

N	ational
C	ouncil on
I	ntellectual
D	isability

Review of the REPORT ON GOVERNMENT SERVICES

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The National Council on Intellectual Disability (NCID) was established over 50 years ago by parents and friends, in an endeavour to improve the quality of life of people with intellectual disability and to fill the need for national unity and information.

The Council is the recognised national peak body with the single focus on intellectual disability, ie, our actions and priorities centre on issues that affect the lives of people with intellectual disability and their families. Our mission is to work to make the Australian community one in which people with intellectual disability are involved and accepted as equal participating members.

NCID has over 5,000 members representing all 8 States and Territories. In addition to having people with intellectual disability on its Board, NCID receives policy advice from Our Voice. Our Voice is a committee the membership of which is exclusively people with intellectual disability representing all States and Territories.

The Report on Government Services and People with Intellectual Disability

The past 30 years of research in the field of intellectual disability has demonstrated the capacity of people with intellectual impairment to learn, work and live as valuable members of Australian society when support consistent with the research evidence is provided.

This research evidence is critical for dismantling old myths and service practices that have historically lead to false understandings about people with intellectual disability.

The research evidence is also critical for informing governments and services about *what works* in supporting people with intellectual disability in the community. This provides government with a sound basis for determining purchasing in terms of *value for money*, but also for achieving the best outcomes for people with intellectual disability and their families.

NCID's view of the current *Report on Government Services* is that it does little to assist Australian Governments, or people with intellectual disability and their families, to determine the effectiveness or efficiency of disability service program expenditure.

Current data systems have progressively become complex yet unable to provide a coherent basis for determining the performance of disability service programs.

There are also substantial definitional issues to do with "intellectual disability" that have now reached the point where most data systems provide inaccurate or misleading data leading to errors within policy discussions.

From our perspective, the *Report to Government* is essentially descriptive in nature of current expenditure and program participation data with little connection to Commonwealth or State policy goals.

NCID is increasingly at odds with the direction of the reporting of government funded disability services as we find it unclear as to the purpose or value such reporting to government or the community actually provides.

We realise our general assessment of the reporting of disability services is candid and blunt, yet we find very little in these reports which are useful in determining the effectiveness or efficiency of disability service funding and policy, or a basis for guiding future government program responses.

Rather than provide a detailed analysis of the *Report on Government Services*, or reply directly to the discussion paper, NCID would like to provide the Productivity Commission with a positive alternative model to the reporting of government funded disability services.

Our illustration below is in the program area of employment assistance.

The open employment participation of people with intellectual disability

Since Dr Marc Gold and others in the late 1960s and early 1970s demonstrated the productive vocational capacity of people with intellectual disability, advocates have sought

change in the direction of employment service to people with intellectual disability from the old models of segregation (i.e. Commonwealth funded Australian Disability Enterprises, ADEs; and State funded day activity programs) to models of integration to support people to have a meaningful job with real pay and the social inclusion benefits of work.

The objectives of the Disability Services Act 1986 (DSA) is an attempt to give a legislative and funding framework to the research evidence of vocational capacity. If one takes the time to read the objects of the DSA, the principle of “integration” is a prominent feature.

The current quality assurance system and funding framework however makes a mockery of the legislative object of the DSA. The Commonwealth boasts of spending an increasing amount of money in the *Report on Government Services* on models of employment assistance that effectively congregate people with intellectual disability in segregated employment models when this is contrary to legislative objectives and research evidence. This is funding driven by ideology rather than research evidence or coherence with stated policy objectives.

One must question this continued ideology of segregation when it is contrary to the employment research, and its comparatively low efficiency and effectiveness when compared to the research based open employment models of assistance.

For the sake of brevity, let NCID distill the employment research findings:

- People with intellectual disability can work productively in the open competitive work force if provided with the *right* support.
- People with severe to profound intellectual disability, or severe to profound core activity limitations, can successfully work in open employment with the *right* support.
- The concept of people with intellectual disability gaining skills in segregated programs (i.e. ADEs and Day Programs) and graduating to open employment is a myth not supported by the research evidence.
- The concept of a continuum model of adult services ranging from integration to segregation based on the degree of disability or core limitation is not supported by the research.
- Open employment outcomes for people with intellectual disability require professional service providers competent in the latest evidence based practices.
- Open employment service is significantly more cost efficient and cost effective than segregated models of employment (i.e. ADEs) or state day programs.
- Open employment service models achieve the objects of the DSA and are exemplars of the Commonwealth social inclusion policy.

