by the Fair Work Commission? |
| 16. *How can the NDIS enable an employment first approach in planning?* | 1. Build relationships with ADE’s.
2. Training of their staff, Planners and Local Area Coordinators.
3. Work with ADE’s to understand our businesses.
4. Share their learnings about the expectations (work and life) of NDIS participants as this may generate new business opportunities that can be developed by ADEs.
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| 17. *How do current assessment processes drive the inclusion of employment supports in an NDIS participant’s plan?*1. *Are existing employment assessment processes appropriate for NDIS participants?*
 | As the Commonwealth Government is aware, Tasmania has characteristics that have an impact on the way in which NDIS is implemented. Particularly, Tasmania is Australia’s most regionalised state. It is also has high rates of unemployment, low levels of literacy, low socio-economic populations and the highest rate of disability in the country. This means that in many instances, employment and economic independence is not the lived experience of many people in Tasmania and perhaps even more so amongst people with disability. This creates a challenge and opportunity with NDIS to change the community conservation about employment.To put it bluntly, the question in the planning process ought not to be “where do you want to work”. However, there are questions that can be posed to the person with disability and their carers about identifying the benefits that can come from work, for example. * Do you want to make new friends?
* Do you want earn money?
* Would you like to travel?
* Would you like to live away from home?

These conversations are about encouraging people with disability (and their carers) to think about the benefits of work. To see work as a normal part of life. To imagine a life with work. These conversations will take time. The process needs to allow a person with disability to ‘try’ different types of work and training. The process should be iterative and involve the person with disability and where appropriate carers and service providers such as ADEs so that the best possible employment experience can be designed and provided. ADEs are accustomed to working in the collaborative design space. ADEs undertake these activities when working with customers. ADEs are skilled problem solvers who can work with potential employees, the planners and others to design and deliver meaningful work.  |
| 18. *Are there different approaches to planning that could be explored for different groups of supported employees (e.g. younger workers, established workers, retirement transition)?*1. *How could SLES better support school leavers to build skills and confidence in order to move from school to employment?*
 | The principle of ‘person centred planning’ applies throughout these life/employment stages. As mentioned earlier, the process needs to be iterative and allow for the contribution of those who support the person with disability including employers. The SLES model does not fully assist students to transition to into employment. |
| 19. *What role could or should and NDIA Local Area Coordinator or planner have in linking participants to an employment opportunity/* | See earlier comments. LACs need to get to know their local ADEs. They also need to recognise that ADEs have a suite of industrial relations/HR obligations that extend beyond the NDIS. There are also commercial realities that influence the availability of work, including seasonal peaks and slow downs, Christmas and other breaks and so on.  |
| 20. *What role could or should NDIA market stewardship have in developing a market with a range of employment, other support, or participation options for existing employees?* | One opportunity for NDIA to identify and analyse the sorts of employment experiences that NDIS participants wish to have. This data could assist ADEs to identify new commercial opportunities for which they know there may be a potential workforce available. For example, NDIA could discover through this process that young people aged 15 – 29 years who live in north west Tasmania would like to work outdoors. This may mean that there could be opportunities for garden crews, delivery of brochures and so on. We could also learn that older participants in metropolitan Hobart are keen to work in hospitality, retail, manufacturing or administration. |

1. http://guides.dss.gov.au/guide-social-security-law/1/1/s/430 [↑](#footnote-ref-1)
2. BuyAbility Impact Tool July 2017 Report [↑](#footnote-ref-2)
3. BuyAbility Impact Tool July 2017 Report [↑](#footnote-ref-3)
4. BuyAbility Impact Tool July 2017 Report [↑](#footnote-ref-4)