# Submission in response to the Australian Government Department of Social Services Discussion Paper “Ensuring a strong future for supported employment,” 19 March 2018

**Table of Contents**

|  |  |
| --- | --- |
| About the Australian Network on Disability | 6 |
| 1. Principles to guide the Government’s future policy direction
 | 7 |
| Historical Context  | 7 |
| 1. Concerns with the quality of the Discussion Paper
 | 9 |
| 1. Why inclusive employment is a good choice for people with disability, employers and government
 | 13 |
| AND members’ record of employing people with intellectual disability  | 15 |
| Employment for people eligible for the National Disability Insurance Scheme (NDIS) and constraints on effective and informed choice | 16 |
| Young people with disability should be offered effective and evidence-based support to achieve employment  | 18 |
| 1. Improving the capacity of the Disability Employment Service to serve NDIS participants
 | 21 |
| Conclusion  | 23 |
| Appendix A: What people with intellectual disability say about employment | 24 |
| Appendix B: Summary of ADE costs and outcomes | 28 |
| Appendix C: Best practice model for assisting people with intellectual disability gain inclusive employment | 29 |
| Appendix D: More on the interaction of DES and NDIS and work capacity | 30 |
| Appendix E: More on the DES 2018 risk adjusted funding model | 30 |
| Endnotes | 32 |

**Executive Summary and Recommendations**

Future policy directions for the employment of people with disability should consider the principles of:

**Fairness** – reduce the correlation between disability and poverty. Most people with disability can participate in the labour market with the right level of supports. AND has seen firsthand people with very significant disability take their place in inclusive employment and sustain their roles successfully for many years.

**‘Leave no-one behind’** – consider the evidence for high quality inclusive employment and sustainable jobs by providing high quality employment support services that support jobseekers and employers.

**Increased employment for people with disability**, in particular the 460,000 Australians who will be eligible for the NDIS, rather than ensuring a strong future for Australian Disability Enterprises which currently provide services to 20,000 people with disability.

AND is driven by our belief that people with disability are skilled and capable social and economic contributors, entitled to equitable opportunities in society. AND contributes to policy-making by giving voice to the experience of employers who want to (and do) access the talents of people with disability. We strongly support evidence-based policy making which draws on what has and has not worked over the past 30 years of policy-making. We also value the lived experience of people with disability including research which captures this.

**Recommendation 1**

The Federal Government should return to the definition of supported employment contained in its 2012-2022 Inclusive Employment Strategy: ‘ongoing support, funded by government that people with disability need in order to access and retain employment. This support is related to the nature of their disability’. The funding should also be linked to the individual, based on need and be available irrespective of employment setting.

**Recommendation 2**

The Discussion Paper should be reconfigured to focus on the aim of increasing employment for the 460,000 people with disability who are eligible for the NDIS and to include reference to the considerable body of research and evidence undertaken to date, including with employers and people with disability themselves.

### Recommendation 3

NDIS and DES providers should provide more effective support to people with intellectual disability and other types of severe or profound disability who choose inclusive employment.

**Recommendation 4**

To facilitate effective choice and control within the NDIS, the Federal Government should provide high quality information about:

* Education
* Work experience
* Jobs – market, skill and education requirements
* Types of supports available from various organisations in their geographical location and in their vocation/ job of interest
* Financial modelling of various employment options (open/supported/part-time/full time)
* Access to materials and information through personal stories of various people in a range of settings.

**Recommendation 5**

The Federal Government should develop strategies to support employment participation including:

* Removal of disincentives to aspiring to full time work which impacts on pension and eligibility. Fear of losing eligibility to the DSP and being transferred to a lower value entitlement is a major factor impacting on individual choice.
* Invest in funding the development of an updated Australian business case for employing people with disability in inclusive employment – this would assist in increasing participation.

### Recommendation 6

Staff working in schools and the NDIS system needs to be better informed about successful programs that can offer sustained open employment for young people with disability. School Leaver Employment Support (SLES) should only be delivered by providers who have demonstrated their effectiveness to deliver open employment outcomes for young people with disability (based on the lessons from successful NSW Transition to Work providers).

### Recommendation 7

The proven *place then train* model should more widely be offered to people with intellectual disability to achieve sustainable inclusive employment.

The Australian Network on Disability remains committed to working constructively with the Federal Government to improve employment of people with disability. We welcome the opportunity to discuss this submission with Ministers and officials in the spirit of advancing this outcome.

## About the Australian Network on Disability

The [Australian Network on Disability](http://www.and.org.au) is a national, membership based, for-purpose organisation that makes it easier for organisations to welcome people with disability as employees and customers. We work together with our members to help them increase their disability confidence, engagement and action.

The Australian Network on Disability was started in 2000 by a group of employers who had successfully employed people with disability and won a Prime Minister’s Employer of the Year award. They decided to promote the business benefits of the employment of people with disability to other employers. At March 2018, more than 200 employers from across all sectors and industries of the Australian workforce were members of AND.

## We are driven by our belief that people with disability are skilled and capable social and economic contributors, entitled to equitable opportunities in society. AND contributes to policy-making by giving voice to the experience of employers who want to (and do) access the talents of people with disability. We strongly support evidence-based policy making which draws on what has and what has not worked over the past 30 years of policy-making. We also value the lived experience of people with disability including research which captures this. For example, in the words of one young person with intellectual disability from Burnie Tasmania when asked about his experience of working in an inclusive job:

*“Very … like my own two feet sort of thing, like I have a life, that it is my own. I don’t have to ask permission for, can I please have money for a drink. I can say I actually have money to buy my own things. I can go out and buy what I actually want. I’m also very generous with my money, like in the family when there’s things I can help like the vet bill, I say here I can help, use some of my money.”[[1]](#endnote-1)*

1. **Principles to guide the Government’s future policy direction**

Future policy directions for employment of people with disability should consider the principles of:

**Fairness** – reduce the correlation between disability and poverty. Most people with disability can participate in the labour market with the right level of supports. AND has seen firsthand people with very significant disability take their place in inclusive employment and sustain their roles successfully for many years.

**‘Leave no-one behind’** – consider the evidence for high quality inclusive employment and sustainable jobs by providing high quality employment support services that support jobseekers and employers.

