

Advisory Group

Vision for Sustainable Supported Employment



Plain English version

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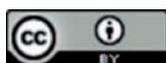
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The analysis presented in this report reflects the work done by the Advisory Group appointed to provide strategic advice to the Australian Government for a 10 year Vision for people with disability in supported employment. Public consultation submissions received by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) in response to the discussion paper, Inclusion for people with disability through sustainable supported employment, assisted the Advisory Group in formulating this Report.

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Contents

Part 1 Overview1

The vision – at a glance 1

 Ten years from now..... 1

 Guiding principles for the vision 2

 In this report..... 3

 Recommendations..... 3

Why do we need a new vision? 5

 Demographic and social factors..... 6

 Economic factors 6

 Human rights..... 6

 Social inclusion 7

Background..... 9

 Current support systems 9

 How the vision evolved..... 10

 The discussion paper..... 10

Issues and challenges 11

 A ‘person-centred approach’..... 11

 Who can access supported employment now? 12

 Developing a new vision 13

Part 2 Turning the vision into reality 15

A person-centred approach to choice in employment support 15

 What will a person-centred approach mean for supported employment

 10 years from now? 15

 What did we learn? 15

 What are the challenges and issues?..... 16

 How do we achieve this goal? 16

A safe and inclusive workplace..... 17

 What will workplaces be like 10 years from now?..... 17

 What did we learn? 17

 What are the challenges and issues? 18

 How do we achieve this goal? 19

The right support at every stage of life	20
What supports will be in place 10 years from now?	20
What did we learn?	20
What are the challenges and issues?	21
How do we achieve this goal?	21
A fair wage and other employee benefits	23
What will wages and benefits be like 10 years from now?	23
What did we learn?	23
What are the challenges and issues?	23
How do we achieve this goal?	26
Businesses delivering supported employment in ways that are commercially sound	27
What will supported employment businesses be like 10 years from now?	27
What did we learn?	27
What are the challenges and issues?	28
How do we achieve this goal?	28
Partnerships building capacity and improving results for individuals and organisations	30
What will the supported employment system be like 10 years from now?	30
What did we learn?	30
What are the challenges and issues?	31
How do we achieve this goal?	31
Governments investing in the capability of individuals and organisations	33
What will government involvement in supported employment be like 10 years from now?	33
What are the challenges and issues?	33
How do we achieve this goal?	34

Appendixes37

Appendix 1

Advisory group—members and terms of reference..... 37
Advisory group members..... 37
Terms of reference 38

Appendix 2

Economic importance of employing people with disability 40
Number of people with disability 40
Disability support costs 40
Implications of non-participation..... 41
Australia’s economic position 43

Appendix 3

International approaches to supported employment..... 46

Appendix 4

Consultation and feedback..... 49

Appendix 5

Alternative vision—Australian Federation of Disability Organisations 50

Part 1 Overview

The vision – at a glance

The advisory group on inclusion for people with disability through sustainable supported employment has developed a 10-year vision. This vision has three main parts:

1. Australia has a supported employment system that benefits people with disability and Australia as a whole. It does this by helping people with disability **take part in work and their community.**
1. People with disability have access to a supported employment system. This system fully supports them to take part in work and their community. It includes them in Australian society by **providing services so that they can get and keep good jobs.**
1. The supported employment system **works with other national systems** that support people with disability. These include the National Disability Agreement, the National Disability Strategy and the National Disability Insurance Scheme.

The vision outlines what people with disability should be able to expect and aim for in their work. It also helps their families and carers, as well as service providers, government and the general community know what to expect and aim for. It puts the rights of people with disability first. It underlines that all Australians need to help people with disability have fairly paid, real work that meets their goals, and have a satisfying community life.

Ten years from now

Many more people with disability will be working in **good jobs.**

All eligible people with disability will be able to get **employment support funding.**

There will be a process to decide a **minimum wage** for people with disability. This will set fair wages for people whose disability reduces what and how much they can do at work. It will be fair, open, consistent and non-discriminatory.

More people with disability will have **recognised qualifications** and **attractive career paths.**

Red tape that stops or discourages people from making transitions **will be gone.** This will make it easy to move between supported and open employment, between community participation programs and employment, between school and employment or from employment to retirement.

There will be a **wider range of organisations** that offer quality employment support.

Supported employment organisations will be **better able to support themselves financially**. They will cope with changes by being **flexible**.

All supported employment organisations will be **continuously improving**. They will be seen as **'employers of choice'**.

Supported employment organisations will have strong **partnerships with government**. They will have less red tape to deal with but will still be accountable for good use of public funds.

Government will be an investor in the capacity of supported employment organisations. It will buy the goods and services they produce. It will also be a model employer of people with disability.

All Australian employers and their employees will understand that **diversity in the workplace is important**. They will see that diversity is good for their organisation socially and economically.

There will be **strong, productive relationships** between supported employment organisations, local communities and businesses.

Guiding principles for the vision

Employment support should **focus on results**. The main result should be good jobs for people with disability so that they can work and be part of their community.

People with disability should have **real opportunities to have a job** like all Australians. They should have the same rights at work and the same opportunities to find rewarding work.

People with disability should have **access to jobs wherever they happen to live**—no matter which state or territory they live in or whether they live in the country, the regions, a remote area or a city.

Support should be diverse and flexible. It should meet the unique and changing needs of individual people and respond to changes in the job market.

The system should be **seamless and easy to use**. It should give **extra support at times of transition** to help people move through life stages such as school, work and retirement.

Funding should **reflect the support needs of the person with disability**. The amount of funding should **meet the demand**. No-one should be denied support because there is not enough funding.

Organisations providing support should be **better able to support themselves**.

The system should **encourage innovation**. It should welcome, use and share new ideas.

In this report

This report:

- outlines the vision
- gives recommendations on how to achieve the vision
- suggests actions to take.

Appendix 1 gives details about the members of the advisory group. It also sets out the group's terms of reference.

Part 1 talks about:

- why we need a new vision for supported employment now
- reforms that have happened in supported employment
- the fundamental ideas in this report
- big issues that supported employment will continue to face until there is real change
- what the advisory group recommends.

Part 2 talks about what the results of the vision will be 10 years from now in seven priority areas. For each area it looks at:

- 'What did we learn?'—the main things people told the advisory group in consultations
- 'What are the challenges and issues?'—difficulties we need to deal with
- 'How do we achieve this goal?'—what the advisory group recommends and things that government should consider doing immediately.

Recommendations

The advisory group's recommendations to the Australian Government are:

1. broaden the **definition of 'supported employment'** to match the definition in this report. The new definition should be put into the Commonwealth *Disability Services Act 1986*
2. make supported employment available to all eligible people with disability, based on their needs. Do this by **uncapping the supported employment program**
3. **establish a process for improving wages and superannuation** for people with disability in supported employment. Immediately set up a taskforce to advise on these issues within 12 months from its first meeting. The taskforce should include representatives of people with disability, unions, service providers and government. The improvements the taskforce recommends should become part of the award system

4. form a joint working group of the relevant Australian and state government departments to **examine policy and payment disincentives to work**. This includes Disability Support Pension taper rates, how income affects housing arrangements, and the tax threshold. The working group should report to government in 2012 with strategies for reducing disincentives to work
5. make sure all future policies and programs and changes to supported employment:
 - a. **follow the United Nations Convention on the Rights of Persons with Disability**
 - b. **work closely with the proposed National Disability Insurance Scheme**
6. improve funding, policies and programs for supported employment so that it can focus on **the needs of individuals through a person-centred approach**
7. ensure **socially inclusive workplaces** that are safe, comfortable and free from bullying and harassment. Do this by:
 - a. working with regulatory agencies and peak associations to make sure **employers and employees understand their rights and obligations in relation to supported employment**
 - b. providing **tailored advice and assistance** to help organisations maintain safe and supportive workplaces
8. make **seamless pathways into and out of supported employment**. Do this through:
 - a. **a flexible employment program** that will meet the needs of people with disability and help them fully participate in work. This needs to include a variety of day options, transition to work, supported and open employment combinations, and dual servicing.
 - b. **a nationally coordinated retirement program** that follows best practice
 - c. **a single administration**. This will cover all specialist policy, funding and programs for pre-employment, employment preparation (such as post-school options) and employment
9. make sure **businesses that provide supported employment are commercially sound**. Do this through:
 - a. better government procurement methods that encourage agencies to buy **goods and services** from businesses that employ people with disability
 - b. **a marketing strategy** to encourage the general public to buy these goods and services
 - c. free **business advice and training**
10. make sure people with disability have access to **best-practice supported employment in viable businesses that provide recognised training, interesting work, and career pathways**. Do this by:
 - a. encouraging the use of innovative technologies
 - b. building partnerships for sharing innovation

- c. testing new best-practice approaches to supported employment for people with different types of disability. Test projects should be in a wide range of industries and workplaces
 - d. sharing information about best practice
 - e. investing in the disability services workforce. This includes more training to help disability services workers be able to deal with complex needs
 - f. helping businesses stay viable and grow. This includes more business and training support
11. invest in the capability of people with disability. **Set targets for employing people with disability** for agencies at all levels of government.

Why do we need a new vision?

Change takes time. The advisory group wants to make sure that in 10 years time Australia has a modern system of helping people with disability take part in work. The government needs to act now to meet the challenges the advisory group has found.

In August 2011 the Productivity Commission reported on the costs and benefits of starting a national scheme giving all Australians who have significant disability with a right to disability support services. It said:

The current disability support system is underfunded, unfair, fragmented, and inefficient, and gives people with a disability little choice and no certainty of access to appropriate supports.¹

We need to fix this ‘broken’ system so that with people with disability can achieve their potential. This can only happen if we have an employment support system that responds to people’s needs and helps them deal with their social and life issues. The system needs to be well funded and easy to use.

