

Ensuring a Strong Future for Supported Employment

ENDEAVOUR
FOUNDATION
Opportunities for people with a disability

 Disability Services Australia
choice. inclusion. achievement.

 **THE** Flagstaff
GROUP

 **activ**
we believe in you

 **Bedford**TM
Changing Lives

House with No Steps 

 **afford**

 Sunnyfield Enterprises
Bringing industry and community together

 sagroup enterprises

 **minda**

Overview

This submission responds to the Australian Government, Department of Social Services, Discussion paper titled, 'Ensuring a strong future for supported employment', released for consultation in December 2017.

The following Australian Disability Enterprises (ADE's) that have contributed to this submission include: Endeavour Foundation, Bedford Group, Activ, Minda Inc, House with No Steps, Sunnyfield Disability Services, Disability Services Australia, The Flagstaff Group and Afford. Collectively, our organisations employ around 50% of all supported employees throughout Australia, and we welcome the opportunity to contribute our views to help shape policy options the Australian Government will consider introducing to strengthen supported employment opportunities into the future.

Whilst many of the abovementioned ADE's have made submissions on behalf of their respective organisations, this submission outlines a collective view of some of the key policy challenges that require effective responses and implementation arrangements from both the Department of Social Services (DSS) and the National Disability Insurance Agency (NDIA) to ensure a strong future for supported employment is achieved. The key themes outlined in this submission have been broadly grouped under each of the Government's foundational principles as outlined in its discussion paper, rather than responding to each of the specific questions.

Response to discussion paper

Australian Disability Enterprises (ADE's) provide much more than a job to around 20,000 people living with moderate to severe disability throughout Australia. People with disability experience better health and well-being, enjoy greater social connectedness and are more likely to maintain independence and develop valuable life-skills when they have opportunities to participate in employment. ADE's provide meaningful employment opportunities, often tailor-making individual jobs and training programs that place an emphasis on the ability of each person, offering positive and supportive work environments. Families and carers often tell us that they value the significant health and wellbeing benefits that supported employees gain from being engaged in a positive environment that supports development and encourages potential.

Furthermore, the economic and social impact that ADE's contribute is significant, as demonstrated by National Disability Services (NDS) 'BuyAbility' campaign. This campaign presented compelling data. Based on data provided by 43 of its campaign members in 2015-16, it highlighted that support funding for 6,161 supported employees was \$73.1M, and that the replacement cost of non-vocational day support would be \$226.7M. An updated survey of 74 campaign members providing supported employment for 11,714 people showed that these providers would generate income in the vicinity of \$366M pa and \$393.5M pa in direct savings to Australia.

An 'employment first' approach for all NDIS participants of working age

- The NDIA must give a greater priority to employment, by implementing a 'work first' planning approach for all people with disability who have been assessed as being able to work. National data from the NDIS confirms there are disproportionately low rates of funding being committed in participant plans for employment (2.2%) as compared to social and civic activities (20.2%) and daily activities (58.3%) for people aged 25 years and over. Addressing economic participation must be a mandatory requirement of all NDIA (LAC) Planners to incorporate into the planning process. Consideration should be given to measures which promote employment in the planning process, such as an 'opt out' employment approach. This should be supplemented by marketing and communication strategies to people with disability, their families and carers, highlighting the interrelated social, as well as the health and well-being benefits that occur from employment.
- The NDIA should be an enabler of employment rather than an inhibitor. People with a disability who wish to work should be allowed to commence employment immediately following a job offer from an ADE and should not have to wait until their NDIS plan is either formulated or amended to enable them to work. Experiences to date from many ADE's has been that current processes are taking up to six months, restricting the rights of people with disability to engage in employment. Interim funding arrangements, as existed prior to the introduction of the NDIS and administered by the Department of Social Services should be available to allow supported employment funding to occur from job commencement.
- In line with the principles of choice and control as provided for by the National Disability Insurance Scheme (NDIS), people with disability must be empowered to pursue employment. Supported employment must be better recognised, valued, financially supported and promoted as a meaningful employment option, and not simply as a pathway into open employment for all people with disability. ADE's are increasingly concerned that the approach by the NDIA has been to proactively discourage supported employment, with some ADE's highlighting that NDIS participants are reporting that they have been advised by representatives of the NDIA to not pursue supported employment and that open employment is the preferred or in some cases only option available.