Ensure that people with disability are not the ‘poor cousins’ of disadvantaged jobseekers. Consider the programs offered by Department of Prime Minister and Cabinet and the Department of Jobs and Small Businesses have in place for other disadvantaged jobseekers and seek similar arrangements.

Specifically in relation to supported employment

* strategies to support employment participation for people with disability
* strategies to support employers and service providers to provide effective employment opportunities
* strategies to facilitate greater choice and control for NDIS participants.

Further details are contained in this submission as well as in our [previous submissions](https://www.and.org.au/pages/policy.html) to Government on reforming the DES program.

## Historical Context[[2]](#endnote-2)

From the 1970s, internationally there has been a shift in the understanding of disability issues from one of welfare to one of rights. There has also been a shift from considering disability in a *medical* model where the disability is the individual’s problem. In this model adjustments and solutions are focused on normalising the individual through preventions and treatments. Rather, the *social* model of disability focuses on the disabling environmental and attitudinal barriers that transform a person’s impairment to a disability.**[[3]](#endnote-3)** An excellent example of this approach is a recent [Australian Story episode](http://www.abc.net.au/news/2018-02-26/queenslands-quadreplegic-doctor-dinesh-palipana-australian-story/9462752) which features Dr Dinesh Palipana. Dr Palipana was involved in a car accident which severed his spinal cord half way through his medical studies in Queensland. After a five year break he returned to university and completed his studies. Yet he was the last to be hired from his graduating year, not because of his inability to do the job - once employed by Gold Coast Hospital, Dr Palipana was nominated as one of their interns of the year in 2017. Rather the barriers put in place by Queensland Health Department were the cause of his six month delay in joining the workforce, not his disability.

In 1971, the United Nations General Assembly proclaimed the Declaration on the Rights of Mentally Retarded Persons. In 1975 the Declaration on the Rights of Disabled Persons outlined a number of social, economic and civil and political rights for people with disability. Australia, introduced the Disability Services Act (1986), which emphasised that ‘people with disabilities should have the same rights as other members of Australian society to realise their individual capacities for physical, social emotional and intellectual development.’ The Disability Discrimination Act 1992 came into operation in 1993. (We celebrate its 25th anniversary this month). At its introduction, Deputy Prime Minister Brian Howe described the vision of the Disability Discrimination Act as

‘a fairer Australia, where people with disabilities can participate in the life of the community in which they live, to the degree that they wish; where people with disabilities can gain and hold meaningful employment that provides wages and career opportunities that reflect performance; where control by people with disabilities over their own bodies, lives and future is assumed and ensured[[4]](#endnote-4).'

The Disability Discrimination Act 1992 was also accompanied by the introduction of the Disability Services Standard in 1992, which encouraged community integration for people with disability.

## The United Nations Convention on the Rights of Persons with a Disability (the UN Convention) was adopted by the General Assembly in 2006. As a party to the Convention, Australia agrees to protect the rights of persons with disabilities from discrimination, ensuring equal treatment under the law and the universal enjoyment of human rights and fundamental freedoms. Article 27 of the UN Convention recognises the right of persons with disabilities to work, on an equal basis with others; this includes the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities.’

In February 2011, all Australian governments agreed to the National Disability Strategy (NDS) 2010-2020 through the Council of Australian Governments (COAG). The Strategy aims to give practical effect to the United Nations Convention on the Rights of Persons with a Disability and includes a commitment to economic security, including employment for people with disability.Improving the participation of people with disability in the economic life of Australia and in employment are part of the principles guiding the National Disability Strategy 2010–2020and the National Disability Insurance Scheme (NDIS) introduced in 2013 and currently being rolled out across Australia. The vision of the NDIS is to “optimise the social and economic independence and full participation of people with disability”. In other words – to increase the opportunities for people with disability to live an ordinary life **– somewhere to live, a job, a good education, the company of family and friends or the freedom to go to the beach or the movies.**

1. **Concerns with the quality of the Discussion Paper**

AND is concerned about the quality of the Discussion Paper “Ensuring a strong future for supported employment”, released by the Department of Social Services (DSS) in December 2017 (referred to as ‘The Discussion Paper’ for the remainder of this submission). The paper does not reference the history, key documents or research from the past 30 years (including its own publications and research it commissioned).

As Laura Tingle stated in her 2015 Quarterly Essay “we have lost the memory of how policy has been made before, of the history of the groups and issues with which government must interact every day. Government in the broadest sense of the word therefore has lost much of its capacity to remember and thus learn from past mistakes.”[[5]](#endnote-5)

The Discussion Paper omits to reference the Government’s own Inclusive Employment Strategy 2012-2022[[6]](#endnote-6) which should still be in operation. That strategy stated that “choice should be a key feature in funding and service delivery: that is, people with disability should have control of their own lives and the services that support them and specialist supports should deliver inclusive inclusion wherever possible.” The Strategy stated “by 2022, the Australian Government will implement a new definition of supported employment as recommended by the independent Advisory group: ‘ongoing support, funded by government that people with disability need in order to access and retain employment. This support is related to the nature of their disability.’ It stated that the Government “will remove the barriers between the terms ‘open’ and ‘supported’ employment for people with disability who need ongoing support to find and maintain work”. This was further reiterated in the DSS Disability Employment Framework Discussion Paper released in November 2015[[7]](#endnote-7). That paper said: “The core elements of ongoing support in an individualised, market-based approach would include: Funding for ongoing support linked to the individual, based on need; portability of funding for ongoing support; and retaining pro-rata wages. Under this approach, participants could be allocated funding for ongoing support based on need, as part of their career action plan. They could use this funding to purchase ongoing support from the provider of their choice, while working for the employer of their choice. The funding would not be tied to a particular service provider or employer, but would be portable. There would be a continued place for pro-rata award wages that would be determined on a case-by-case basis.”

This concept of “ongoing support” (irrespective of setting) appears to have now been lost. According to The Discussion Paper, “Supported employment” is now the new name for funding and assistance provided to Australian Disability Enterprises (ADEs). “Supported employment generally refers to employment in enterprises that have as their primary purpose employment of people with disability, and where the majority of employees have disability. There are often mixed industries within enterprises to cater for their employees, and there are higher levels of job customization.”

**Recommendation 1**

The Federal Government should return to the definition of supported employment contained in its 2012-2022 Inclusive Employment Strategy: ‘ongoing support, funded by government that people with disability need in order to access and retain employment. This support is related to the nature of their disability’. The funding should also be linked to the individual, based on need and be available irrespective of employment setting.

