



**SUBMISSION TO DSS DISCUSSION PAPER**

**Ensuring a Strong Future for  
Supported Employment**

**MARCH 2018**

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**AN AUSTRALIA THAT VALUES AND SUPPORTS ALL CARERS**

## ABOUT CARERS AUSTRALIA

Carers Australia is the national peak body representing the diversity of Australians who provide unpaid care and support to family members and friends with a:

- disability
- chronic condition
- mental illness or disorder
- drug or alcohol problem
- terminal illness
- or who are frail aged

Carers Australia believes all carers, regardless of their cultural and linguistic differences, age, disability, religion, socioeconomic status, gender identification and geographical location should have the same rights, choices and opportunities as other Australians.

They should be able to enjoy optimum health, social and economic wellbeing and participate in family, social and community life, employment and education.

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## SUMMARY

Feedback from carers to Carers Australia confirms how vital supported employment is to both people with disabilities and their carers. For many people with disability, open and supported employment offers an opportunity for independence, feeling valued as contributing members of their communities and families, and opportunities for social interaction.

Many employees of Australian Disability Enterprises (ADEs) would otherwise be excluded from paid work. Their carers and families see and appreciate the difference it makes to their lives, and gain a further benefit of respite from providing full time care. When parents fear that the ADE that employs their adult son or daughter will close, they contact this organisation in distress at the prospect of seeing that person change from being happy, engaged and participating members of their families and community, to becoming depressed, isolated and often aggressive, and worried that there will be little for them to do but watch television.

Carers Australia considers that keeping people employed in ADEs is more important than achieving profits. When ADEs close, it increases pressure on other services. Reductions in supported employment opportunities lead to increased demand for government funded day programs to offer activities and social interaction for people with disabilities, and respite for their carers. While these programs have great value and can offer people with disability the opportunity for social interaction and engagement, as well as respite for their carers, they may not give participants the same sense of value and wellbeing that they may get from being employed.

At the same time, all employees with disability should be fairly paid for the work that they do and have more say about where they work, the hours they work and the jobs they perform.

It is no longer acceptable to pay token wages to supported employees. Where possible, ADE employees who have the skills, and who want to, should have greater opportunities to progress to different roles with their current employer or another ADE and to transition to open employment in mainstream settings.

This submission considers ways in which NDIS and other services can best support people with disability to access both open and supported employment, transition between the two as appropriate, and maintain viable ADEs that offer opportunities and supports for employment.

# PRINCIPLES TO GUIDE POLICY DIRECTION FOR SUPPORTED EMPLOYMENT

As a starting point, Carers Australia considers that the principles to guide the Government's policy direction for supported employment should also include the following.

*The mother of an ADE employee called Carers Australia to express her concern that her son may lose his job with an ADE that cannot afford to pay higher wages to its employees. Her son's job is to stir paint. He enjoys this task and the company and friendships developed with his co-workers and managers. He is proud of having a real job that contributes to the household income and, since his father retired, considers himself the sole breadwinner. The time he spends at work also gives respite to his parents, who would otherwise need to provide 24 hour care. The threat to his job posed by higher wages is a real concern to his mother, who worries that her son will lose self-esteem and become bored, isolated and depressed without this activity.*

- There should be opportunities for career progression. People with disabilities who have appropriate skills and potential should have the opportunity to work in open employment, or to move between open and supported employment as appropriate, facilitated by Government agencies or funded organisations. Just as other workers move through positions and increase their competence through training and experience, so too should people with disability.
- Employees of ADEs should be paid fairly, using the Supported Wages System (SWS) or similar mechanism and ADEs should be given certainty about wage rates and structures.
- Employment offers people the opportunity for social participation and economic engagement, so being able to offer ongoing employment in ADEs to people with disability who would not be able to work in a mainstream enterprise should be more important than achieving profits.
- There should be mechanisms to understand and respond to different needs, skills, abilities and aspirations of people seeking work or changing employment through the DES and in ADE workplaces, both through the NDIS and other pathways.
- Exploration of employment goals and aspirations should be a starting point in NDIS discussions and assessments.