The advisory group recognises the good work done by employment support services over many years. The community has a strong sense of commitment to these services because they have filled many service delivery gaps in an under-resourced system. Improving the system means building on current strengths as well as taking opportunities for change.

People with disability, their families and carers, policy makers and service providers should prepare for changes in disability policy, culture and law. The future may look very different.

Factors driving the need for change include the following.

¹ Productivity Commission 2011, Disability care and support, Productivity Commission inquiry report no. 54, 31 July 2011, p. 2.

Demographic and social factors

- Our sociality is changing. Social media and the internet are giving more people more information than ever before. There is more awareness of disability and the participation of people with disability.
- The current supported workforce is ageing. In 10 years a new group of people with disability will be in supported employment, and they will have different goals and needs. We need to start preparing to help them meet these and find jobs.
- The traditional job market has excluded people with some types of disability. We need to make sure these people have employment opportunities. This includes people with intellectual disability, physical disability, autism or Asperger's syndrome, and severe and chronic mental illness.

Economic factors

- There is still a gap in employment participation, education levels and income between people with disability and those without.
- More people are receiving the disability support pension—currently more than 800 000. Many of these people could benefit socially and financially from working.
- Australia needs to get all potential workers into the job market. This will help us compete with other countries economically and make up for our ageing workforce.
- Employing people with disability makes good business sense.

A summary of the economic reasons for increasing employment for people with disability is at Appendix 2.

Human rights

The United Nations adopted the Convention on the Rights of Persons with Disabilities in December 2006. This agreement came into force internationally on 3 May 2008.

Australia signed up to the convention in July 2008, making us one of the first Western countries to do so. By doing this we joined in a global effort to promote equal and active participation of all people with disability. Australia has agreed to promote, protect and ensure the rights of all people with disability to full and equal enjoyment of all human rights, and to promote their dignity.

The convention states that all people with disability should be able to work in an open and accessible job market. The advisory group believes that our vision for supported employment must be based on human rights. In particular, the vision should focus on:

the right of persons with disabilities to work, on an equal basis with others; this includes the right to 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.²

Australia is still a long way from achieving this equal employment opportunity.

As we look to change the way we deliver disability services, we need to learn from other countries and see what is working well and what is not. More and more OECD countries are delivering services to people with disability through an individualised approach. This is called a ‘person-centred approach’ (see Appendix 3).

Social inclusion

The Australian Government has committed to building a stronger, fairer, more socially inclusive nation. This is a major driver of reform in disability services. Social inclusion means that all Australians have the opportunity and support they need to fully take part in work and their community and to develop their potential. It also means treating all Australians with dignity and respect.

National Disability Agreement

A new National Disability Agreement began on 1 January 2009. The Australian Government and the state and territory governments agreed to strive to ensure that people with disability and their families and carers have better quality of life and can participate as valued members of the community.

All governments have agreed to create a better disability service system. It should help people with disability take part in work and their community, make good choices about their lives and do as much for themselves as they can. It should also give good support to their families and the people who care for them.

By funding and regulating supported employment (as part of the Disability Employment Assistance program) the Australian Government plays a vital part in achieving these objectives.

National Disability Strategy

In February 2011 the Council of Australian Governments (COAG) committed to a National Disability Strategy. This sets out a 10-year national plan to improve life for Australians with disability and for their families and carers. It is a commitment by all levels of government, industry and the community to a single national approach to policies and programs. It is the first time all Australian governments have agreed to such wide-ranging directions for reform of the disability support system.

² United Nations Convention on the Rights of Persons With Disabilities, Article 27.

COAG has agreed that all governments must work together to deliver the care and support Australians expect for people with a disability. The states and territories will now work with the Australian Government to start long-term change. Foundation reforms include:

- developing consistent ways of fairly assessing people’s eligibility for support, based on their level of need
- setting service and quality standards so that people with disability can expect high-quality support
- building workforce capacity so we have more trained staff to support people with disability
- setting strict timelines, milestones and benchmarks for the delivery of these and other essential reforms.

These foundation reforms will also affect supported employment.

Proposed National Disability Insurance Scheme

In August 2011 the Productivity Commission proposed a new National Disability Insurance Scheme (NDIS) to provide disability insurance cover for all Australians. It said that funding the scheme should be a core function of government. It gave several options for funding but recommended that the Australian Government finance the full costs of the NDIS through consolidated revenue.

The proposed scheme would start from mid-2014 and gradually expand until everyone is covered by the end of 2018–19. It includes supported employment services and specialist transition-to-work programs that prepare people for jobs. This means that any reforms to supported employment must work with the NDIS.

Recommendation 5

Make sure all future policies and programs and changes to supported employment:

- a. follow the United Nations Convention on the Rights of Persons with Disability
- b. work closely with the proposed National Disability Insurance Scheme.

Background

Supported employment in Australia has a long history. Many supported employment organisations were set up in the 1950s. At that time, institutionalised care was the only option for people with disability. So parents, carers and communities raised funds and set up supported employment organisations as an alternative option.

The Commonwealth *Disability Services Act 1986* set out principles and objectives for disability services. Since then supported employment has developed into the business services system we have today. Employment for people with disability has become a priority for the Australian Government.

In 1996 the Australian Government announced further reforms to improve service quality. The reforms aimed to match funding to people's support needs and to link funding to employment.

Since 1996 there have been more reforms. These include:

- independently assessed quality assurance standards that organisations must meet to continue to get funding from the Australian Government
- a funding system that links payments to individual support needs
- regulated wages and superannuation above the legal minimum through the Modern Supported Employment Services Industry Award.

Current support systems

The Australian Government currently funds supported employment as Disability Employment Assistance.

Australian Disability Enterprises

Most supported employment in Australia is delivered through the Australian Disability Enterprises network. The network is made up of about 600 businesses across Australia that provide real work opportunities for more than 20 000 people with disability.

Australian Disability Enterprises has also provided many other services. Demand for all kinds of disability support has grown, but reliable service delivery has not. This has left Australian Disability Enterprises to fill the gaps. Many people with disability do not just rely on them for jobs. They also rely on them for advocacy, housing, life planning, case management, transport, crisis management, service coordination, retirement planning, counselling and personal support.

Other disability employment services

The Australian Government also offers various specialist disability employment services. These have been streamlined into two distinct programs, to make assessment and referral processes less complex.

- The Disability Management Service is for job seekers who need support from a disability employment service but are not likely to need long-term support in the workplace.
- The Employment Support Service is for job seekers with permanent disability who need long-term, regular support in the workplace.

How the vision evolved

In 2010 the Australian Government set up the advisory group to develop a vision for the next 10 years of supported employment. The members of the group are experts from all parts of the disability sector. They were chosen by former Parliamentary Secretary for Disabilities and Children's Services the Hon. Bill Shorten MP in July 2010, and endorsed by the Parliamentary Secretary for Disabilities and Carers, Senator the Hon. Jan McLucas, in November 2010.

The advisory group members were chosen because of their personal and professional experience of disability. They met face to face three times and also talked to each other through teleconferences and email.

In March 2011 the member representing the Australian Federation of Disability Organisations withdrew from the group. The Australian Federation of Disability Organisations has provided its separate views on supported employment (see Appendix 5). The advisory group has considered those views.

The discussion paper

The Australian Government released a discussion paper in September 2010. It invited written submissions on what the vision for supported employment should be. More than 600 submissions came in from people with disability, parents and carers, service providers, peak bodies, advocacy agencies and others (see Appendix 4). The advisory group also held consultations at various Australian Disability Enterprises in November 2010.

Themes that came out of the responses to the discussion paper included:

- concerns about wages and what can be done to improve wages for people with disability
- the importance of the workplace for people with disability and the positive social connections they make at work
- the importance of having adequate resources in the workplace for people who need day-to-day support
- ideas for keeping supported employment businesses commercially viable and providing real work for employees

- the need for choice, flexibility, training and career paths for people with disability and for their support workers.

Part 2 talks about these themes in more detail.

Issues and challenges

The Disability Services Act defines ‘supported employment services’ as:

services to support the paid employment of persons with disabilities, being persons:

- (a) for whom competitive employment at or above the relevant award wage is unlikely; and
- (b) who, because of their disabilities, need substantial ongoing support to obtain or retain paid employment.

The advisory group believes we need a new definition of supported employment.

The proposed new definition is:

Supported employment means 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.

Examples of support are:

- training, occupational health and safety support, personal care, workplace aids and equipment, and on-the-job social and emotional support
- funding to people with disability to pay for such support
- support for employers to get the infrastructure they need to employ people with disability and build an inclusive workplace culture. This includes accessible buildings, new technology and accessible transport.

Recommendation 1

Broaden the **definition of ‘supported employment’** to match the definition in this report. The new definition should be put into the Commonwealth Disability Services Act 1986.

A ‘person-centred approach’

One of the main ideas behind the new vision is a ‘person-centred approach’. We need to be clear about what we mean by this. At the moment, supported employment focuses on systems rather than on individuals with disability. A person-centered approach is quite different. It means that:

... ways of commissioning, providing and organising services [are] rooted in listening to what people want, to help them live in their communities as they choose. People are not simply placed in pre-existing services and expected to adjust, rather the service strives to adjust to the person. Person-centred approaches look to mainstream services and community resources for assistance and do not limit themselves to what is available within specialist services.³

The principles of a person-centred approach to supported employment are:

- a focus on the person and who they are
- a focus on the future— the goals, hopes and dreams of the person and their family
- the active involvement of family and friends (as decided by the person)
- a shift in who holds the power and control
- a high value on genuine inclusion and participation.⁴

However, an employee still needs to meet the job requirements of their employer.

Who can access supported employment now?

To take part in supported employment, a person needs to:

- have a disability
- be an Australian resident
- be of working age
- be unlikely to work at full productivity
- be able to work at least eight hours a week
- need ongoing assistance in the workplace to keep their job.

They do not have to be getting a disability support pension or any other income support payment.