The Discussion Paper appears to be confused about its purpose – is it to increase employment for people with disability, in particular the 460,000 Australians who will be eligible for the NDIS, or is to ensure a strong future for Australian Disability Enterprises which currently provide services to 20,000 people with disability? We have chosen to focus our submission on the former as we believe this is where we can make the most constructive contribution as well as this is the intent of the NDIS – to focus on individuals with disability rather than institutions. We also believe this supports the definition of supported employment that was endorsed by the 2012-2022 Inclusive Employment Strategy and Australia’s obligations under the UN Convention.

In particular it is of concern that the Discussion Paper makes no reference to the research its own Department commissioned which directly asked people with intellectual disability their views and experiences on employment. This includes research undertaken by UNSW Social Policy Research Centre which interviewed 51 people with intellectual disability working in three types of employment: open, ADEs and social enterprises [[8]](#endnote-8). See Appendix A for more on this study as well as research undertaken by Inclusion Australia in 2014 which gives voice to over 200 people with intellectual disability derived from three forums and an extensive online survey.

In addition to these omissions, the Discussion Paper is misleading. It describes ADEs as being “part of a continuum of employment opportunities for people with disability and act as a link, helping them gain training and experience to confidently step into open employment or to continue in supported employment if they choose.” Yet later The Discussion Paper confirms that there has been no progress on people transitioning from ADEs– the figure remains at 1, as it has been since 2010 despite considerable funding and activity directed at this issue.[[9]](#endnote-9) The Discussion Paper concedes the challenge, “the number of supported employees that move into open employment is small. The number of supported employees that remain after moving into open employment is smaller still.” The Paper provides no direction for how these same ADEs will be “able to explore more seamless service transition between supported and open employment” once capped funding is lifted”. It is concerning that the Discussion Paper states that “The number of people with disability receiving ‘employment supports’ in full scheme NDIS is expected to grow significantly beyond the existing cohort of 20,000 supported employees.” It was never the intention of any previous Government to increase the number of people attending ADEs, which is why the number of places have always been capped. This Government is now lifting that cap. The people with disability who advocated for the NDIS never expected the scheme would mean greater numbers of people attending ADEs which pay an average wage of $5.60 per hour and remove participants from the chance to work alongside people who do not have disability.[[10]](#endnote-10) It is unclear how this contributes to the stated intention of the NDIS “for people with disability to have an ordinary life.”

The Discussion Paper does not acknowledge the reality that most, if not all, of the 20,000 people currently attending an ADE will never transition to open employment. This is because of an important concept, that for people with moderate intellectual disability, skill learning in work preparation/training in activity centers, classrooms or ‘work readiness’ programs before job placement has poor evidence of open employment outcomes. The same is true for skill learning in segregated environments such as ADEs. For both, this is directly due to the difficulty people with intellectual disability have with generalising and transferring skills to new settings and tasks.

There are also a number of other reasons they will not transition: the length of time they have already spent in these settings (institutionalisation itself makes it difficult if not impossible to enter an inclusive employment setting) and the age of people currently employed there. As canvassed extensively in a 2012 SPRC report[[11]](#endnote-11) commissioned by DSS’ predecessor, at that time, the average age of Australian Disability Enterprises clients was 39 years and it projected that “the number of people over 50 years of age will increase dramatically over the next 15 years, from 21 per cent of the current workforce, to 33 per cent in five years’ time (2017), and close to 50 per cent of the workforce in 15 years’ time (2027).” Hence the focus in the research paper on retirement options and viability of businesses with ageing clients. These individuals should continue to be supported in those settings, with the appropriate improvements aimed for in the 2012-2022 Strategy and recommendations made in the SPRC paper.

AND is concerned that DSS also does not understand the work of DES providers who effectively serve people with intellectual disability. The Discussion Paper says that “generally a job will not be redesigned for a DES participant” and also misleadingly states Open Employment in DES support contacts are “usually not provided on a daily basis.” The successful *place then train* model for people with intellectual disability does precisely this. Skilled DES staff spend many hours at job sites understanding the workplace and tasks and then work with employers to customise or carve a job that both suits the skills of the person with disability and maximises productivity for employers. This skilled DES staff then work alongside the newly employed person to teach them the job and only gradually withdraw this daily contact as the skills is learned. Appendix C has more on this approach.

**Recommendation 2**

The Discussion Paper should be reconfigured to focus on the aim of increasing employment for the 460,000 people with disability who are eligible for the NDIS and to include reference to the considerable body of research and evidence undertaken to date, including with employers and people with disability themselves.

1. **Why inclusive employment is a good choice for people with disability, employers and government**

People with disability have a greater risk of poverty (and people with intellectual disability have a greater risk again). As the OECD stated in a 2017 report[[12]](#endnote-12): “disabled people have not benefitted from the positive employment trend in Australia over the last two decades…Low employment rates of people with disability come with high social costs. Even though most non-employed people with disability receive some public benefits, they have much lower incomes and a much higher poverty risk. In Australia, people with a disability have a poverty risk double that of people without disability and poverty affects more than 30 percent of people with disability…Employment in turn is the most important factor in reducing poverty risks.” For employment to reduce poverty, a fair wage must be paid.

Research and demonstration over several decades show that people with intellectual disability have the capacity to work in the labour market, in productive positions for real wages, when provided with skilled support. Evidence based programs demonstrate that people with significant intellectual disability are capable of working for around 20 hours per week for both full award wages or pro-rata award wages using the Supported Wage System when necessary. Appendix C outlines this best practice model. Many people with intellectual disability would like to work or work more hours as evidenced by the 2014 Inclusion Australia run “Choose Employment” project for DSS. (Appendix A has more on this). AND notes also there is evidence that inclusive employment delivers better quality of life outcomes for people with intellectual disability than either segregated employment or day care programs.[[13]](#endnote-13)

Inclusive employment is also the most cost-effective pathway for people with intellectual disability. High performing employment services are cheaper to fund than alternative adult programs such as ADEs and day program. The Centre for International Economics found that, in 2014, the annual cost to the taxpayer (after pension offsets for wages) for Jobsupport providing employment preparation and employment support for people with a moderate ID (IQ 40-60) was $4,206 per annum and that this was far cheaper than alternate ADE ($12,908) and the then state government programs (usually day activities) of ($17,667 - $23,884) for this population.[[14]](#endnote-14) The Federal Government should update this research given the considerable additional funding provided to ADEs since then.