This research evidence remains unchallenged and is in wide agreement internationally. The demonstration of this research is happening before our eyes with high performing

specialist open employment services achieving open employment outcomes for people with moderate to severe intellectual disability upon leaving school.

A Report on Government Services in the area of disability employment, which is coherent with the research literature would provide a framework with the following features:

- What is the current population of people with intellectual disability of working age?
- How many people with intellectual disability of working age are employed in open employment?
- What are the characteristics of this group of people with intellectual disability - i.e. level of impairment - mild, moderate, severe, profound, or what level of core limitation. Characteristics could also be reported as to gender, age, and cultural background.
- What is the nature of these outcomes in terms of weekly hours of work, weekly wages, and job retention?
- What is the cost of providing these outcomes?
- What is the net budget impact of these outcomes, taking into account earned income, reduction in pension payments, the payment of taxes, and the impact of disposable incomes?
- What is the participation trend of people with intellectual disability in accessing open employment assistance?
- What is the open employment participation rate and trend of people with intellectual disability?

These are important data based questions for Australia to determine how we as a nation are performing in responding to the integration or social inclusion policy for people with intellectual disability.

If we are following a policy based on research evidence, then how well are we doing in supporting people with intellectual disability into open employment.

The data could also assist us in seeing if we are ensuring that the whole range of people with intellectual disability (from high to low support) are gaining open employment.

Such data and its analysis permits advocates, families and policy makers to discuss strategies to address access to open employment assistance and work towards greater connections for youth with intellectual disability between school and work.

A Report on Government Services could also provide a comparative analysis of those adults with intellectual disability of working age who are not in open employment.

- How many people with intellectual disability are in ADEs?

- How many people with intellectual disability are in state day programs?
- What is the cost of providing this support?
- What are the hours and wages of people with intellectual disability in these programs?
- What is the net budget impact of these outcomes?
- What is the participation trend of people with intellectual disability in ADEs and State day programs?

These data questions are important for the *Report on Government Services* in the area of disability employment services. How are we going with the object of *integration*? How are we going in supporting youth with intellectual disability into open employment and social inclusion?

It serves the interests of efficiency and effectiveness if we can see a trend of increasing numbers of people with intellectual disability supported in open employment; better wages and inclusion for individuals, and a better efficiency and effectiveness of expenditure for both Commonwealth and State governments.

Current Data and Reporting of Employment of People with intellectual disability

We wish to provide a brief overview of what we perceive to be problematic data reporting in providing a clarity and coherence with the research evidence and stated legislative objects.

The Commonwealth Disability Services Census

The latest Commonwealth Disability Services Census report of 2007 is flawed and misleading. In reporting the trend of the participation of people with intellectual disability in the open employment program from 2001 to 2007, the report combines people with autism, ADD, and learning disability under the heading of “intellectual disability”.

Apart from being technically wrong - (i.e. Autism, ADD and Learning Disability is not Intellectual Disability)- it is misleading. After NCID removed the definitional and basic mathematical errors, the data indicates that the participation rate of people with intellectual disability has decreased over time.

The point here is that public officials will pick up this report and believe that the participation rate for people with intellectual disability is of no concern. The Commonwealth should immediately correct this significant error of reporting to ensure that reporting of employment service participation is honest and accurate.

We have also witnessed since 2004 the failure of the Disability Services Census to report the number of workers with intellectual disability recorded “on the books”. NCID has requested these figures in order to determine the trend of people with intellectual disability actually achieving open employment.