Currently fewer than 10 per cent of people with disability who get the Disability Support Pension have paid work. Clearly the Australian Government is keen to make sure that people with disability who can work have opportunities to do so. In March 2010 it removed all caps on Disability Employment Services that help people get jobs in the open labour market. This allows eligible people to get employment assistance straightaway. Doing the same thing with supported employment would provide more fairness for people with disability who want to work.

³Valuing people—a new strategy for learning disability for the 21st century: guidance for implementation groups, <http://valuingpeople.gov.uk>, quoted in NSW Department of Ageing, Disability and Home Care, Exploring and implementing person centred approaches, January 2009.

⁴ Adapted from NSW Department of Ageing, Disability and Home Care, Exploring and implementing person centred approaches, January 2009.

Recommendation 2

Make supported employment available to all eligible people with disability, based on their needs. Do this by **uncapping the supported employment program**.

Developing a new vision

The hardest part of developing a new vision for supported employment is working out how to meet the different needs of all the people who use or want to use supported employment. Trying to predict the needs people with disability will have in 10 years is also difficult.

The current supported employment system is working well for many people. With the new vision we need to keep the things that are working and share good practices more widely. But there are also people who want different supported employment opportunities from those that are currently available. We need to improve the system for these people. We need to fill the gaps in current services and make sure people with disability have the same work opportunities and rights as other Australians. We need to prepare for the future.

The new vision needs to consider some hard questions that the disability sector has been debating for many years.

How do we ensure that people with disability are paid a higher wage and work in a business that offers them useful training, a career path, and high-quality support?

How do we give people with disability real choices about their employment opportunities? How do we enable them to move easily into open employment?

How do we reform the system without losing current employment supports for people with disability?

How do we extend supported employment beyond the not-for-profit Australian Disability Enterprises to include other kinds of organisations?

How do we identify and support existing services that provide high-quality employment support? And how do we end low-quality services without disadvantaging people with disability?

Is the tax rate too high for supported employees, when the more their income increases the more they lose from their Disability Support Pension?

Most of these questions will be answered when the recommendations and suggested actions in this report are put into practice.

The advisory group had lively discussions about these issues. In the end everyone agreed on most of them. The main thing the group did not all agree on was wage processes for people with disability.

Some parts of the vision will be easier and quicker to put into practice than others. Others will need to wait until other reforms have been achieved. All changes will need to be practical and cost-effective to receive government support and funding.

Part 2 Turning the vision into reality

A person-centred approach to choice in employment support

The advisory group believes that people with disability should have the same opportunities to work as other Australians and be able to move seamlessly between education, training and employment systems.

What will a person-centred approach mean for supported employment 10 years from now?

It will be easier to move into and out of supported employment.

More people with disability will work in open employment.

Planning will focus on the individual. It will look at all aspects of their life, not just work. This will allow smoother transitions between different life stages.

More people with disability will take part in vocational education and training.

More people with disability will have recognised qualifications.

People with disability will be able to get the employment support they need, no matter where they live.

Staff of supported employment organisations will be highly trained in working with different sorts of employees with disability.

People with disability will have challenging and diverse job options. All workers will have opportunities to fully use their skills.

What did we learn?

The feedback we got strongly supported untangling the red tape that stops people moving between programs. For example, it needs to be easier to access open employment while working in an Australian Disability Enterprise.

Many people with disability wanted more opportunities—for training, to be able to try open employment, and for more interesting work. Others did not want to try open employment and were happy with their current work.

People with disability and their parents and carers also talked about the importance of training. Support staff need to be trained to help people with different types of disabilities and meet their different and complex needs. Parts of the current systems make it difficult to provide this level of service.

Service providers nearly all said that ‘uncapping’—so people with disability could access supported employment immediately—was a way to meet demands in different areas. Currently fewer than 10 per cent of people on the Disability Support Pension are in paid work.

What are the challenges and issues?

The main obstacle to a person-centred approach is the lack of connection between different programs in different parts of Australia.

Access to supported employment is not equal across Australia. Nor do people with disability have equal access to vocational education and training. Red tape blocks people from moving between supported employment and other systems. For example, it can be hard to move into open employment or between day programs and supported employment.

In some Australian Disability Enterprises, underemployment is a significant issue. Some employees with disability want more interesting, less repetitive work.

The need for better training and skills for support staff has been recognised for a long time. For example, it was raised in the Productivity Commission’s report. This issue directly affects the quality and availability of supported employment.

How do we achieve this goal?

Recommendation 6

Improve funding, policies and programs for supported employment so that it can focus **on the needs of individuals through a person-centred approach.**

Immediate actions for the government to consider include:

- **removing the dual-servicing exclusion** so that people can use disability employment services without resigning from supported employment
- starting an **entitlement system of access** so that people can use supported employment immediately without going on a waiting list

- test **different types of employment support** to find out how well they can support people with different kinds of disability (such as physical disability, autism and Asperger’s syndrome, and severe and chronic mental illness). Social enterprises and firms, self-employment and business hubs are some of the options that could be tested.
- test **different types of employment** to find a wider range of options for people with different kinds of disabilities. For example, emerging technologies and growth industries could be tested.

A safe and inclusive workplace

The advisory group emphasises that people with disability in supported employment are entitled to workplaces that are inclusive, safe, healthy, comfortable and free from bullying and harassment.

What will workplaces be like 10 years from now?

Workplaces will have a range of formats. There will be no unfair distinctions between staff with disability and staff without disability.

Workplaces will reflect the diversity of the Australian community.

Workplaces will reflect the norms and trends of the general community.

Workers with disability will understand their right to a safe and healthy workplace that is free from bullying and harassment. They will know how to make sure they get this.

What did we learn?

We got mixed feedback about integrated workplaces and segregated workplaces. Some people with disability and their parents and carers were opposed to integrated workplaces. Their reasons were:

- concerns about physical and social safety. They feared that employees without disability might abuse the supported employees
- concerns about supported workers only having access to mundane and repetitive work
- poor experiences in the past in mainstream environments at school or work.

Many people supported integration in principle. However, some noted that it could be a socially acceptable step rather than a practical solution. There was some caution about

integrated workplaces. Issues included possible effects on wages for all workers and the need for transition time. Those who supported integrated workplaces were mostly those who had worked in them.

Most advocacy groups and some peak bodies said that segregated employment was out of step with our commitment to the United Nations Convention on the Rights of Persons with Disabilities. But clearly there will need to be significant cultural changes to achieve more integrated workplaces. The best option may be to offer a wider range of supported employment opportunities so that people with disability have more choice.

Most groups noted the importance of occupational health and safety (OH&S). Many people with disability and their parents and carers mentioned OH&S problems with existing workplaces. These included temperatures being too hot in summer or too cold in winter, and poor facilities and equipment. Some parents and carers also felt that existing workplace design did not support different disability types well. For example, some people with autism are not well suited to large communal factories.

Providers recognised the importance of OH&S. Some said there should be more funding to meet extra OH&S costs. One peak body suggested introducing a national OH&S training package, similar to Disability Safe in New South Wales.

A number supported workers and parents and carers raised the issue of workplace bullying by support staff or between workers.

What are the challenges and issues?

The current system mostly relies on one model of service delivery. This model segregates supported employees with disability and employees without disability.

There are not enough Indigenous people and people from culturally and linguistically diverse backgrounds in workplaces.

Workplace design does not meet the needs of people with different kinds of disability. Supported employment workplaces do not always reflect what workplaces are like in the general community.

In 2020, people with disability will be working in open employment wherever possible. Supported employment options will be ‘intermediate labour markets’. In other words, they will be important stepping-stones to help people with disability move into the open workforce.

How do we achieve this goal?

Recommendation 7

Ensure **socially inclusive workplaces** that are safe, comfortable and free from bullying and harassment. Do this by:

- a. working with regulatory agencies and peak associations to make sure that employers and employees **understand their rights and obligations in relation to supported employment**
- b. providing **tailored advice and assistance** to help organisations maintain safe and supportive workplaces.

Immediate actions for the government to consider include:

- identifying current best practice for preventing and responding to bullying and harassment
- educating workers with disability about how to recognise bullying and harassment and how to raise their concerns. Educating employers to prevent and put a stop to bullying and harassment
- working with Safe Work Australia and the Australian Human Rights Commission to educate employers and people with disability about OH&S
- developing a strategy to educate all relevant groups to bring about cultural change. This includes highlighting opportunities for integration, promotion, open employment and removing barriers between support staff and people with disability
- analysing and sharing effective ways to improve supported employment for Indigenous people and people from culturally and linguistically diverse backgrounds.

The right support at every stage of life

The advisory group believes that people with disability should have access to seamless delivery of the support they need as they move into employment, through their career, and into retirement.

What supports will be in place 10 years from now?

There will be a series of simple, easy-to-use gateways into, through and out of work.

Employment support will fully meet the needs and goals of school leavers with disability.

People with disability will have opportunities for career development through their working life.

People with different types of disability will have the employment support they need.

There will be a pathway into retirement in the mainstream community wherever possible. Specialist support will be there for those who need it.

What did we learn?

We got strong feedback that ageing is a big issue for workers with disability. This is made worse by a lack of services and support for these people.

Many parents and carers said that retiring workers needed something to look forward to that would replace the role of work in their lives. This included social connections. Families want to be included in retirement planning for their family members with disability. Many parents and carers talked about how their own ageing made it more difficult for them to care for an ageing person with disability.

Service providers talked about the need for lifelong retirement planning. They suggested various solutions, including transition case managers, ‘ageing well’ workshops, and financial planning. Some providers and one peak body suggested a fully funded retirement program.

Some providers said it would be helpful to have extra funding to support transitions—first from school to supported employment, and then from supported employment to open employment. Others suggested creating supported employment places specifically for school leavers.

What are the challenges and issues?

