



**Inclusion Australia**

acting locally - representing nationally - connecting globally

A submission from  
Inclusion Australia  
to the Review of  
Australia's Welfare System

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*This submission is dedicated to Audrey, David and their families who have agreed to showcase their personal journeys to paid work in the open labour market.*



## **Introduction**

Inclusion Australia agrees that the income support system should have a stronger employment focus.

An income support system focused on evidence based employment support can significantly increase employment participation and reduce reliance on income support.

To achieve such change requires an examination of our understanding about capacity to work and employment support needs, and how this relates to achieving paid work which reduces pension reliance.

Current programs and policies are out of step with evidence based practice and are not providing youth with intellectual disability with the opportunity to be included in the open labour market.

Our biggest challenge, however, is to address a culture of low expectations about people with intellectual disability and work.

The current pathway of pension, unemployment and alternative programs needs to shift to a pathway of inclusion, work and wages in the open labour market.

To demonstrate this shift in direction, we feature the stories of two young people with significant intellectual disability and the pathway they took to move from school to paid employment in the open labour market.

These stories illustrate that people with intellectual disability have the capacity to work in the open labour market when provided skilled support. This quality support, however, is currently limited to just a few locations.

It is our submission that the welfare review should set a new direction to progressively build evidence based transition-to-work and open employment support on a national scale for people with intellectual disability.

It is possible to progressively change the current low expectations, low work participation and high reliance on the pension, to a culture where inclusion, work and wages is a common part of the lives of all people with intellectual disability.

## David and Audrey: A demonstration of capacity

People with intellectual disability have the capacity to;

1. work in the open labour market when provided skilled support;
2. earn an award based wage;
3. reduce their pension reliance;
4. contribute to the economy; and,
5. have a good life.



### David

David is twenty years old.

He spent 15 months in the NSW Transition to Work program overcoming his barriers to employment.

David needed to learn how to respond appropriately to instructions given to him by his supervisor.

An open employment service then began job search with transition-to-work continuing during this time.

After 5 months of job search, David commenced paid employment at Suncorp in March 2013 and is still employed today. He works 20 hours per week and earns a (full) award wage of \$436 per week.

### Audrey

Audrey is 22 years old.

She spent 21 months in the NSW Transition to Work program overcoming her barriers to employment.

Audrey needed to develop confidence through work experience.

An open employment service then began job search with transition-to-work continuing during this time.

After 1 month of job search, Audrey commenced paid employment at Roadshow Entertainment in October 2011 and is still employed today. She works 20 hours per week and earns \$271.80 per week. A wage determined by the Supported Wage System.



A video discussing the pathway that David and Audrey took to paid open employment can be seen on youtube at <https://www.youtube.com/watch?v=B1NTceOPpKc>

David and Audrey's pathway to paid employment provides a guide to developing a national evidence-based income and employment support model. We have listed each characteristic of David and Audrey's employment outcome and provided a comparative analysis of how this compares to the national picture for all people with intellectual disability.

### **David and Audrey are manifestly eligible for the Disability Support Pension.**

- People with intellectual disability (i.e. IQ less than 70) are manifestly eligible for the Disability Support Pension. David and Audrey both have an IQ of less than 60.
- Without evidence based transition-to-work and open employment support, this group is unlikely to get a job in the open labour market.
- Permanent disability should not be conflated with no, or little, capacity to work. Work capacity for people with intellectual disability is a matter of providing the right support.

### **David and Audrey are young people**

- Evidence based transition-to-work and open employment support for youth with intellectual disability is the most effective and cost efficient strategy to address employment participation and reduce reliance on the pension.
- Evidence based transition-to-work and open employment support is a strategy of "early intervention" that is well documented and capable of being developed on a national scale.
- Inclusion Australia has proposed to the Parliamentary Committee on the NDIS the need to develop an evidence based transition-to-work support sector on a national scale.

### **David and Audrey both have jobs in the open labour market.**

- In 2012-13, just 6.9% of people with intellectual disability of ages 15 to 64, who received disability support services reported work in the open labour market.
- David and Audrey are not extraordinary. There are many thousand Davids and Audreys of working age in Australia whom are not in paid work but have the capacity to work in the open labour market if provided with the right support.
- Demonstrations of open employment participation for people with significant intellectual disability in Australia are now 28 years old.

### **David and Audrey both received evidence based transition-to-work and open employment support**

- David and Audrey registered with a provider with sustainable open employment outcome rates of approximately 70%. A rate more than two times the Disability Employment Services (DES) national average for people with intellectual disability of 29%.
- The DES Moderate Intellectual Disability Loading (MIDL) evaluation highlighted the need for specialist services or units to better support job seekers with significant intellectual disability.
- There is only one specialist transition-to-work and open employment service organisation for people with significant intellectual disability in Australia.

### **David and Audrey are both working 20 hours per week**

- As manifest DSP recipients, David and Audrey are presumed to have a work capacity of less than 8 hours per week.
- As volunteer participants of the DES program, their provider must assure the Commonwealth that they can work at least 8 hours per week.