However there is also evidence that people with disability can experience concern with inclusive employment. Research conducted by UNSW SPRC including interviews with people with intellectual disability themselves found that “open employment offered better conditions with regard to pay and inclusive community connections than supported employment, but it was harder to get into than supported employment, had less job stability and they were more likely to face discrimination in open employment.”

### Recommendation 3

NDIS and DES providers should provide more effective support to people with disability (in particular intellectual disability) and other types of severe or profound disability who choose inclusive employment.

1. **AND members’ record of employing people with intellectual disability**

AND members are long time employers of people with disability including people with intellectual disability (a key focus for this discussion). The [30th anniversary](https://www.and.org.au/news.php/185/disability-employment-service-celebrates-30-years-of-inclusion) of leading employment services provider Jobsupport was celebrated on 1 November 2016. Jobsupport, whose mission is to place, train and maintain as many people with moderate intellectual disability as possible into quality jobs in open employment, had placed more than 700 people in Sydney and Melbourne at that time.

At that event numerous member organisations of the Australian Network on Disability were recognised for their employment of Jobsupport clients. McDonalds, the University of Sydney and Woolworths all received awards for 30 years of continual employment of clients. Wesfarmers Group received an award for hiring over 80 people with intellectual disability over the last 30 years. Other AND members recognised for their employment of people with disability included the Australian Broadcasting Corporation, Clubs NSW , Commonwealth Bank, Crown Resorts, Kmart and Westpac.

In 2015 the Business Council of Australia released a survey of its members related to the employment of people with disability. That survey was accompanied by [positive stories](http://www.bca.com.au/publications/workforce-inclusion-of-people-with-disability) of their members (who are also members of AND) employing people with disability, including intellectual disability.

Compass Group, a Platinum member of AND was recently awarded [Employer of the Year](http://www.compass-group.com.au/news/media-centre/2017/12/04/compass-group-wins-national-disability-employer-of-the-year-award) at the 2017 National Disability Awards. As part of that celebration they showcased once of their successful employees who has been working at Lady Cilento Hospital in Brisbane.

There are other numerous positive stories of people with intellectual disability succeeding in inclusive employment. A number are included in our 2010 publication with Disability Employment Australia [[15]](#endnote-15) [Employers Guide to Partnering with Disability Employment Services](https://www.and.org.au/pages/resources-publi-employers-guide-to-partnering-with-disability-employment-services-971.html). AND also ran a successful [APS Traineeship](https://www.and.org.au/news.php/240/aps-traineeships-unlock-career-prospects-for-people-with-intellectual-disability) program for people with intellectual disability from 2009 to 2013, introduced by the Department of Social Services. More recent examples were [shared on the ABC](#_Hlk508869398" \s "1,4331,4349,0,,shared on the ABC )  as part of International Women’s Day 2018.

## Employment for people eligible for the National Disability Insurance Scheme (NDIS) and constraints on effective and informed choice

## At full scheme, the NDIS is expected to serve some 460,000 Australians with disability (a sub-set of the approximately 4.2 million Australians who are entitled to protection from discrimination under the DDA). At December 2017 some 132,000 or around 28 percent of the total expected plans were in place. The largest participants by disability group were people with intellectual disability and autism (approximately 60 percent of the total). A number of other categories used by the NDIS would also fit into a definition of learning or intellectual disability used by NDIS.

## At December 2017 only 27 percent of NDIS recipients had a paid job (and 18 percent of recipients aged 15-24 years). Only around 21.5 percent of both groups said the NDIS had helped them find a job that right for them. Of the more than 132,000 plans, less than 900 people had support into employment or education (631 assistance to access or maintain employment and 266 special supported employment.)[[16]](#endnote-16)

## To date the focus of plans has not been on employment. This is partly due to the expectation that most NDIS recipients will access employment support from the Federal Government’s Disability Employment Services (DES) funded at approximately $1 billion per annum. The NDIS funds supports that are “reasonable and necessary” and is not meant to replace or duplicate funding available under other programs. However these low outcomes and focus on employment is also likely to be connected to a culture of low expectations[[17]](#endnote-17) and aspiration among recipients, their families, Local Area Co-ordinators and NDIS planners. Some of this is due to concerns about loss of pension and the poor quality and quantity of support available to effectively assist them into inclusive employment, including via the DES program.

As the 2016 SPRC research found that “Some people with intellectual disability had no choice about where they would work. This was because there were few choices available or because parents or teachers made the choice for them. Where they did choose, it was common that they made constrained choices, where there were not many options to choose from or where external circumstances had a large degree of impact on what they decided.”

The report concluded: “The gaps in open and supported employment need to be addressed so that people with intellectual disability do not have to trade-off between better outcomes in pay and inclusive community connections on the one hand, or better outcomes in support and job stability on the other – there is importance to building the capacity of all employment types to be able to deliver on all of these outcomes.”[[18]](#endnote-18)

Inclusion Australia has concluded that many individuals and families have little option but to choose an ADE or a non-work day program because of the large gaps in support to help them move into open employment, earn a real wage, and reduce their reliance on the pension. This was also supported by the SPRC research published in 2016.

Another constraint is the DSS capacity to work assessment which can misleadingly assess people with intellectual disability as unable to work eight hours a week and hence disenfranchise them from participating in DES. See Appendix D for more on this issue.

Disability advocates have also expressed concern that there will be no effective choice for people with disability in the DES 2018 contract which will take effect from 1 July 2018. Participants will be made to choose a provider at the time of they are informed they are eligible for DES. This is despite sustained advocacy by Disabled People Organisation Australia (DPOA) and AND to allow at least a seven day cooling off period to research and decide a suitable provider.

**Recommendation 4**

To facilitate effective choice and control within the NDIS, the Federal Government should provide high quality information about:

* Education
* Work experience
* Jobs – market, skill and education requirements
* Types of supports available from various organisations in their geographical location and in their vocation/ job of interest
* Financial modelling of various employment options (open/supported/part-time/full time)
* Access to materials and information through personal stories of various people in a range of settings.