People with disability who are ageing lack options and support. This is part of the ‘broken system’ the Productivity Commission talked about in its report on a national disability care and support scheme.

Australian Disability Enterprises have been trying to fill service delivery gaps for the ageing workforce. Sometimes this has led them to focus on the other life support needs of these people rather than on employment.

Overall, the Australian Disability Enterprises workforce of people with disability is ageing. Some of them start experiencing ageing-related conditions in middle age due to their disability. However, there is little research about how well mainstream services can meet the needs of ageing people with disability.

People with disability often do not have help with lifelong financial planning. Nor do they build enough retirement savings during their working lives in supported employment.

The school system does not focus enough on preparing all people with disability for employment. The transition from school to work is not effective, due to poor connections between state and territory and Commonwealth programs. There are also problems with moving between services and using a combination of services. This is because there are different government responsibilities in different parts of Australia, and because service delivery systems are disjointed and hard to work out.

How do we achieve this goal?

Recommendation 8

Make seamless pathways into and out of supported employment. Do this through:

- a. a **flexible employment program** that will meet the needs of people with disability and help them fully participate in work. This needs to include a variety of day options, transition to work, supported and open employment combinations, and dual servicing.
- b. a **nationally coordinated retirement program** that follows best practice
- a. a **single administration**. This will cover all specialist policy, funding and programs for pre-employment, employment preparation (such as post-school options) and employment.

Immediate actions for the government to consider include:

- making sure the different government departments responsible for the retirement and ageing needs of people with disability actively work on solutions to the current problems
- linking this recommendation with the government’s response to the Productivity Commission’s final report on a national disability care and support scheme. This will make sure that social and life support is delivered separately from employment services
- funding up to 12 months of planning and transition to a satisfying life after retirement for ageing supported employees. State and territory governments should fund support for retirees aged under 65 years and the Australian Government should fund support for retirees aged 65 and over (as with the split of responsibilities for community care in the National Health Agreement)
- testing a case management approach in one state or territory to see if this will help with transitions—school to work, supported to open employment, and work to retirement.

A fair wage and other employee benefits

The advisory group recognises that all workers have the right to equal wages and benefits for work of equal or comparable value. This includes workers with disability.

What will wages and benefits be like 10 years from now?

People with disability will be earning significantly higher wages.

There will be no major difference between wage levels and hours of work for people with disability and those for the wider community.

People with disability will have more control over their working hours.

People with disability will have real jobs. These jobs will encourage continuous learning and provide training and skill development.

People with disability will be able to build enough superannuation to help them be financially independent and secure when they retire.

What did we learn?

Many people with disability said that wages were an important motivation for working. Some said they were satisfied with the amount they were paid, but many said they were not paid enough.

People with disability and their parents and carers were dissatisfied with the wage assessment process. They talked about how hard it is to understand the process. They also raised problems with the way assessments are made. Some people with disability had cut their hours of work because of the way their wages reduced their income support payments. There were also concerns about superannuation and other entitlements like long-service leave.

Advocacy and industry groups were very concerned about wage assessment processes and results. Service providers were concerned about the cost of wage assessment tools. They also worried about how their organisation would be able to afford wage increases.

What are the challenges and issues?

Low wages

Many workers in supported employment receive low wages compared to the general population. The average hourly wage in supported employment is \$3.61 (before tax).

In the general workforce it is \$30.30 for non-managerial employees. The minimum wage is currently \$15.51 per hour.⁵

Present and past industrial arbiters (including the Australian Fair Pay Commission and Fair Work Australia) have allowed wage assessment tools and pro-rata wages to be used to decide wages for supported employees. But industry, advocacy and disability peak bodies have raised concerns about the number of assessment tools being used. There are 30 wage assessment tools for just over 20,000 supported employees, compared to just one for the general workforce. They are also concerned about wage assessments varying between different tools.

For decades, wages and conditions for supported employees have been out of balance with those of the general workforce. Many supported employees have little superannuation despite long years of work. Many have no flexibility (such as portability) in their long-service leave arrangements. Their ability to negotiate conditions like increased working hours varies widely.

The advisory group agrees that there should be more incentive for people with disability to work, and more reward and recognition for those who do. This fits with the Australian Government's commitment to increase the employment rate of people with disability. The advisory group would like to see people with disability earning significantly higher wages.

Disincentives to work

Most supported employees receive the disability support pension and have no legal requirement to work. However, they choose to work. Like other Australians, they do not work just to get paid. But their wage is as important to them as it is to workers generally.

The advisory group discussed how income from work affects social security payments, taxation and the cost of essentials such as accommodation. The system we have now seems to discourage people from earning more. Disability support pensioners lose 50 cents for every extra dollar they earn. If they earn over \$120 a week from their pension, they also have to pay tax at the rate of 16.5 cents. If they live in publicly funded accommodation their rent may also increase. Some advisory group members believe that the pension withdrawal threshold should be at the same level as for the aged pension.

Difficulties for providers

Many Australian Disability Enterprises providers say they will not be able to afford significant wage increases unless they get financial help from government.

⁵ Figures from Australian Government, Inclusion for people with disability through sustainable supported employment: Discussion paper, July 2010; and Australian Bureau of Statistics 6306, Employee earnings and hours, Australia, May 2010.

The advisory group recognises that some supported employment organisations may not be able to afford to pay higher wages. Providers need:

- investment in building their capability. This includes better performance, governance and training, increased access to technology, and innovation through technology
- more awareness in the community and government of the benefits of social enterprises
- more awareness of the products and services Australian Disability Enterprises provide to industry and government. Purchasing policies should be adjusted to reflect this.

Wages taskforce

Because the issues are so complex and there are differences of opinion within the advisory group, this matter should be examined by a taskforce with industrial relations expertise.

Advisory group members had different views about how this taskforce might operate. They agreed that it should consider wage assessment tools and processes. Some suggested that it should also consider other issues. These included job design, training, different support models, improving productivity through technology, the effect of wages on income support, superannuation fees and taxes, and government funding to subsidise wages. Other members thought the terms of reference should not be limited.

Other issues

The advisory group briefly considered how to improve wage assessments but could not reach agreement. Some members suggested that the Department of Families, Housing, Community Services and Indigenous Affairs should require all wage assessments to be done by someone qualified and independent of the employer. Others did not agree, as current industrial law allows employers to conduct some wage assessments.

All advisory group members agreed that it is important to make sure that efforts to deal with these issues do not threaten jobs for low-productivity workers or the financial viability of Australian Disability Enterprises.

How do we achieve this goal?

Recommendation 3

Establish a process for improving wages and superannuation for people with disability in supported employment. Immediately set up a taskforce to advise on these issues within 12 months from its first meeting. The taskforce should include representatives of people with disability, unions, service providers and government. The improvements the taskforce recommends should become part of the award system.

Recommendation 4

Form a joint working group of the relevant Australian and state government departments to **examine policy and payment disincentives to work**. This includes Disability Support Pension taper rates, how income affects housing arrangements, and the tax threshold. The working group should report to government in 2012 with strategies for reducing disincentives to work.

Immediate actions for the government to consider include:

- increasing funding for non-profit organisations (including unions) to provide employment advocacy and targeted education for workers in supported employment
- educating Australian Disability Enterprises about the need to base wage assessments on the correct classification and wage rate for the type of work
- requiring providers to report on their performance in training supported employees. These reports would include the effects of training on wage rates. Performance would be assessed against a minimum benchmark standard.

Businesses delivering supported employment in ways that are commercially sound

The advisory group believes that businesses delivering supported employment should become more sustainable and offer more opportunities they offer to people with disability. To do this they need to embrace sound commercial practices.

What will supported employment businesses be like 10 years from now?

A wide range of thriving businesses will offer employment support and real, long-term jobs for people with disability.

People with disability will be working in businesses that produce and sell commercially competitive products and services.

These businesses will be well run. They will have a joint focus on business and social results.

These businesses will work in partnerships to meet customer needs.

These businesses will operate in up-to-date ways that provide a range of jobs for people with disability.

What did we learn?

People with disability commented that businesses were focusing more on working 'faster' or 'harder'. Parents and carers had concerns about how the pressure to be commercially viable was affecting workplace culture. They worried about 'mission drift' — the focus moving from the needs of people with disability. In particular, some questioned the need for Australian Disability Enterprises to be viable. They saw supporting the individual as the primary focus, rather than 'real' employment.

Service providers were concerned about the community and potential customers seeing supported employment as 'not real work'. They talked about strategies to become more viable. These included business mentoring, best practice, investing in business expertise, marketing, and setting up a fund for business development and improvement.

One peak body said that supported employment firms needed to find the right balance between commercial and social needs. Another peak body said that capital funding and projects to test 'reverse integration' would be useful.

What are the challenges and issues?

Many Australian Disability Enterprises are low-value businesses with marginal profits and little growth. This makes it hard for them to offer higher wages, promotions and opportunities to build skills. Many focus on the social side of service delivery. This leads to poor business governance and a lack of understanding of business. When businesses are not well run, workers have less job security.

There can be tension between the mission and the business. People with disability are not always treated as employees. This means they can miss out on benefits like wage increases, training, career guidance, mentoring and promotion. They also miss out on being expected to reach their potential. Businesses that make little or no profit cannot afford to spend much on business growth or innovation. As a result, their workers with disability often end up doing simple, repetitive tasks.

We need to fix the whole system so that supported employment providers can run their businesses well while still carrying out their mission to employ people with disability. The two goals can be met at the same time. Investing profits in more support for people with disability is a standard business strategy for successful supported employment organisations.

How do we achieve this goal?