A diversity of employers providing employment supports

- Policy options should focus on supporting ADE's to become more innovative, and to further transition their business models to be more successful, and be able to provide different individual levels of support for their employees. Better and more interrelated models between ADE's, DES providers, industry partners and Government should be explored that enable a person with a disability to transcend both 'open and supported employment' opportunities effectively to increase labour participation rates;
- The introduction of any policies that reduce the quantum of productive output at a relatively higher cost, is likely to cause negative impacts to ADE's if revenue lost and the increased costs are not supported by commensurate funding reform.

Strong and viable disability enterprises

- The implementation of any policies that impact upon supported employment, must be effectively integrated across Governments at all levels, and implemented consistently by the NDIA;
- That considerable risk is emerging from a failure to enshrine work into the NDIS planning process, and consequently some participants are choosing to either reduce or relinquish their employment in favour of social activities. With NDIS funding levels for 'social supports' foreshadowed to reduce, in line with an insurance model, the expectation and goal that the 'economic participation rates' of people with disability should increase may not occur due to poor NDIS planning that in turns drives current disability employment providers (ADE's) to change their business models and suite of services offered to participants, in order to address viability concerns and policy reform risks. In doing so, this would reduce the future capability and capacity, of both 'open and supported employment' providers, making the sectors' ability to reinstate jobs quickly far more problematic into the future;
- To date, the roll-out of the NDIS, and the performance of the NDIA are experiencing extensive implementation problems. This is having considerable impact upon providers interfacing with the Agency, at a time when providers are under immense pressure;
- The introduction of any new policies, should be done with a reasonable timeframe for providers to adjust, recognising the significant pace and scale of change currently driven by the NDIS and its associated implementation challenges;
- Government support for growth and expansion of the ADE sector should not be limited to new entrants and 'start-ups' but rather should be available to existing ADE's to avoid marketplace distortions;
- ADE's should not be misconstrued by Government as a mainstream workplace that pays reduced wages, and recognise there are significant costs associated with doing business with a supported employee workforce, with reduced productivity and need for specialist disability and allied health support staff. Jobs are often specifically designed based upon a person's abilities, which can in turn often reduce the type of work contracts and associated margins attainable, to ensure long term sustainability of ADE's. Such contracts bring high competition and risks associated with automation or being outsourced to other countries at a cheaper price.

Employees and employers have certainty about industrial wage setting

- ADE's require much clearer policy direction and greater reform certainty. Implications from supported wage determinations currently before the Fair Work Commission, as well as the introduction of new ADE funding mechanisms following the cessation of the current Disability Maintenance Instrument (DMI), together with low rates of NDIS funding in NDIS Plans released to date, are eroding business confidence and not improving the economic participation rate of people with disability;

- Policies should enable people with disability the right to an 'ordinary life' and the ability to participate in workplace, make a meaningful contribution and earn a wage within a supported employment setting. In doing so, supported employment often reduces the funds expended via the Disability Support Pension, and families of those in supported employment are often able to work and earn an income, which in turn reduce the need for payments associated with a Carers Allowance, benefiting their health and well-being and the economy.

It is considered that each of these important matters require effective policy responses.

We look forward to continuing to contribute our collective views to that help shape a strong future for supported employment and increase the workforce participation rates of people with disability throughout Australia.

For further information contact:

Tristan Dunn

Chief Customer Experience Officer
Bedford Group
TDunn@bedford.com.au

Kirrilly Boulton

Head of Corporate Affairs
Endeavour Foundation
k.boulton@endeavour.com.au