The Australian Institute of Health and Welfare (AIHW) Data

We are unable to utilise the data products provided by the AIHW in terms of open employment. The online data cubes do not breakdown the data according to open employment. Recent publications on the employment participation are flawed by the inclusion of people with learning disability in the data. The differences between these populations are significant. This kind of reporting simply masks the actual employment characteristics of people with intellectual disability. The learning disability population is somewhere between 15% and 20% of the population, whereas the intellectual disability population is somewhere between 2% and 3% of the population. Two very distinct population groups. This kind of data reporting is not useful for determining progress or policy development for people with intellectual disability.

Department of Employment, Education and Workplace Relations (DEEWR)

DEEWR data information has the potential of providing the most coherent data on the participation of people with intellectual disability in open employment assistance and in open employment generally.

Unfortunately, most of this data is secret.

When DEEWR did report its evaluation of the case based funding model (2007), the data was meagre. Requests for more comprehensive data was responded with the view that this would take too much time and resources to produce!

Yet the DEEWR data base has the capacity to provide answers to some useful and simple data questions. For example, DEEWR collect individual data on weekly wages, weekly hours of work, the primary disability of clients, job maintenance and job retention, and duration of employment. However, none of this data is publicly reported against the primary disability grouping except for the duration of employment - although limited to a small cohort of people. This serves DEEWR's own reporting requirements, but in terms of reporting on the employment participation of people with intellectual disability, it is meagre at best.

The bottom line

The bottom line that we estimate that only 1 in 10 adults with intellectual disability are actually included in a real job integrated in the community.

The real growth is in the number of people with intellectual disability being supported in non-work programs - i.e. state funded programs. The population of people with intellectual disability in ADEs is largely constant. We question whether this population of approximately 15,000 people can be recorded as employment outcomes.

We are in fact witnessing a policy in reverse - where the data is indicating that people with intellectual disability are decreasing in number and proportion of the open employment program. And instead we are seeing more people with intellectual disability in non-work adult services and an increasing Commonwealth investment in segregated employment models.

We recommend a redesign of the reporting of Government funded disability services so that it is relevant to research evidence and to stated policies of social inclusion and integration.

Appendix: Comparative outcome and cost research

The comparative employment research finds that open employment service for people with intellectual disability is significantly cost effective and efficient when compared to other adult disability models of service.

This is primarily due to a training technology of systematic instruction on the work site to teach job skills to maximise economic productivity and independence. The result is inclusion in a typical business, the earning of a wage that reduces reliance on the pension, the payment of taxes, and greater disposable income.

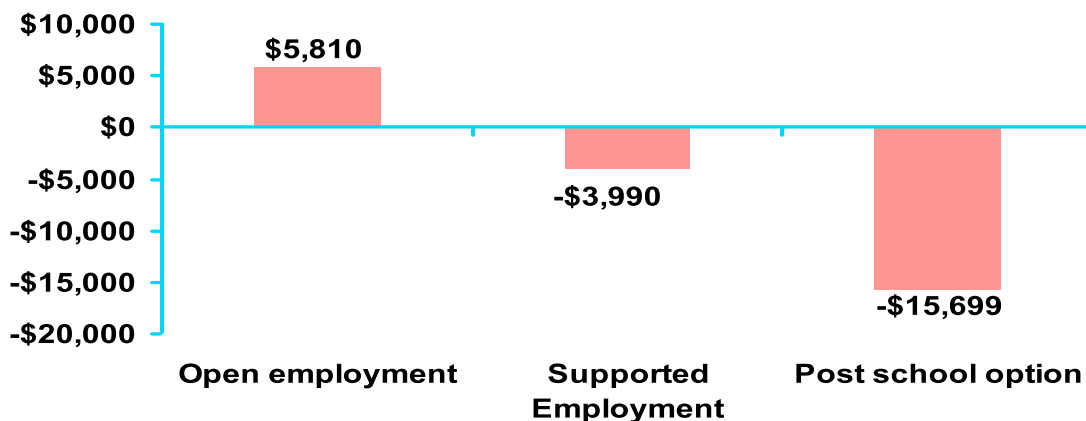
There is a selection of international and Australian research we can provide if the Productivity Commission wishes to pursue this comparative literature looking into the effectiveness and efficiency of different employment assistance models.

The most recent and significant Australian study was prepared by Econtech. Econtech did a comparison of the alternative services within the framework of the old block grant funding for employment services.