Recommendation 9

Make sure **businesses that provide supported employment are commercially sound.**

Do this through:

- a. better government procurement methods that encourage agencies to **buy goods and services** from businesses that employ people with disability
- b. a **marketing strategy** to encourage the general public to buy these goods and services
- c. free **business advice and training.**

Immediate actions for the government to consider include:

- setting up a supported employment business development board. The board would help businesses that employ people with disability find opportunities to grow. Its members would be business people and philanthropists. It would answer to the minister and the parliamentary secretary

- setting up an independent ‘business hub’ to work closely with supported employment services. The hub would help to create innovative businesses, build excellence, share good practice and find better employment opportunities
- setting up a commercial advisory panel. The panel would help Australian Disability Enterprises become more commercially viable. It would advise on governance, business lines for products and services, potential markets and job opportunities. It would also help them connect with social enterprise and business networks
- providing governance training for businesses delivering supported employment.

Partnerships building capacity and improving results for individuals and organisations

The advisory group believes that partnerships are a vital way for individuals and organisations to build capacity and get better results.

What will the supported employment system be like 10 years from now?

People with disability will have access to seamless service delivery.

Organisations providing supported employment to people with disability will act in partnership with each other.

The whole supported employment sector will use innovative methods.

Government, business, and not-for-profit organisations will work much more closely to get good results for people with disability.

All levels of government will buy significant amounts of goods and services from supported employment organisations.

Supported employment organisations will work together in groups to deliver on larger contracts for goods and services.

What did we learn?

The comments in consultations focused strongly on funding. Parents and carers thought funding should be tied to hours of work. Some said funding levels should be higher and some said funding should be more individualised. They also worried that more focus on administration could mean less focus on workers with disability.

Advocacy groups were in favour of individualised funding. One group said supported employment was too expensive for the results it delivered. One advocacy group and some parents said the quality assurance system did not improve the rights of people with disability or the standard of services. Providers strongly criticised how complex the current funding system is and the degree of support it provides. They also criticised the administrative burden of things like the Audit and Compliance Strategy.

One peak body suggested that the Australian Government should help Australian Disability Enterprises to form a supplier council. There would be requirements for departments and agencies to buy goods and services from the supplier council.

What are the challenges and issues?

At the moment there is not enough connection between the different services that different governments and departments are responsible for. Australian Disability Enterprises do not work together enough or make enough connections with mainstream business.

The products supplied by Australian Disability Enterprises do not match the buying needs of all levels of government.

Supported employment providers have trouble attracting and retaining enough support workers. These workers need more training to deal with increasingly complex care needs.

There is no consistent best-practice culture across supported employment organisations.

How do we achieve this goal?

Recommendation 10

Make sure people with disability have access to **best-practice supported employment in viable businesses that provide recognised training, interesting work, and career pathways**. Do this by:

- a. encouraging the use of innovative technologies
- c. building partnerships for sharing innovation
- d. testing new best-practice approaches to supported employment for people with different types of disability. Test projects should be in a wide range of industries and workplaces
- b. sharing information about best practice
- c. investing in the disability services workforce. This includes more training to help disability services workers be able to deal with complex needs
- d. helping businesses stay viable and grow. This includes more business and training support.

Immediate actions for the government to consider include:

- setting up a research and development fund. This would help shape the way services develop. It would also build knowledge about quality supported employment
- working with universities and other higher learning organisations to train managers and contribute to research. Australian Research Commission funding could be used, for example

- develop a marketing strategy to encourage people to buy goods and services from supported employment organisations. This would help make supported employment more sustainable
- direct the Department of Finance and Deregulation to look at options for setting social procurement targets for government agencies. The department should set up a national unit to encourage government procurement from supported employment organisations.

Governments investing in the capability of individuals and organisations

The advisory group believes that all levels of government have a vital role in investing in the capability of people with disability and the organisations that employ them.

The advisory group strongly believes that government has a vital role in legislating, funding and regulating to promote employment and participation of people with disability. This role is so important that we need to set out how governments at all levels can improve employment for people with disability.

What will government involvement in supported employment be like 10 years from now?

Significantly more people with disability will be employed at all levels of government. This includes disability policy, processes and programs.

Many more people with disability will be employed in the private sector.

Accessible building design will be standard in corporate, public and private workplaces.

There will be much more community inclusion of people with disability. Their abilities and aspirations will be better understood.

The general community will recognise the value of employing people with disability.

People with disability will be more highly trained and have better qualifications.

Boards and managers of supported employment organisations will be more skilled.

What are the challenges and issues?

All governments need to take the lead in employing people with disability. Currently the number of people with disability in public service organisations is low compared to the number of people with disability in the general population. Wherever possible, people with disability should be able to get involved in government policy, program development and service delivery.

Other issues include:

- Employment rates of people with disability are not consistent across the private sector. Some employers are very focused on diversity; some are not.
- Buildings, transport systems and other types of infrastructure do not always meet universal design standards.

- The community has low expectations of people with disability and does not recognise their achievements.
- People with disability remains have a low media profile. The exception is targeted platforms such as the Australian Broadcast Corporation's Ramp Up website.
- There is little collaboration between government, business and not-for-profit organisations on employment for people with disability.

How do we achieve this goal?

Recommendation 11

Invest in the capability of people with disability. **Set targets for employing people with disability** for agencies at all levels of government.

Immediate actions for the government to consider include:

- building on the work of the Australian Public Service Commission through the National Mental Health and Disability Employment Strategy. Set targets for employing people with disability in Australian Government agencies and departments
- increasing employment of people with disability in the private sector. Form a panel of business, government and not-for-profit representatives to consider strategies for this
- working with the ABC to build on the Ramp Up initiative to raise the profile of people with disability in mainstream media
- testing a marketing strategy to raise the profile of people with disability in the general community.

Appendixes

Appendix 1

Advisory group—members and terms of reference

Advisory group members

Professor Lesley Chenoweth (Chair)
Head, School of Human Services
Griffith University

Dr Ken Baker
Chief Executive
National Disability Services

Mr David Barbagallo
Chief Executive Officer
Endeavour Foundation

Ms Ingrid Landau
Research Officer
Australian Council of Trade Unions

Mr Mark Pattison
National Council on Intellectual Disability (December and March meetings only)

Ms Samantha Jenkinson

Mr Neil Preston OAM
Chief Executive Officer
Greenacres Disability Services

Mr Kevin Robbie
Director Employment and Social Enterprise
Social Ventures Australia

Ms Vanessa Morley (December meeting via teleconference only)
Head of Talent and Inclusion
Qantas

Terms of reference

Advisory group to support the Australian Government to achieve inclusion for people with disability through sustainable supported employment

The Australian Government is committed to ensuring people with disability have an enhanced quality of life including through meaningful engagement in work.

To improve employment and social inclusion outcomes for people with more severe disabilities, the Australian Government is working to improve supported employment for people with disability, a key commitment under the federal government's National Mental Health and Disability Employment Strategy.

Purpose

The purpose of the advisory group to support the Australian Government to achieve inclusion for people with disability through sustainable supported employment (the advisory group) is to:

- provide strategic advice to government in its development of government's new vision
- provide advice to government that is innovative and reflects the right of people with more severe disabilities to work and receive a fair pay
- provide influential and practical leadership across stakeholder groups to build support for the vision and related reforms.

Role and function

The group will provide independent and confidential advice to the Parliamentary Secretary for Disability and Carers on supported employment issues, including:

- strengths and weaknesses of the current supported employment services system funded by the Australian Government
- how to improve the program and better support people with more severe disabilities to achieve economic participation and social inclusion
- how to improve the long-term viability of supported employment services and increase their accessibility and diversity
- effectiveness of strategies to drive improved linkages between specialist and mainstream services
- other issues as requested by the Parliamentary Secretary for Disability and Carers.

advisory group members will help to support the development of the Australian Government's *vision for people in supported employment* through their networks within government, non-government, business and the community sectors.

Term of appointment

Members are appointed to the advisory group for a period of one year from 16 July 2010 to 15 July 2011.

Liaison and stakeholders

In undertaking its work, the advisory group may liaise with governments, peak groups, the services sector, people with disability, their families and carers and other advisory bodies to exchange information and views on the development of the vision and areas requiring support or reform progressing toward a new vision.

The advisory group will not pre-empt major policy initiatives being considered by government in its engagement with stakeholders.

Appendix 2

Economic importance of employing people with disability

Number of people with disability

The 2009 Australian Bureau of Statistics Survey of Disability and Carers reported the following findings.

- Four million Australians (18.5 per cent) had a disability in 2009 and over a million Australians had a profound or severe core activity limitation (5.8 per cent). Rates of profound or severe core activity limitation were highest in Tasmania (6.8 per cent), South Australia (6.4 per cent) and Victoria (6.2 per cent), and lowest in the Northern Territory (4 per cent) and the Australian Capital Territory (4.5 per cent), reflecting the age structure of these regions.
- Rates of disability and rates of profound or severe core activity limitation for five- to 14-year-old males (11 per cent and 6.6 per cent respectively) were close to double those for females in the same age group (6.1 per cent and 3 per cent respectively).
- The prevalence of disability in the Australian population declined 1.5 percentage points. This decrease is particularly noticeable in the younger age groups. From 2003 to 2009 the disability rate for 15 to 24 year olds fell from 9 per cent to 6.6 per cent. Over the same period the rate of disability also decreased for those aged between 25 and 34 from 11 per cent to 8.6 per cent. Similarly 22 per cent of 45 to 54 year olds reported a disability in 2003, compared with 18 per cent in 2009.
- The rate of profound or severe limitation in the core activities of communication, mobility and self-care declined from 6.3 per cent in 2003 to 5.8 per cent in 2009.
- Much of the decrease in the prevalence of disability between 2003 and 2009 is due to a decline in the proportion of Australians disabled by physical health conditions, such as asthma and heart disease.⁶

Disability support costs

In 2009, research on potential costs of a National Disability Insurance Scheme for the Disability Investment Group identified the following annual costs for the groups of people with severe and profound disability (please note that only figures for people of current and future working age—that is, under 65—have been included).

- The annual cost of care and support in 2009 was estimated to be \$9.5 billion for people aged less than 65 years.
- The cost of equipment, aids and appliances was estimated to be \$129 million for those under 65 years of age.