- The income support and employment service systems both have low expectations of the ability of people with intellectual disability to work for meaningful hours of work in the open labour market.
- Work capacity assessments tell us what we already know. Youth with intellectual disability have a low work capacity before job placement and training.
- The future work capacity of people with intellectual disability however can only be known with validity once this group are provided with a job opportunity and on-the-job training. This is what David and Audrey received.

### **David and Audrey are earning income.**

- David earns \$436 per week, and Audrey earns \$271.80.
- These are fair wages. David earns a full award wage, and Audrey earns a award wage determined by the Supported Wage System.
- 95% of people with intellectual disability of ages 15 to 64 who receive disability support services rely on the pension as their main source of income.

### **David and Audrey are productive.**

- People with significant intellectual disability are capable of productive work of value to employers in the open labour market.
- Employers will hire people with intellectual disability when they are provided a proposal of mutual benefit and quality support.
- People with significant intellectual disability can perform paid jobs in the open labour market if we are prepared to provide skilled support to the jobseeker and the employer.

### **David and Audrey both have a reduced (or part) pension.**

- David saves the government \$9,256 per year or 42.2% of the full pension<sup>1</sup>.

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<sup>1</sup> Based on current DSP for single adults aged 21 and over.

- Audrey saves the government \$4,986.80 per year or 22.8%<sup>2</sup> of the full pension.
- David and Audrey belong to a select group of DSP recipients. Just 2.4% of DSP recipients (of any disability type) in 2013 reported earned income greater than \$250 per week.
- This is an outcome that directly responds to concern about people with disability remaining on the pension without work for a lifetime.
- It is an outcome that maximises employment and wages, and minimises welfare dependency and government pension costs.

**David and Audrey are contributors to the economy.**

- David and Audrey are doing what is simply expected of any Australian. They are working, earning and contributing to the best of their ability with the skilled support they need to achieve this outcome.
- They are not on the welfare system as a burden. They are active contributors to life. And they got the skilled support to make that happen.
- Paid employment in the open labour market is good for the individual, employer and the government. It is a win, win, win.
- Employers recognise the value of employing people with intellectual disability, and have demonstrated that they are willing partners in designing jobs which provide a mutual benefit to the business and the jobseeker.

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<sup>2</sup> Based on current DSP for single adults aged 21 and over.



## **Toward an evidence based system of income and employment support for people with intellectual disability**

1. Create a **working age income support payment** for people with permanent disability, including people with intellectual disability.
2. Set the new payment at the **same rate as the current Disability Support Pension**.
3. Use the current **manifest DSP eligibility for people with intellectual disability** which is based on an IQ of less than 70. This is consistent with international definitions of intellectual disability.
4. Introduce a **presumption of employment capacity if/when evidence based transition-to-work and open employment support is available**. Capacity can only be demonstrated when this support is provided.
5. Design and implement a **five year plan to progressively introduce a national system of evidence based transition-to-work and open employment support** that meets the employment needs of people with intellectual disability.
6. **We need to progress forward deliberately but carefully**. We should only move from voluntary participation to required participation when evidence based transition-to-work and open employment is in place. The progressive change can be seen in this way.

From impossible to possible .....

From possible to beneficial .....

From beneficial to allowed .....

From allowed to preferred .....

From preferred to expected .....

From expected to required .....

..... to the same standard as everyone else.<sup>3</sup>

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<sup>3</sup> Mank. (2008). Alderbrook, 2007. *Journal of Vocational Rehabilitation*, 29, 52-62.

7. We should **progressively** introduce a new income and employment support system beginning with **youth with intellectual disability**.
8. We should **honour the past choices and decisions made** by people with intellect disability and their families based on the current systems of income and employment support.
9. **We should begin by offering all youth with intellectual disability from age 16 a transition plan to a paid job in the open labour market.** This should include an offering of evidence based transition education (i.e. transition planning, self determination, and community based instruction), evidence based transition-to-work support; and evidence based open employment support.
10. A new system of income and employment support should promote paid jobs in the open labour market that **maximises inclusion, hours of work and wages, and minimises reliance on income support.**
11. **Continue to publish the employment outcome results of providers by disability** to inform government about evidence based practice, and give people with intellectual disability and their families informed choice of support.
12. There should be **no review or change in income support eligibility** due to the **number of hours** worked or the **kinds of support** received to maintain employment.
13. **A reasonable and fair income support withdrawal rate based on earnings needs to be marketed as a good thing.** Earning wages should increase overall disposable income, and should not threaten income support eligibility.
14. **Eligibility to income support (at DSP rates) should be guaranteed** if work is not found or work is lost. No reassessments should be required as intellectual disability is permanent and lifelong.