- People with disability who are not in the NDIS should have access to open and supported employment opportunities, including through appropriate funding mechanisms.
- Recognising that the costs to Government of supporting ADEs through block funding are at least partially reduced by savings to means tested income support payments and other replacement services (including day programs and respite or replacement care).

## HOW THE NDIS CAN HELP SUPPORTED WORKERS

The model for funding employment services is extremely complex, including:

- the interaction between open and supported employment
- NDIS funding under plans
- continued DSS funding for current supported employees who do not qualify for NDIS and uncertainty about funding potential future employees
- interaction between post school options and NDIS
- transition funding for ADEs
- the potential for ongoing block funding for ADEs.

In the view of Carers Australia, NDIS participants who want to work, and have the potential to do so, should have access to employment opportunities. Much more work will need to be done by NDIS and DSS, to ensure that:

- there will be adequate opportunities for open and supported employment
- employees will be able to transition to new jobs and employment opportunities when appropriate
- people will not lose their jobs because an ADE is not able to meet new wage requirements
- where ADEs are not viable, even with additional support (for example, in an enterprise that only supplies bulk mailouts and is not able to transition to another service), employees will be supported to retirement, retraining or alternative employment.

As acknowledged in the Discussion Paper, the interface between open and supported employment is important and inherent to enabling people to transition from ADEs to employment through the DES when possible. However, the two markets are also quite distinct, as is clear from their composition, with the vast majority of workers in ADEs having an intellectual disability, compared to just 4 per cent of DES participants.

ADEs generally structure employment activities for their workers, helping them to become confident and productive. This is different to businesses that employ people with disabilities in open employment being given adequate supports, where there is an expectation that employees will fit into the workplace and their assigned role. People who work in ADEs often benefit from the additional support and structuring, particularly when they first enter paid employment.

So, while Carers Australia supports innovative practices, for example where ADEs place supported employees, or teams of employees, in other workplaces, it will be important to continue to offer traditional forms of ADE employment, particularly to people with intellectual disability who may not be able to work in open workplaces through DES placements.

Carers Australia is also concerned that the NDIS, to date, may not be giving enough consideration to future employment needs and aspirations in its planning with participants, and that this may be further diminished for participants aged over 24 years. For example, NDIA statistics indicate that 5.2 per cent of 15 to 24 year olds have plans that include employment capacity building, compared to only 2.2 per cent over the age of 24 years.<sup>1</sup>

It is logical for the initial focus of NDIS support to be on immediate needs and there also needs to be recognition that employment will not be the desired, or appropriate, outcome for every NDIS participant. However, an “employment first” approach, in cases where it is likely to improve the lives of participants, should start with information in the NDIS literature provided to participants and carers at pre-planning.

This “employment first” approach will require some significant change to current assessment and review processes. These include discussions identifying employment goals and outcomes of post school options programs with every working age entrant to the NDIS, and at 12 month reviews (and with younger NDIS participants when they reach working age), with review questionnaires prioritising employment aspirations and capacity, and, where appropriate, including carers and family members in conversations, particularly where transport and other supports will be needed.

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<sup>1</sup> <https://www.ndis.gov.au/medias/documents/dashboard-national-31dec-17/National-Dashboard-31-Dec-2017.pdf>

Participants and carers should be given information about the potential and opportunities for employment, the supports they might receive to help secure and maintain employment, and up-front advice about any effects employment participation will have on their income support payments and continuing NDIS support.

For supported and open employment to be successful, there will be a need to deal with disincentives created by use of NDIS packages for employment support, as carers and people with disability have expressed concerns that they may lose other necessary supports. There are also disincentives in the social security system, where a person who no longer qualifies for a Disability Support Pension (DSP) because of their hours of work and/or income may not be able to access DSP again if they lose their job. Participants may fear that they would only be eligible for the activity tested Newstart Allowance at a much lower payment rate, which also has tighter means testing and fewer non-cash benefits.