⁶ Australian Bureau of Statistics, Survey of Disability and Carers, 2009.

- The cost of transport was estimated to be \$90 million for those under 65 years of age.⁷

The New South Wales government has advised the Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs that the cost of supporting a person with disability in a day program full time is approximately \$25 000 per annum, whereas the average cost of full-time supported employment is approximately \$10 000 per year.

Implications of non-participation

The Harmer Pension Review Background Paper identified that the workforce participation rate of disability support pension (DSP) recipients in 2007 was 11.9 per cent, or around 87 000, with a small number reporting full-time employment. Of the existing 20 000 people with disability working in Australian Disability Enterprises (ADEs), 19 600 (or 98 per cent) are receiving the disability support pension. Although it is not generally possible to work full time for award wages while receiving a disability support pension, a person receiving a DSP can work full time in an ADE, or in open employment if they are being paid under the supported wage system. However, the DSP amount they receive is reduced according to the current ‘taper rate’.

The background paper noted that pension rates have grown by more than 2 per cent a year above inflation over the last decade, which is slower than average household income (3 per cent), but higher than incomes of low wage earners (1 per cent). More than half of the people on DSP, other working-age payments and youth support report having no private income. Many pensioners also rely on income support for long periods. The average total time on income support for disability support pensioners is 10.8 years.

Income support recipients by duration on payment, 2007

	Persons	Average time spent on income support (years):				Total (b) duration (years) to date:			
		In past 5 (a) years		In past 10 (a) years		Median		Average	
		This payment	All payments	This payment	All payments	This payment	All payments	This payment	All payments
Age Pension	1 996 900	4.6	5.0	7.5	8.9	9.4	12.4	11.3	13.1
DSP	731 100	4.3	4.8	6.6	8.2	7.1	10.9	8.7	10.8
Carer	117 300	2.9	4.3	3.6	6.8	2.8	7.9	3.6	7.6
Parenting Payment Single	446 800	3.7	4.2	5.0	6.8	4.9	7.6	5.0	7.4

⁷PricewaterhouseCoopers, National Disability Insurance Scheme—Final Report, October 2009.

In most cases, these pensioners have moved to their current payment from another income support payment. Out of all new recipients of DSP, 50.7 per cent have come from another payment. Most of these movements were from Newstart Allowance, followed by Parenting Payment Single. Each year around 7000 people aged under 18 years move to this payment.

Most people leaving DSP move to the age pension. This means that people receiving DSP are more likely to move to the age pension than into the workforce.

Generally, pensioners have little private income or assets. They may have spent considerable parts of their working life out of the workforce, or they may have worked before the introduction of superannuation guarantee arrangements. Others may have withdrawn some or all of their superannuation savings on hardship or compassionate grounds.

Most pensioners have low incomes. Over half have less than \$20 a week of private income. Only five per cent have private incomes of over \$400 a week.⁸

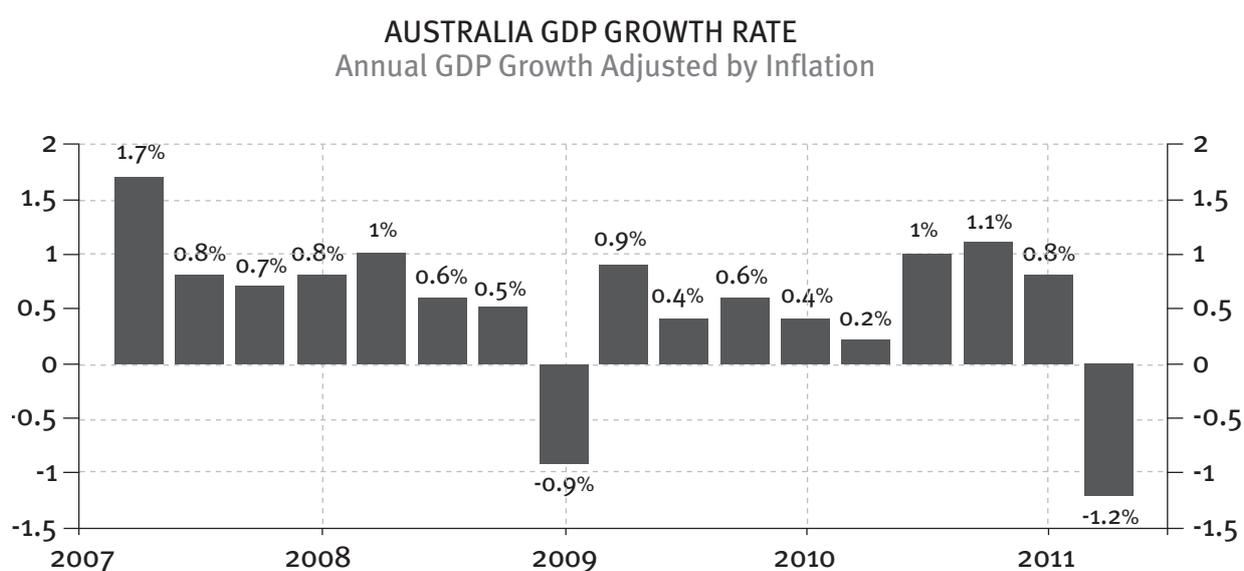
⁸Harmer Pension Review, Background Paper, Department of Families, Housing, Community Services and Indigenous Affairs, 2009.

Australia's economic position

Based on a range of indicators, Australia is currently in a strong economic position overall.

The graph below shows how growth in Australia's gross domestic product has happened over the past four years.

Gross domestic product, 2007 to 2011



source: TradingEconomics.com; Australian Bureau of Statistic

Australia's terms of trade are the best they have been for a century, despite mining output being affected by major flooding in the eastern states in the first quarter of 2011.⁹

The 2010 United Nations Human Development Report Human Development Index rates Australia's quality of life as second in the world.¹⁰ The index is based on standards of living, longevity, health, knowledge and economic factors.

Thirty-three per cent of people aged 25–44 years have a bachelor's degree.¹¹

The average weekly earnings of all employees in February 2011 was \$1004.10, a 3.9 per cent increase from February 2010.¹² Full-time employees made up 63.3 per cent of all employees, with average weekly total cash earnings of \$1313.30. Part-time employees accounted for 36.7 per cent of all employees, with average weekly total cash earnings of \$488.80.¹³

Unemployment continues to fall, with figures in May 2011 below the 5 per cent full employment rate.

⁹<http://www.tradingeconomics.com/australia/gdp-growth>

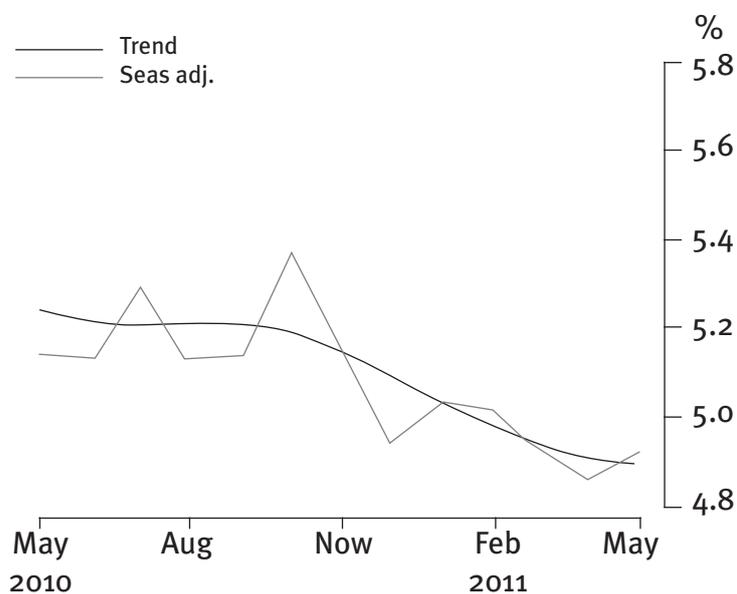
¹⁰<http://hdr.undp.org/en/statistics/>

¹¹Australian Bureau of Statistics 4438.0, Disability, Vocation and Education Training, 2009.

¹²Australian Bureau of Statistics 6302.0, Average Weekly Earnings, Australia, February 2011.

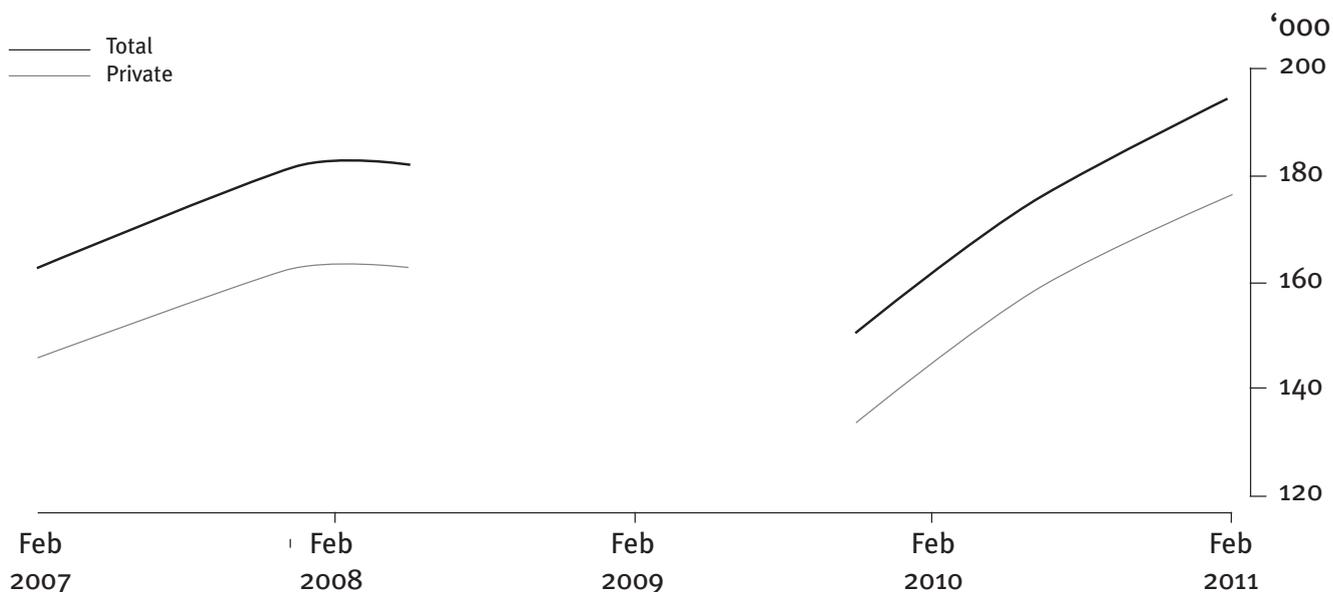
¹³Australian Bureau of Statistics 6306.0, Employee Earnings and Hours, Australia, May 2010.