15. **Changing to a culture of work participation** requires youth with intellectual disability and families to know that **work is good and is a risk free opportunity**. There should be no threat to income support eligibility, and assurances of alternative community support, if work is unsuccessful, should be provided.
16. There needs to be **a recognition of customised employment strategies used to find and create jobs for youth with intellectual disability** when engaging employers. Top down approaches (i.e. employer quotas and targets) produce few jobs for people with significant intellectual disability. Customised employment strategies which meet the needs of the employer and the jobseeker however have evidence of high job placement rates.

## **Appendix 1: Employment Crisis**

There is an employment crisis for people with intellectual disability in Australia.

In 2012-13, just 6.9% of people with intellectual disability of ages 15 to 64, who received national disability support services reported work in the open labour market.<sup>4</sup>

This is down 4.6% from 2011-12 when it was 11.5%. In raw figures, just 4,805 people from a population of 69,354 between the ages of 15 to 64 reported work in the open labour market.

People with intellectual disability are largely unemployed and poor.

Most (95%) are dependent on the pension as their main source of income.

Some (21%) work in Australian Disability Enterprises (formerly sheltered workshops) where wages have little impact on the pension.

Some (33.8%) attend non-work day programs which generate no income at all.

Some are not engaged in any day activity.

In 2013, there were 101,631 people with intellectual and learning disability in receipt of the Disability Support Pension. This is 12.4% of all DSP recipients.

Few DSP recipients report earned income. In 2001, 9.1% of all DSP recipients reported earn income. In 2013 it was 8.3%.

Of the 8.3% of DSP recipients that reported income, 3.8% earned less than \$125 per week; 2% earned less than \$250 per week, and 2.5% earned greater than \$250 per week.

The open employment program - on the whole, with exceptions - is not effectively building the employment participation of people with intellectual disability.

In 2012-13, the supported employment program which funds Australian Disability Enterprises (ADE), assisted 21.3% (14,778) of people with intellectual

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<sup>4</sup> Australian Institute of Health and Welfare. Disability Services National Minimum Data Set, Service User Data 2003-04 to 2012-13

disability between the ages of 15 to 64 who received national disability support services.

The supported employment program has demonstrated over several decades that it is unable to provide - on the whole, with exceptions - meaningful employment in viable businesses and pay wages that significantly reduce reliance on the pension.

In stark contrast, research and demonstration over several decades show that people with intellectual disability have the capacity to work in the open labour market, in productive positions for real wages, when provided skilled support.

Evidence based programs continue to demonstrate that people with significant intellectual disability are capable of working in the regular labour market for both full award wages or pro-rata award wages using the SWS when necessary.

Many individuals and families, however, have little choice but to choose an ADE or a non-work day program because of the large gaps of support to help them move into open employment, earn a real wage, and reduce their reliance on the pension.

To address this crisis, Inclusion Australia has provided the Parliamentary Committee on the NDIS with recommendations seeking the replication of evidence based school-to-work and open employment programs for people with intellectual disability.

## **Appendix: Capacity to Work**

### **The use of capacity to work assessment is a major barrier for people with intellectual disability when seeking employment assistance.**

There is considerable research on the negative impact of capacity to work assessments for people with intellectual disability.

Research dating back to the 1950s shows that initial work ability has little relationship with the level achieved with job placement and training.

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.

Research and demonstration has repeatedly found that with skilled support a person with intellectual disability can achieve high levels of work skill and capacity to work in the open labour market.

When a person with intellectual disability decides to choose work and seek employment assistance, they are required to have a Job Capacity Assessment/ Employment Services Assessment (JCA/ESAt).

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 (i.e. 0-7, 8-14, 15-22, 23-29, 30+).

The employment benchmark has significant implications.

- An an assessment of 0-7 hours of work capacity generally means that an individual is not eligible for Disability Employment Services (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.

Invariably, people with intellectual disability are given assessments of low work capacity - either 0-7 or 8-15 hours of work per week.

The use of the JCA/ESAt to split program eligibility between DES and NDIS at the 8 hour benchmark presents major barriers for people with intellectual disability who want to work in the open labour market.

In our case studies of David and Audrey, they first received transition-to-work support as it was determined that they were not ready to move directly into paid employment. Their pathway to open employment was not “blocked” by premature assessments of future work capacity.

David and Audrey were also able to register with an open employment provider while still in the transition-to-work (TTW) program. This meant that the open employment provider could search for a job while David and Audrey continued to maintain their confidence and skills through the TTW program.

DES and NDIS policy currently prevents people with intellectual disability moving seamlessly and concurrently from transition-to-work support to open employment support.

**The JCA/ESAt should be replaced with a presumption of work capacity.**

It is more appropriate to use an assessment that determines if a young person with intellectual disability *needs* a pathway of transition-to-work to achieve open employment, OR is *ready* to go straight into the open employment program. This can be done without setting a benchmark of hours and linking the benchmark to program eligibility.

A new income and employment support system must understand that the future work capacity of people with intellectual disability cannot be predicted until skilled support is provided.