**Recommendation 5**

The Federal Government should develop strategies to support employment participation including:

* Removal of disincentives to aspiring to full time work which impacts on pension and eligibility. Fear of losing eligibility to the DSP and being transferred to a lower value entitlement is a major factor impacting on individual choice.
* Invest in funding the development of an updated Australian business case for employing people with disability in inclusive employment – this would assist in increasing participation.

## Young people with disability should be offered effective and evidence-based support to achieve employment

It is vital that **young people with disability who are still in school** (including those with moderate intellectual disability) are offered the appropriate supports and programs that will allow them to successfully transition to inclusive employment. Many of these young people will qualify for Disability Support Pension (DSP) and the NDIS support. That support should enable them to live an ordinary life.

In 2015 most (85 percent) of young people with disability participate in inclusive education[[19]](#endnote-19) (and 53 percent of young people in school with NDIS plans at December 2017[[20]](#endnote-20)) and the expectation should be that their future offers inclusive employment.

For young people with intellectual disability, as noted above, the *place then train* model has proven to be most effective. This should be delivered in the DES system but can also be used in social enterprises and ADEs.

Young people without intellectual disability but who qualify for DSP and NDIS should have support to participate in higher education and a full range of careers. AND has been helping to facilitate this with our [Stepping Into internship program](https://www.and.org.au/pages/stepping-into...-programs.html) for more than 12 years.

AND supports the principal that as much as possible training provided to DES jobseekers (including young people with disability) are linked directly to a vacancy with an employer who is disability confident. Pre-employment training should follow demand-led principles and link to real employers with real jobs – not training for training sake. It should also be designed with employers; include opportunities to visit the workplace and meet staff; offer work tasters and integrate vocational placement into classroom training. Again the DES provider needs to demonstrate they have the skills to successfully support a young person with disability, in particular one with intellectual disability.

The NDIS has introduced the School Leaver Employment Support (SLES) with the aim of providing young people with a supported pathway from school into open employment. It was developed using the most successful elements of the NSW Transition to Work program. Evidence from that program found that over a 10 year period only a small number (15 percent) of providers were able to achieve inclusive employment for more than 20 participants. The 2009 Evaluation of the TTW[[21]](#endnote-21) recommended that:

“The following factors have a significant place in the criteria for any future assessment of TTW service provider status: The experience level and professional qualifications of TTW program staff in the areas of program management, career development, work placement, human resource management, and disability support in an employment context. The capacity of, and the methodologies used by, the organisation to develop and maintain effective relationships with employers. The organisation’s conceptual approach to the TTW program (i.e. its concept of the program is primarily a work-related versus disability related program). Its proven track record (where appropriate) of successfully placing people with disabilities in meaningful, sustained employment. Its ability to generate and take advantage of economies of scale.”

Unfortunately, non or poor performing providers continued to be funded in the NSW program despite this strong recommendation. It is vital that the NDIS learns these lessons and does not open the market to providers without demonstrated effectiveness to deliver open employment outcomes for young people with disability. It is concerning that according to the NDIS Participant and provider FAQs April 2017: “*Any provider registered with the NDIA can deliver SLES supports*.”

Please see [AND’s submission to the House of Representatives Standing Committee on Education and Employment 2017 Inquiry into School to Work Transition](https://www.and.org.au/pages/policy.html) for more on this.

### Recommendation 6

Staff working in schools and the NDIS system needs to be better informed about successful programs that can offer sustained open employment for young people with disability. School Leaver Employment Support (SLES) should only be delivered by providers who have demonstrated their effectiveness to deliver open employment outcomes for young people with disability (based on the lessons from successful NSW Transition to Work providers).

**9. Improving the capacity of the Disability Employment Service to serve NDIS participants**

The current DES program delivers employment outcomes on average, that are consistently poor, with less than 30 of participants receiving a job that lasts six months.[[22]](#endnote-22) The Discussion Paper is largely silent on employers and their necessary role as current and prospective customers of DES. There is very little detail reflecting employers’ experience in using the system or proposals that might help employers (large, medium and small) to include DES as part of their recruitment channels. Unless employers are seen as equal customers (with as much focus on them as on jobseekers), DES will continue to underperform and people with disability, government and employers will all receive suboptimal outcomes.

DSS estimates as many as 237,000 Disability Support Pension (DSP) recipients of working age may be eligible for employment assistance, and are not participating in employment, education or an employment assistance program. Many of these will qualify for the NDIS when it is fully rolled out.

The Discussion Paper should have canvassed the options for employment for this group. It is unclear if DSS believes most of the 237,000 would go to an ADE. This is not realistic or desirable; more than 20 years after Australia ratified the UN Convention. It is disappointing that the Discussion Paper does not provide any detail on the number of people eligible for the NDIS who it expects will access DES. In 2016 DSS said “of the 460,000 people expected to be NDIS participants, based on *current participation*, around five per cent or around 24,000 are expected to be DES participants representing around 12 percent of the total DES caseload.”[[23]](#endnote-23) It is unclear what the current projections of NDIS recipient participation in DES are now the 2018 grant offers have been made.

While DES support in theory may continue indefinitely once a person is placed into employment, currently only a very small number of DES clients receive Ongoing Support (around 13,000 in total at November 2017). This is the element of DES which gives assistance after six months of post-placement support. Ongoing support will need to be much more prevalent if NDIS eligible clients are to be served effectively by DES.

Increasingly the DES system serves jobseekers receiving Newstart or Youth Allowance payments who have mutual obligations to participate in job search. In the five years to August 2016, the proportion of DES recipients receiving DSP declined from 23 to 13 percent.[[24]](#endnote-24) The Discussion Paper reveals this figure is now as low as 11 percent. This is also reflected in disturbing evidence that the earnings of people receiving DSP has been in decline for the past 10 years. In 2007, 9.9 percent of people receiving DSP had earnings; in June 2017 it had declined to 8 percent.[[25]](#endnote-25)

While traditionally DES (and its predecessor programs) served people with intellectual disability, the uncapping of services has led to a large increase in other types of disability. More than 14 percent of people in receipt of the DSP have intellectual disability[[26]](#endnote-26) yet only four percent of the DES population have an intellectual disability. More recently the DES program (with the exception of a few high quality providers) has not served people with intellectual disability well. The reforms which will take effect on 1 July 2018 will further undermine the ability of NDIS eligible participants with intellectual disability, specific learning and autism to access the support they need in a DES. This is due to the new risk-adjusted funding formula which will mean a 31 percent cut in funding for providers who specialise in these groups it compared to the current model (for people with intellectual disability) and a 21 percent cut in funding for those with specific learning disability.[[27]](#endnote-27)

This model will negatively impact on employers who wish to receive high level of servicing for these jobseekers (i.e. the evidence-based *place then train* model for people with intellectual disability requires high levels of servicing to undertake effective job carving with the employer and then working alongside the jobseeker as they learn the job, in addition to high levels of post placement support).