Unemployment rate, May 2010 to May 2011¹⁴



Meanwhile, the number of job vacancies continues to increase, growing by 21 per cent from February 2010 to 2011.¹⁵

Job vacancies in Australia, February 2007 to February 2011¹⁶



(a) Note: Survey was suspended from August 2008 to August 2009 inclusive.

¹⁴Australian Bureau of Statistics 6202.0, Labour Force, Australia.

¹⁵Australian Bureau of Statistics 6352, Job Vacancies, Australia, February 2011.

¹⁶Ibid.

However, some groups continue to be excluded from the opportunity and wealth experienced by other Australians. In supported employment:

- workers with disability work for an average of 24 hours a week
- 70 per cent of the workforce is part time
- the average wage of a worker with disability is \$3.65 an hour (working 24 hours a week, this adds up to a weekly income of \$87.50).

Only 13 per cent of people with a severe or profound core activity limitation have a bachelor's degree.

In 2007 the Innov8 Consulting Group estimated that if all working-age Australians with disability receiving a pension (approximately 680 000 at the time) were working in jobs that paid the average weekly wage:

- the saving to the Australian Government in DSP and related welfare payments would be \$9.4 billion per annum
- tax receipts would increase by \$8.6 billion per annum
- the increase in GDP through increased economic activity (using US Department of Labor statistics specifically for Australia on the GDP contribution of Australian workers) would be \$54 billion per annum.¹⁷

¹⁷ Innov8 Consulting Group, 2007, using data from the Australian Institute of Health and Welfare, the Australian Bureau of Statistics and the US Department of Labour, in the National VET Disability Advisory Taskforce Final Report and Recommendations, Dr Mark Bagshaw and Dr Craig Fowler, September 2008, p. 3.

Appendix 3

International approaches to supported employment

Sheltered employment still exists internationally. However, like Australia, many countries have started to review the way employment supports are delivered to people with disability. The World Bank and World Health Organization's *World Report on Disability* says:

sheltered workshops are controversial, because they segregate people with disabilities and are associated with the charity ethos.¹⁸

The same report notes:

in New Zealand there have been attempts to make sheltered employment more professional and competitive and to ease the transition to the open market ... A recent European trend has been for sheltered workshops to transition to become social firms.¹⁹

Recently in the United Kingdom the Sayce review called for a considerable overhaul of supported employment services. Britain only has one supported employment provider—the government-supported organisation Reemploy. Under the previous government, 29 Reemploy units were closed. After a substantial campaign, 54 others have been kept open while the national and local governments try to give them more work. So far they have had little success. The factories employ 2800 people, each subsidised by £23 000 a year.

The Sayce report states:

Everyone wanted to suggest ways that change could be taken forward to enable those businesses with real prospects of viability to thrive (potentially as mutuals, owned by the workers, or as social enterprises or co-operatives) and give greater say and empowerment to employees; and where factories are not viable, and cannot continue, to offer very strong protection and support, with effective opportunities for individuals' employment, wider lives, families and communities.²⁰

Its first recommendation is:

The department's disability employment funding should be focused on supporting aspirations for sustainable work and career choices across all types of employment, as for other citizens, in every sector:

- whether as an employee, entrepreneur, self-employed, or working for a social enterprise, mutual or co-operative

¹⁸ World Health Organization and World Bank, *World report on disability*, 2011, p. 243.

¹⁹ Ibid.

²⁰ Sayce et al. for the UK Secretary of State for Work and Pensions, *Getting in, staying in and getting on: Disability employment support fit for the future*, 2011, p. 13.

- with support to ‘get in’ work—through apprenticeships, internships, work experience, learning on the job programmes and work placements, to ‘stay in’ and to ‘get on’.

Money should follow the individual so they can work where they choose, rather than the Department funding disability-specific workplaces or facilities. Over time all specialist disability employment support should be made available through individual budgets so individuals can select the support that best meets their needs.²¹

The New Zealand experience

In 2001 the New Zealand government launched Pathways to Inclusion. This is a program to increase the participation of people with disability in the workforce and in communities. People with disability working in sheltered workshops had been paid less than the minimum wage, regardless of their skills or abilities.

With government advice and funding, providers of sheltered employment changed their operations to include supported (open) employment and community participation services. Sheltered work is still funded but supported employment services have now largely replaced it.

An evaluation of Pathways to Inclusion found that:

- the number of people participating in vocational services increased from 10 577 in 2003 to 16 130 in 2007
- more participants moved off benefits or declared earnings while remaining on benefits
- the number of providers of vocational services that aim to achieve paid employment increased from 44 per cent to 76 per cent over three years
- the proportion of services providing segregated employment that paid at least the minimum wage all or most of the time increased from 10 per cent in 2004 to 60 per cent in 2007.
- more participants moved off benefits or declared earnings within 12 to 24 months of starting the service—an indication of long-term effectiveness.²²

²¹Ibid., p. 16.

²² World Health Organization and World Bank, World report on disability, World Health Organization and The World Bank, 2011, p. 244.

There are other views on how successful the New Zealand experience has been. The Listener reported in 2010:

IHC, which operated 70% of the country's sheltered workshops, not only endorsed the change, despite resistance from parents and caregivers, but seized the repeal of the DPEP Act as justification for closing its 76 workshops and 'business units'. Chief executive Ralph Jones explained that IHC's primary role was to support people with intellectual disabilities, not run business enterprises for them.

For those who found 'real' jobs, the repeal of the DPEP Act meant a big increase in earnings. But for the many less able workshop 'clients' who were not capable of mainstream work, IHC arranged something called community participation. In practice, according to critics, this usually means going for walks and outings, watching TV, swimming, doing arts and crafts going or shopping – none of which, the critics say, is a substitute for the satisfaction of doing what they regarded as a rewarding job.²³

²³The Listener, 17 July 2010.

Appendix 4

Consultation and feedback

The advisory group received more than 600 written responses to its call for feedback. These came from people with disability, parents and carers, service providers, peak bodies, advocacy agencies and others. Over 80 per cent of responses were from people with disability. Most of these people were working in Australian Disability Enterprises. Ten per cent of responses were from families and carers. Approximately 7 per cent were from service providers.

The advisory group also held face-to-face consultations across the country. There were 39 worker meetings, nine family and carer meetings and 30 individual interviews. Face-to-face consultations were held with 270 workers and nearly 90 family members or carers.

Face-to-face consultations were held at the following services and locations.

ADE organisation	Location	Date
Ozanam Industries	Sydney	25–26 November 2010
Mai-Wel	Maitland NSW	22–23 November 2010
Holy Cross Mercy Disability Services	Brisbane	8–9 November 2010
Endeavour Industries	Cairns, Qld	4–5 November 2010
The Oakleigh Centre	Melbourne	25–26 November 2010
Ballarat Regional Industries	Ballarat Vic.	22–23 November 2010
Phoenix	Adelaide	17–18 November 2010
St Vincent Industries	Hobart	16–17 November 2010
Activ	Perth	27–29 November 2010

The feedback covered a wide variety of views and concerns. They highlighted issues of access, transitions, wages paid, type of work, training and development, and viability. They also talked about factors such as transport and income support that indirectly affect employment.

Appendix 5

Alternative vision – Australian Federation of Disability Organisations

Employment and Fair Wages for All: A single vision for all employees with disability

Australian Federation of Disability Organisations' (AFDO) submission to:

Australian Government's development of inclusion for people with disability through sustainable supported employment (ie, Australian Disability Enterprises) with the development of a 'new vision'.

Principles

- All citizens, regardless of disability, have the right to pursue employment, and to earn a living wage in a job of their choosing, based on their talents, skills and interests.
- Access to “real jobs with real wages” is essential if citizens with disability are to avoid lives of poverty, dependence and isolation.
- All working age adults with disability can work in jobs fully integrated within the general workforce, working side-by-side with co-workers without disabilities, earning the minimum wage or higher.
- Employees with disability who require assistance and support to ensure job success are entitled to receive it.

It is important to state that we work to get paid, to increase our financial security and independence. Work is not a social club or a hobby or voluntary work (though these may earn a person small amounts of money). The importance of this statement cannot be underestimated as frequently managers of Sheltered Workshops/Business Services/Australian Disability Enterprises extol the social outcomes of work while paying low 'wages'. This is not to say that friendships, health and wellbeing are not outcomes of having a job but to clearly distinguish the unique characteristic of employment of earning a wage. Friendships, health and wellbeing outcomes can also be achieved through social and sporting clubs, pursuing hobbies and voluntary work. These important non-work activities, however, are not alternatives to employment.

Income is generated through two factors, hourly rates of pay and number of hours worked. Both are important.