Econtech's report includes an analysis of the net economy benefits of alternative programs for people with intellectual disability.

Chart 3

Net Economy Benefits of Alternative Programs for People with Intellectual Disabilities under Block Grant Funding.
(\$ per client per annum)



The net national benefit of alternative programs for people with intellectual disabilities is presented in Chart 3 . . . The Chart shows that only open employment services deliver a net national benefit. This means that the value of the labour services that are created by open employment services exceed the operating cost for open employment services. In contrast, the value of the labour services that are generated by supported employment services fall short of the operating cost of supported employment services. This superior performance for open employment services occurs because clients in open employment services command much higher wages from mainstream businesses than clients in

supported employment services command from business services (sheltered workshops). This consideration more than outweighs the higher operating costs for open employment services. The post school options is the poorest performing program as it combines the highest operating costs of \$15,699 per client per year with no employment benefits.

Chart A
Net Budget Impact of Alternative Services for People with Intellectual Disabilities under Block Grant Funding
 (\$ per client per year)

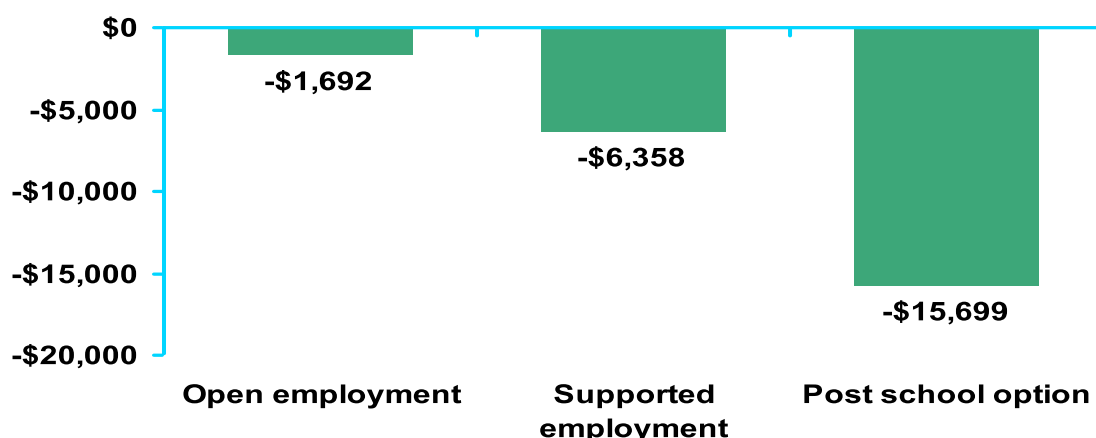


Chart 2 shows that under block grant funding open employment services are the cheapest option for people with a significant intellectual disability. Specifically, the costs per client of open employment services is \$1,692. This compares to \$6,358 and \$15,699 for supported employment and post school options respectively. . . . That is, open employment services are still the cheapest option to government.

The favourable results for open employment services are due to its relatively high wage outcomes. Specifically, the average wage received by people with an intellectual disability is \$292 per week, which compares to \$57 per week and zero for supported employment and post school option participants respectively. Higher wages benefit the Commonwealth Budget by reducing eligibility for means-tested Disability Support Pensions (DSPs) and significantly boosting personal income tax collections.

Clearly, it is much more efficient and effective to provide a competent program of open employment services to support people with intellectual disability into real jobs.

Of course, this is only the economic efficiency of government purchasing research based programs of support. It does not illustrate the enormous social benefit of the dignity of work, the health and esteem of being a valued worker, and the status of being included as a valued individual for what you can contribute to society. This opposed to being grouped based on your disability, dependent on pension income, and the dubious label of *work* given to segregated programs which are essentially *work for the pension* schemes.

The Econtech is but one example of how a report on disability services could be framed and presented. The Econtech example highlights the value of social inclusion in practice where the needs of an unemployed person with intellectual disability is matched with the expertise of an open employment specialist. It is the nature of this effective human service relationship that we are looking to grow and foster - for the benefit of the young person with intellectual disability, their family, their community, and the economy.