Currently there are not sufficient DES providers with the skills to assist people who are DSP recipients transition to sustained employment. It is unclear if current providers who will transfer to the DES 2018 and new entrants will have these skills. The release of the DES 2018 grant offer on 28 February showed there were only a small number of grants to providers who specialise in intellectual disability or autism (~10 out of 142 providers). This is likely to be due to the disincentive from the risk-adjusted funding model to assist people who are DSP recipients transition to sustained employment[[28]](#endnote-28). It is unclear if general providers will become skilled at serving this population.

The model also contradicts the government’s intention for encourage more participants in the National Disability Insurance Scheme (NDIS) to seek employment assistance from the DES program. This new funding model reduces funding for people with disability most likely to qualify for the NDIS. Appendix E has more on this.

### Recommendation 7

The proven *place then train* model should more widely be offered to people with intellectual disability to achieve sustainable inclusive employment.

**Recommendation 8**

Better quality support for NDIS eligible people with disability needs to be available through the DES system. The Government should reverse cuts to people with intellectual disability, specific learning and autism contained in the DES 2018 risk-adjusted funding model.

1. **Conclusion**

The Australian Network on Disability remains committed to working constructively with the Federal Government to improve employment of people with disability. We welcome the opportunity to discuss this submission with Ministers and officials in the spirit of advancing this critical outcome.

**Appendix A: What people with intellectual disability say about employment**

Commissioned by the Department of Social Services (DSS),the **UNSW Centre for Social Policy Research Centre** interviewed 51 people with intellectual disability working in three types of employment: open, ADEs and social enterprises and the report was published in 2016. Their findings are instructive:

Few people made direct comparisons between the employment types, but where they did, they identified that: (a) open employment offered better conditions with regard to pay and inclusive community connections than supported employment, but it was harder to get into than supported employment, had less job stability and they were more likely to face discrimination in open employment; whereas (b) supported employment in ADEs offered less pay and less inclusive community connections than open employment, but more support (i.e. encouragement, understanding and accommodation of their needs) and job stability; further (c) social enterprises were perceived as both supportive and connected to the inclusive community, but there were sometimes problems with entering paid positions, as these were in higher demand than what was available.

These findings show the benefits and drawbacks of each employment type in comparison to each other. Further, these findings highlight that none of the available employment options offer everything that people with intellectual disability may want. People with intellectual disability therefore experience a tradeoff between which outcomes they most want from their work – do they choose support and stability in supported employment but less pay and inclusive community connections, or do they attempt to have better pay and inclusive community connections in open employment but have a harder time finding work and less stability for keeping a job if they find one? Social enterprises may be an alternative for some people, but paid positions are in higher demand than what is available.

This trade-off is a difficult decision; people with intellectual disability will choose different employment types based on which outcomes they prioritise most highly and which job options they feel are available to them. Implications: The gaps in open and supported employment need to be addressed so that people with intellectual disability do not have to trade-off between better outcomes in pay and inclusive community connections on the one hand, or better outcomes in support and job stability on the other – there is importance to building the capacity of all employment types to be able to deliver on all of these outcomes.

Source: Meltzer, A., Bates, S., Robinson, S., Kayess, R. Fisher, K.R. and Katz, I. (2016[). What do people with intellectual disability think about their jobs and the support they receive at work?](https://www.sprc.unsw.edu.au/research/projects/employment-model-outcomes-pwid/) A comparative study of three employment support models: Final report (SPRC Report 16/16). Sydney: Social Policy Research Centre, UNSW Australia.

**2014 Research undertaken by Inclusion Australia and commissioned by the Department of Social Services (DSS)**

**Inclusion Australia** (formerly the National Council on Intellectual Disability) held a series of forums (in Sydney, Burnie and Brisbane) about youth with intellectual disability and open employment in April and May 2014. Approximately 100 participants attended all three forums. Participants included a mix of individuals with disability, parents and family members, and a small number of educators and specialist employment service providers. The purpose was to provide feedback on the experience of individuals with intellectual disability and families with Disability Employment Services (DES), and advice on how DES could be improved in the future. Key issues were:

**The positive impact of open employment**

We heard from a 15 year old boy, whose brother with Down Syndrome was unable to attend the forum because he was at work, saying;

*“Anyone who says people with a disability have an inability to work or be successful are wrong and need to expand their view on the argument. My brother is a perfect example of someone who contributes a lot to the community, generates income and is accepted by many people whether they are past school mates, work mates or my friends, he is accepted.”*

We also heard from a young woman with Down Syndrome who spoke about her experience with transition-to-work and open employment support and subsequent employment with Officeworks. She said;

*“They employed me part-time for 15 hours a week. Now they have become my second family. Now I have been with Officeworks for four years. I enjoy being there, and feel like I have more friends than before.”*

Other issues raised included:

* Negative impact of unemployment
* Variable quality of services and gaps
* Need for simple and clear information
* Desire to see employment outcomes by service provider and disability types so they can make an informed choice
* Concerns about the job capacity assessment not measuring potential work capacity
* Transition to Work and Disability Employment Services are not working together to achieve the right outcomes
* Importance of ongoing support once employed

In addition to the forums a national survey was prepared and distributed by NCID from February to May 2014. The survey presents a *snapshot* of the employment participation of people with intellectual disability.

* 541 individuals or family members on behalf of individuals completed the survey and were received from all States and Territories (except the Northern Territory)
* The majority of survey participants are under the age of 39, live in metropolitan or city locations, and receive the Disability Support Pension

Some key themes were: many individuals are not in work and are reliant on the pension as the main source of income. Many expressed dissatisfaction with employment services. For those not in work, many want to work in the open labour market. For those in work, many expressed a desire to move to a better job in the open labour market. The survey highlights that family and friends play a major role in influencing the work expectations and choices of individuals with intellectual disability.