Carers will also need to be acknowledged through the transition process, as changes to the routines of people with care needs can sometimes be difficult, with carers managing what can be a stressful process.

Some people may also need one on one support in the workplace and NDIS plans should be able to facilitate this, in the same way that plans can include one on one support at home.

In addition, for the NDIS to measure success, there will need to be a demonstrated:

- increase in the proportion of job seekers gaining employment and more opportunities for people with severe disabilities who could not work
- measure of appropriateness of the job or job readiness activities – the participant needs to want it and be ready for it and the work needs to be appropriate for their needs. Measurements could include whether or not jobseekers are getting employment, retaining that employment, and their levels of satisfaction with the outcomes
- goals around employment set out in each NDIS plan and each review should identify if goals are being met. Robust processes to allow carer involvement in planning and review will help to assess the outcomes
- regular performance review/measurement for people working in supported employment to assess suitability for more demanding work, making sure that it is not a tick and flick exercise or that there is a perverse incentive for employers to keep good employees in their same roles, in either:
  - the same ADE
  - another ADE, or
  - open employment.

Local Area Coordinators (LACs) and planners are the point of contact for people with disability and their carers to develop plans to support NDIS participants. LACs and planners should be able to present employment options to people with disability and assist to develop a vision for work that is meaningful for each participant. Without this support, it will fall to carers, who are often stressed and time poor and do not have the skills to do this work.

However, state and territory Carer Associations have also expressed concerns that some LACs may not be trained or equipped to understand the employment environment or options and that the limited funding will not be helpful for carers or people with disability. LAC services are still being rolled out and still developing expertise in the services they have been engaged to provide. Expanding any new service too quickly can set it up for failure; it would make more sense to expand LACs into employment services only after the initial roll out is complete and services are operating well.

When developing a plan, NDIS participants should not be pre-judged when their initial needs and interests seem to preclude employment. Twelve monthly reviews should consider changes in situation where employment had not been considered an option previously and thought and planning given to the types of supports and equipment that might make employment possible.

Likewise, for NDIS participants who are employed, their capabilities and further aspirations should also be reviewed annually. These reviews should consider whether ADE employees could undertake more complex roles or might be suited for open employment opportunities.

## **PARTICIPATION BY CARERS AND CONSUMERS**

Training, capacity building and career progression opportunities will attract NDIS participants to employment opportunities. Carers will be able to support and encourage participants in their pursuit of employment if they are involved in the planning process and participants are properly funded to participate in work.

Material and information that is directly relevant to carers could be developed and distributed through organisations that support carers of people with disability. For example, carer support organisations, including the network of state and territory Carers Associations, could be provided with information about options for supported and open employment and how carers can best support the person with disability to exercise choice and control. The carer often understands the strengths and preferences of the person with disabilities strengths, and can help advocate for and support the person to take up opportunities.

Carers should also be given information about the available supports for people employed by ADEs, and be involved in considering which supports might be needed to help the person with disability to successfully take up employment opportunities, including where employment has implications for the support a carer can provide. For example, where the carer has generally



provided transport for the person with disability, they should be involved in the planning discussion to consider whether they have the ongoing capacity to transport the person to and from work or whether the costs of transport should be provided. It may be that the employment of the person with disability may create an opportunity for the carer to enter paid employment or work longer hours.

## FUNDING SUPPORTED EMPLOYMENT

Anecdotal information from carers of people with high care needs, particularly in cases of intellectual disability, suggests that the experiences of employees of ADEs mirrors that of employees without disability. As in any other workplace, ADE employees enjoy the social interaction with colleagues and stimulation from the work they perform, and feel that employment makes them valued and respected members of their communities.

While mainstream employment with support is a goal for most people, there will be some who are not able to participate in this type of employment and those people, too, deserve options for work that is meaningful. ADE employees should not find themselves without a job because the enterprise is unable to meet its costs.