Outcomes

- There are measurable increases in employment of citizens with disability within the general workforce, earning the minimum wage or higher.
- Greater opportunities exist for people with disability to pursue self-employment and employment in family businesses.
- Employment is an important option when exploring goals and a life path for citizens with disability, and for many will be the first and preferred option.
- People with disability are employed within the general workforce, regardless of the severity or type of disability and assistance required.
- Young people with disability have work experiences that are typical of other teenagers and young adults.
- Employers value employees with disability as part of their workforce.
- People with disability have increased incomes and assets.
- People with disability fulfill their responsibilities as citizens through paying tax, saving for superannuation and decreasing dependence on welfare.
- People with disability have greater opportunities to advance in their careers, by taking full advantage of their individual strengths and talents.
- Funding is sufficient so that quality services and supports are available as needed for long-term employment success.

Policy Framework

This submission is based on the Australian National Disability Strategy (ANDS), the UN Convention on the Rights of Persons with Disabilities (UNCRPD) and leading practice in delivering quality employment support to people with disability.

The term ‘Supported Employment’ is used by the Australian Government to define Sheltered Workshops/Business Services/Australian Disability Enterprises. This term is used to create a distinction with Open Employment where the employment support is provided in the open labour market with wages set using a full Award or the Supported Wages System (SWS). Sheltered Workshops/Business Services/Australian Disability Enterprises are both the employer and the employment support provider and wages are set using the Business Services Wage Assessment Tool (BSWAT) or one of over 25 service provider designed tools.

A Single Vision for all Employees with Disability

United Nations Convention on the Rights of Persons with Disabilities

The UN Convention on the Rights of Persons with Disabilities makes a clear statement about what an employment vision for people with disability must contain:

States Parties recognize the right of persons with disabilities to work, on an equal basis with others; this includes the right to 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. States Parties shall safeguard and promote the realization of the right to work.

UN Convention on the Rights of Persons with Disabilities, Article 27, p 19.

National Disability Strategy

The Australian National Disability Strategy meets the challenge of the UNCRPD and within its framework establishes a clear vision for employment for people with disability in Australia.

Vision

An inclusive Australian society that enables people with disability to fulfill their potential as equal citizens.

National Disability Strategy 2010 – 2020 p22

Areas of Policy Outcomes

Policy actions will focus on improvements in areas where there is evidence of inadequacies or inequalities for people with disability. To ensure that people with disability achieve the same outcomes as the wider population when participating in everyday life, different or enhanced responses may be necessary.

National Disability Strategy 2010 – 2020 p27

Policy Outcome 3 - Economic Security

Outcome: People with disability, their families and carers have economic security, enabling them to plan for the future and exercise choice and control over their lives.

Work is essential to an individual's economic security and is important to achieving social inclusion. Employment contributes to physical and mental health, personal wellbeing and a sense of identity. **Income from employment increases financial independence and raises living standards.** People with disability can face greater direct costs than other people because of additional expenses with transport, personal and health care, diet and communications requirements.

Policy Direction 1

Increase access to employment opportunities as a key to improving economic security and personal wellbeing for people with disability, their families and carers.

The vast majority of people with disability can and do want to work and be as financially independent as possible, but employment is one critical area where

Australia is lagging behind other countries. Work is the pathway used by most Australians to long-term economic security and wellbeing. Job retention and career development are also important. Barriers have to be identified and addressed, **so that people with disability have opportunities for more control over their lives and, like other Australians, are able to build personal and community wealth.**

National Disability Strategy 2010 2020 p41 -43

It is important to note that the Strategy does not make a distinction between service types nor does it make a distinction between people with disability or the degree of participation disadvantage ('severity' of disability).

In this context, developing a 'vision' for Sheltered Workshops/ Business Services/ Australian Disability Enterprises is counterproductive to the Australian National Disability Strategy which was developed through extensive consultations over an extended period of time.

The Australian Federation of Disability Organisations sees value in developing a strategy to ensure that all employment support for people with disability achieves the agreed policy outcomes as set out in the Strategy.

- To ensure that people with disability achieve the same outcomes as the wider population when participating in everyday life;
- Work is essential to an individual's economic security and is important to achieving social inclusion. Employment contributes to physical and mental health, personal wellbeing and a sense of identity. Income from employment increases financial independence and raises living standards.

Support by the Prime Minister

The strong commitment to employment in the National Disability Strategy is backed by statements from the Prime Minister.

The party of work not welfare, the party of opportunity not exclusion, the party of responsibility not idleness.

'The Dignity of Work': Address to the Sydney Institute Annual Dinner, 13 April 2011

But we do want (people with disability) to re-engage with the workforce and gain the benefits that come from having a job: increased income; social engagement and friendship; self-esteem and well-being.

Speech to the CEDA Luncheon, 1 February 2010

Without a decent wage, people with disability will not be able to engage with their community and will not receive the additional benefits that this engagement brings, such as friendship and well-being.

An End to Low Wages

In discussions about Sheltered Workshops/Business Services/Australian Disability Enterprises it is important to be transparent and frank. The issue that has been an obstacle to real change is wages. The reason an artificial distinction has been made between ‘supported employment’ and ‘open employment’ is the low wages paid to most employees in ‘supported employment’; \$72 per week for ‘supported employment’ employees v/s \$309¹ per week for ‘open employment’ employees.

The excuse used by ‘supported employment’ managers is that their employees ‘have a greater severity of disability’ and that they provide ‘social support’. But, over many years of ‘reform’, the managers have produced no evidence to support either of these claims, either national or international.

The main obstacle to people with disability to having real jobs with real wages is often service provider employers. It appears that these service providers are often protecting their own jobs at the expense of employees with disability. These service providers are heavily subsidized by taxpayer funds and must be held accountable for their outcomes.

Leading practice in Australia for people with intellectual disability (IQ less than 60, including employees with IQ’s less than 40) is an average wage of \$330 per week at 21 hours per week – this is close to the federal minimum wage of approx. \$15 per hour. This has been achieved outside of the supported employment system.

Very few Sheltered Workshops/Business Services/Australian Disability Enterprises come within 25% or 50% of the federal minimum wage. The Australian National Disability Strategy is a blueprint for changing power relationships between people with disability and service providers.

Personal and Community Support

Policy Outcome 4: People with disability, their families and carers have access to a range of supports to assist them live independently and actively engage in their communities.

National Disability Strategy 2010 – 2020 p47

Policy Direction 1

A sustainable disability support system which is person-centred and self-directed, maximising opportunities for independence and participation in the economic, social and cultural life of the community.

National Disability Strategy 2010 – 2020 p48

¹ DEEWR DEN Health Check Data 30 June 2009

The range of decisions that employees with disability have are:

1. To ask the Australian Government to take over the assets of the service provider² and to tender out employment support contracts with pay and hours being the key performance indicators.
2. To ask the Australia Government to take over the assets of the service provider and to hand them and the employment support contracts to the employees under a cooperative arrangement.
3. To ask the Australian Government to actively develop ‘leading practice’ service providers in their area and to transfer their employment support contracts to these providers.
4. To ask the Australian Government to allow people to seek alternative employment support and to allow them to take their employment support funding from their current service provider to an alternate; this may be an employer, a state funded service, Disability Employment Service providers, or Job Network providers, etc.
5. To ask the Australian Government to transfer their employment support funds into a family business or a startup business/enterprise set up by the person and their family or local community.

An End to Segregation

The Disability Services Act’s objective was that of “integration”. The intent was to move to employment assistance that supported people in paid work in the open labour market. ‘Supported employment’ was meant to provide employment assistance to people who were unable to work at full award wages and who needed substantial ongoing support. Supported employment was never meant to be a term used for the segregation of people with disability in Sheltered Workshops/Business Services/Australian Disability Enterprises. The distinction applies to the person with disability, not to define a segregated model of employment support.

The UNCRP calls for the labour market to be open and inclusive of people with disability, and does not make exception due to the degree of disability or support need.

A vision of ‘inclusion’ in employment for people with disability requires an employment service response that supports all people with disability to find a job, receive the necessary training and support, and be assured of long-term ongoing support if needed.

² It must be remembered that the assets of all service providers have been acquired through government funding, donations from the community to be used by people with disability or through fundraising by people with disability and families for themselves. The Government has a right and a duty to ensure that the funds are used to produce quality outcomes for people with disability. If there are legal problems, the Government lease the assets or use other mechanisms – the holding of assets must not be used as blackmail to ensure no change takes place.

Sheltered Workshops/Business Services/Australian Disability Enterprises still operate on an old model that is contrary to the objects and intent of the DSA and the UNCRPD. The grouping of people with disability is not a need but an old model based on an ideology of segregation and exclusion from full participation in the community.

Benefit to Taxpayers

While the focus must be on increasing the wages and work opportunities of people with disability in the open labour market, there is a consequence that must not be diminished. In earning a real wage and thus paying income tax and contributing to their retirement, people with disability are being active citizens. They are contributing to the wealth of Australia in a real way and, in earning a real wage, they are decreasing their dependence on the Disability Support Pension – that is, creating a real benefit to their fellow taxpayers.

Recommendations to the Australian Government:

1. That all employment support be funded in accordance with the Australian National Disability Strategy and the UN Convention on the Rights of Persons with Disabilities.
2. That the distinction between ‘supported employment’ and ‘open employment’ be abolished and a single set of outcomes be determined for all funded employment support.
3. That the outcomes for funded employment support be aligned with the Australian National Disability Strategy, ie, that pay and conditions of employment be the ‘same as the wider population’.

Recommendations to AFDO Members:

1. That AFDO campaigns for hourly rates of pay and number of hours per week to be included as key performance indicators for all employment services.
2. That, if the Australian Government develops a vision for ‘Supported Employment’ that is not in strict accordance with the Australian National Disability Strategy and the UN Convention on the Rights of Persons with Disabilities, AFDO makes representations to all State and Territory Governments regarding this contravention and lodges a formal complaint with the COAG Reform Council and the Australian Human Rights Commission.