* Just over half of survey participants (54%) indicated that they are in some type of paid work, whereas the national labour force participation data indicates that about 32 percent of people with intellectual disability are in some form of paid work, with only 11 percent in open employment.
* 43 percent of survey participants earn less than $100 per week, and only 23 percent of participants were earning more than $300 per week.
* More than half of participants indicated they are either very unsatisfied or unsatisfied with the support they receive from employment services.
* Participants indicated that the type of job, job training and a safe workplace are most important when looking for a job.
* A range of information about employment services was identified by participants to be important or very important when choosing support including the number of jobs found, average weekly wages, average hours of work, the type of jobs, and the satisfaction of jobseekers.
* Family and friends were the most important people in encouraging youth with intellectual disability to choose to work.
* Information about employment services was obtained by 69 percent of individuals from families, friends, schools, and transition services.
* Just 28 percent of participants received work experience as part of their support to move from school to work.
* For those not in work, 65 percent want to work in the open labour market.
* For those in work, 32 percent want to move to a better job, and 11 percent want to move to a job in the open labour market.

Inclusion Australia, [“Choosing Employment *The key to economic participation for people with intellectual disability.”*](http://ncid.org.au/submissions-and-reports/) 30 June 2014.

**Appendix B: Summary of ADE costs and outcomes**

According to the 2012-2022 Inclusive Employment Strategy, in 2012, ADEs were delivering:

* an average hourly wage rate for workers with disability in supported employment of $3.65
* average working hours for people with disability in supported employment of 24 hours a week
* 300 people per year moving from supported employment for the open labour market (around 1 percent of 20,000)
* working conditions range from very good to less than desirable
* few supported employees with Australian Qualifications Framework (AQF) qualifications, and
* largely, places of employment where all workers are people with disability (so called enclave employment), rather than integrated with people who do not have disability
* were provided with $220 million annually by the Federal government

The December 2017 Discussion Paper states that ADEs are delivering:

* an average hourly wage rate of $5.61 (with wages ranging from $1 per hour to full award wage)
* average working hours of 23 hours per week (to qualify for an ADE a person must have a capacity to work a minimum of 8 hours a week)
* 70-75 per cent had an intellectual disability
* Were provided with $1.3 billion in funding from 2015-16 to 2019-20 (including $180 million in transitional support funding).

**Appendix C: Best practice model for assisting people with intellectual disability into inclusive employment**

There is a proven model backed by international and Australian evidence. This is the “*place, then train*” model. “*This strategy requires a reconceptualisation of “readiness” for work that acknowledges that persons with severe disabilities need to learn tasks and skills in the places where they will perform them*.” The research indicates that placement in a job, then on-site, on-the-job training, results in higher rates of open employment outcomes. [[29]](#endnote-29) Jobsupport and other quality providers use this model and have demonstrated high performance in both transition to work and employment.

Key features of the model are:

For transition from school to work[[30]](#endnote-30):

* work experience and training in real work settings based on agreed goals;
* skilled and experienced staff; and,
* strong links with an effective open employment program.

For open employment:

* individual assessment as the basis of job search;
* customised job search;
* job carving to meet needs of employers and candidate
* systematic on the job training; and,
* ongoing support for the employee and employer

Best practice gives the client the opportunity to participate in transition services that blend seamlessly into employment services. Ideally expectations and key competencies are raised during transition, leading to work experience trials on the job that then translate to paid employment with ongoing support (and hopefully increased hours of work).

**Appendix D: More on the interaction of DES and NDIS and work capacity**

The use of capacity to work assessment is a major barrier for people with intellectual disability when seeking transition and employment assistance. When a person with intellectual disability decides to choose work and seek employment assistance, they are required to have a Job Capacity Assessment (JCA/ESAt).[[31]](#endnote-31) The JCA/ESAt makes an assessment of work capacity and sets an employment benchmark by labelling an individual in bandwidths of hours of work capacity per week (i.e. 0-7, 8-14, 15-22, 23-29, 30+). A young person with intellectual disability will almost always do poorly on a job capacity assessment before training and support. This can exclude people with intellectual disability from assistance and from the labour market. An assessment of 0-7 hours of work capacity generally means that an individual is not eligible for Disability Employment Services (DES) and probably leads to the low numbers of people with intellectual disability participating in DES. An assessment of 8 hours or more means that an individual is eligible for DES, but not eligible for transition-to-work funding from the NDIS.

**Appendix E: More on DES 2018 risk adjusted funding model**

The risk adjusted funding levels 1-5 by primary disability type have allocated people with autism, intellectual disability, specific learning disability and speech impairment more strongly towards Level 1 *the lowest funding amount* as they are considered to have *the highest probability of finding work.* It appears to be based on a historical analysis of performance and perversely rewards those providers who have performed the worst.

The actuarial model doesn’t appear to have taken into account the number of hours and specialist skills required to assist these groups attain employment – usually greater in the case of people with cognitive impairment. The DES program itself recognises this with the Moderate Intellectual Disability Loading[[32]](#endnote-32) for people with an IQ of less than 60 (which will continue under DES 2018), yet this model allocates 65 of people with intellectual disability in bands 1 and 2, the lowest level of support.

Other examples of increased disadvantage include the recent ABS analysis of the 2015 Survey of Disability and Carers confirms people with autism have much lower labour force participation rates (41 percent compared to 53 percent) and three times the unemployment rate of people with disability generally (32 percent compared with 10 percent).[[33]](#endnote-33) Yet another indicator of the high needs of people with intellectual disability and people with autism are that they are the largest single groupings receiving NDIS plans: together they comprise nearly 60 percent the NDIS plans approved at December 2017.[[34]](#endnote-34)

**Endnotes**

1. Inclusion Australia, [“Choosing Employment *The key to economic participation for people with intellectual disability.”*](http://ncid.org.au/submissions-and-reports/) 30 June 2014. [↑](#endnote-ref-1)
2. See for example the Australian Human Rights Commission website and specifically its [timeline](http://www.humanrights.gov.au/twentystories/timeline.html). [↑](#endnote-ref-2)
3. Simon Darcy, Tracy Taylor & Jenny Green (2016) ‘But I can do the job’:

examining disability employment practice through human rights complaint cases, Disability &