There has been some disagreement between stakeholders representing different sectors, with advocates for workers with disability calling for use of the Supported Wage System (SWS) and advocates for employer groups arguing that using the SWS would both make wages unaffordable for ADEs, and lead to unfair wage outcomes for workers. This would be because a person who is only capable of performing low skilled, routine and repetitive work, but doing so quickly and productively, would be likely to receive higher rates of pay than a person who has higher level skills and is undertaking more complex work, so takes longer and, therefore, measured as being less productive.

The position for carers is less clear, where there can be competing priorities of offering people with disability fair and reasonable wages for the work that they do and increasing the opportunity to work, at lower rates of pay, to bring a sense of purpose and meaning to their lives.

In navigating these competing priorities, Carers Australia supports the payment of fair wages for employees of ADEs, using the SWS or another mechanism, with additional financial support from Government to support ADEs that would not otherwise be viable.

That is, there should be scope for the Government to recognise the social contribution offered by ADEs and offer financial support to those that are not independently profitable. This would recognise that the primary concern of ADEs is to support their employees and facilitate independence.

Financial support should also recognise that there are savings when a person with disability is employed. This would include placement in a day centre/program and possible increases to DSP.

*Carers Australia was contacted by a carer whose son worked at an ADE. The ADE was a laundry business that was operating profitably, concerned that he could do the same work for a mainstream employer for wages that better reflected the contribution he was making to the business.*

With a minimum SWS of only \$84 per week, it should be possible to provide wage supplementation to ADEs, in the form of block funding, using a formula based on the work capacity of supported employees and the needs of each ADE.

People with disability and their carers who live in regional areas of Australia often find it difficult to access supported employment. Funding needs to be made available to support existing and new ADEs, to expand the employment options available to people with disability.

In cases where it is not viable for an ADE to continue to operate as a viable business (even with additional funding), employees and their families should be provided with appropriate support to transition to retirement or other options. The Government could look to the School Leaver Employment Support that is available to high school students as a model.

It is also important that the NDIS is not the only source of funding for ADE employment. There are many people who currently qualify for supported employment in ADEs who are not covered by the NDIS, for example, in cases of episodic psychosocial disorders. For example, the NDIS has been designed to support only 12 to 13 per cent of people with mental illness<sup>2</sup> and DSS has recently identified that around 75 per cent of participants in the Personal Helpers and Mentors (PHaMs) service, which gives practical support to people with severe mental illness, did not transition to the NDIS as expected.<sup>3</sup>

While DSS will continue to fund existing clients of Commonwealth disability programs who are not eligible for the NDIS,<sup>4</sup> it seems that there is no policy or program to support new non-NDIS participants to work in ADEs. Other funding mechanisms should be identified and applied, including through block funding to ADEs.

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<sup>2</sup> <https://www.theguardian.com/australia-news/2018/jan/17/almost-75-of-people-on-mental-health-programs-left-without-ndis-support>

<sup>3</sup> <https://probonoaustralia.com.au/news/2018/01/people-severe-mental-illness-struggling-ndis-transition/>

<sup>4</sup> <https://www.dss.gov.au/disability-and-carers-programmes-services-for-people-with-disability/australian-disability-enterprises-transition-to-the-national-disability-insurance-scheme>

## CONCLUDING COMMENTS

Carers Australia advocates greater Commonwealth Government support to people with disability when they want to work and when they are working, and to help make sure that supported employment opportunities are available. The Government has a role to both keep ADEs viable, even when they are not profitable, and to ensure that supported employees receive fair wages.

Carers Australia considers that supported employment should be funded through:

- individual NDIS supports, with the capacity for a quick review to provide the necessary supports in cases where a person is offered an employment that is not covered in the existing agreement
- individual funding of employment supports for people who are not part of the NDIS, such as in cases of psychosocial and/or episodic disability
- block funding to maintain the viability of ADEs, enable them to employ people with disability outside the NDIS, and to avoid any perverse incentive that would reduce the opportunities for employees to transition to open employment.

In addition, consideration should be given to offering specific grants to ADEs to provide additional development and support to help their employees transition to open employment.