Society, 31:9, 1242-1274, DOI: 10.1080/09687599.2016.1256807 [↑](#endnote-ref-3)
4. Brian Howe quoted by G Innes, Groundhog Day or New Horizon?, (Speech delivered at the 2012 National Deafness Sector Summit, Melbourne, April 29, 2012.) [↑](#endnote-ref-4)
5. Laura Tingle, “Political Amnesia: How We Forgot How to Govern”, Quarterly Essay Issue 60, 2015. [↑](#endnote-ref-5)
6. Department of Families, Housing, Community Services and Indigenous Affairs, 2012-2022 *Inclusive employment: a new direction for supported employment in Australia.* 2012. [↑](#endnote-ref-6)
7. DSS National Disability Employment Framework Discussion Paper, November 2015. [↑](#endnote-ref-7)
8. Meltzer, A., Bates, S., Robinson, S., Kayess, R. Fisher, K.R. and Katz, I. (2016). What do people with intellectual disability think about their jobs and the support they receive at work? A comparative study of three employment support models: Final report (SPRC Report 16/16). Sydney: Social Policy Research Centre, UNSW Australia. [↑](#endnote-ref-8)
9. 2010 FAIA study cited in DSS Disability Employment Framework Issues Paper, June 2015 which said 159ADE supported employees left ADEs to move into open employment – less than 1 percent of the 20,000 who are employed there. The 2017 Discussion Paper says the figure is 300, still 1% of the total. [↑](#endnote-ref-9)
10. See Appendix B for a summary of characteristics and costs of ADEs over time. [↑](#endnote-ref-10)
11. Occasional Paper No. 27, Ageing and Australian Disability Enterprises, Shannon McDermott, Robyn Edwards, David Abello, Ilan Katz, Social Policy Research Centre, University Of New South Wales. [↑](#endnote-ref-11)
12. OECD (2017), Connecting People with Jobs: Key Issues for Raising Labour Market Participation in Australia, OECD Publishing, Paris. [↑](#endnote-ref-12)
13. See for example Foley, K., Jacoby, P., Einfeld, S., Girdler, S., Bourke, J., Riches, V., & Leonard, H. (2014). *Day occupation is associated with psychopathology for adolescents and young adults with Down syndrome.* BMC Psychiatry: MS ID 2209894761098404, JWF MS ID: 12888\_2014\_266. [↑](#endnote-ref-13)
14. The Centre for International Economics. (2014). Transition to work 39 concurrence. 6 March 2013. See other examples cited in Inclusion Briefing Paper, 11/3/15. [↑](#endnote-ref-14)
15. Disability Employment Australia and the Australian Network on Disability (AND), Employer’s Guide to Partnering with Disability Employment Services, 2010. [↑](#endnote-ref-15)
16. National Disability Insurance Scheme COAG Disability Reform Council Quarterly Report, 31 December 2017. [↑](#endnote-ref-16)
17. National Disability Insurance Scheme Outcomes Framework Pilot Study, September 2015 found that 47% of young people without a paid job wanted one and only 30% of people aged 25 to 55 years. [↑](#endnote-ref-17)
18. Meltzer, A., Bates, S., Robinson, S., Kayess, R. Fisher, K.R. and Katz, I. (2016). What do people with intellectual disability think about their jobs and the support they receive at work? A comparative study of three employment support models: Final report (SPRC Report 16/16). Sydney: Social Policy Research Centre, UNSW Australia. [↑](#endnote-ref-18)
19. Australian Institute of Health and Welfare 2017. Disability in Australia: changes over time in inclusion and participation in education. Cat. no. DIS 69. Canberra: AIHW. [↑](#endnote-ref-19)
20. National Disability Insurance Scheme COAG Disability Reform Council Quarterly Report, 31 December 2017. [↑](#endnote-ref-20)
21. Miles Morgan Australia Pty Ltd and Innov8 Consulting Group, *From Protection to Productivity, Evaluation of the Transition to Work Program,* NSW Department of Family and Community Services, November 2009. [↑](#endnote-ref-21)
22. Aggregate outcomes for DES DMS and ESS, March 2010 to April 2017, data supplied by DSS 4/6/17. [↑](#endnote-ref-22)
23. DSS, New Disability Employment Services from 2018 Discussion Paper, November 2016. [↑](#endnote-ref-23)
24. DSS, New Disability Employment Services from 2018 Discussion Paper, November 2016. [↑](#endnote-ref-24)
25. DSS data sets for DSP clients, June 2007 and 2017. [↑](#endnote-ref-25)
26. DSS data at September 2017. [↑](#endnote-ref-26)
27. Inclusion Australia analysis of proposed risk adjusted funding. [↑](#endnote-ref-27)
28. AND knows of at least one provider who chose not to bid for DES and another who bid as a generalist, rather than specialist in intellectual disability and autism, due to the risk-adjusted funding model. [↑](#endnote-ref-28)
29. Nisbet, J. & Cllahan, M. (1987). Assisting Persons with Severe Disabilities to Achieve Success in Integrated Workplaces: Critical Elements. In Taylor, S, Bilken, D, & Knoll, J (Eds). Community Integration for People with Severe Disabilities. New York: Teachers College Press. [↑](#endnote-ref-29)
30. **Key issues re transition are: Changing expectations and aspiration of people who have left school and have no confidence or experience of success. Transition assists with aspiration by giving them a chance to “have a go”. Helps them overcome basic barriers to employment including teaching them to catch public transport unaided (only 40% catch the bus to school); ability to stay on task; accept direction and increase stamina.** Toni Wren interview with **Phil Tuckerman, CEO Jobsupport, 2/3/15.**  [↑](#endnote-ref-30)
31. Full name is Job Capacity Assessment/Employment Services Assessment (JCA/ESAt), see more in Inclusion Australia paper 11/3/15. [↑](#endnote-ref-31)
32. Chapter 7 of the DES Evaluation 2010-13 extensively documents the specialist services required for people with intellectual disability to achieve open employment and makes the case for the cost effectiveness of the Loading in achieving sustained high outcomes. [↑](#endnote-ref-32)
33. ABS 4430.0 Disability, Ageing and Carers, Australia: Summary of Findings, 2015. “Autism in Australia,” 29/3/2017. [↑](#endnote-ref-33)
34. National Disability Insurance Scheme COAG Disability Reform Council Quarterly Report, 31 December 2017. [↑](#endnote-ref-34)