



## **Submission to the Parliamentary Committee on the National Disability Insurance**

### **Scheme**

**June 2014**

National Council on Intellectual Disability (NCID) has over 5,000 members representing all 8 states and territories. In addition to having people with intellectual disability on our Board, NCID receives policy advice from Our Voice. Our Voice is a committee of NCID's Board, the membership of which is exclusively people with intellectual disability representing all states and territories.

NCID is the recognised national peak body with the single focus on intellectual disability, ie, our actions and priorities centre on issues that affect the lives of people with intellectual disability and their families.

NCID's mission is *to work to make the Australian community one in which people with intellectual disability are involved and accepted as equal participating members. We do this by:*

- listening to people with intellectual disability and their families
- promoting and upholding the UN Convention on the Rights of Persons with Disabilities
- developing and promoting creative policies and practices
- speaking to politicians, public servants, business and community leaders about the lives of people with intellectual disability and their right to have equality of opportunity

National Council on Intellectual Disability is a social profit organisation. NCID was created in 1971 by parents and friends in an endeavour to improve the quality of life of people with intellectual disability and to fill the need for national unity and information.

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## 1. Introduction

The NDIS emphasises (National Disability Insurance Scheme Act 2013):

- Economic participation
- Choice
- An actuarial approach to funding supports to ensure financial sustainability

In simple terms, the NDIS is expected to help people with disability get paid work with efficient and effective support.

The implementation of the NDIS is a massive undertaking and there has been considerable emphasis on establishing operational procedures.

Insufficient emphasis, however, has been devoted to ensuring that the NDIS is structured to maximise economic participation and realise the savings that flow when employment is achieved.

Research and demonstration shows that people with moderate intellectual disability are capable of work in the open labour market when they are provided evidence based support.

Currently, however, few people with moderate intellectual disability are provided with an expectation of work, or offered the support to have the opportunity to work in the open workforce.

National disability service data indicates that just 1 in 10 adults with intellectual disability work in the open labour market. Most are reliant on the disability support pension as their main source of income.

The NDIS offers Australia a unique opportunity to provide a national pathway of skilled support to help youth with moderate intellectual disability participate in the open labour market.

Minister Fifield's initiative to bring DES programs, ADEs and NDIS together under one minister makes it possible to realise significant savings within the social services portfolio.

Our key recommendation is that evidence based transition-to-work (TTW) support provides the the best method of

- achieving the economic participation objective of the NDIS
- improving future financial sustainability by reducing costs in the NDIS as more people achieve employment

- achieving pension savings
- reducing overall cost within the Social Services portfolio.

**2. Helping people with disabilities in the NDIS achieve open employment achieves economic outcomes for people with disability and makes economic sense.**

The Productivity Commission Inquiry Report - Disability Care and Support 2011;

- Identified the NSW TTW program as an example of excellence other States should learn from,<sup>1</sup>
- Utilised TTW as the actuarial example of how savings could be achieved in the NDIS.<sup>2</sup>

International and Australian research shows that open employment for individuals with intellectual disability results in greater benefits to taxpayers and individuals compared to alternative programs (i.e. Australian Disability Enterprises and non-work programs).<sup>3</sup> This is due to the higher wage outcomes achieved by open employment.

The Centre for International Economics (CIE) 2014 found that the annual cost to the taxpayer of Jobsupport, a DES open employment service for people with a moderate

Comparative funding per client basis 30 June 2013

	Jobsupport funding	Australian Disability Enterprise (ADE)	NSW Activity (Community Participation) Program	Victorian Activity (Individual Support Package) Program
	\$	\$	\$	\$
Weekly wage	318	108	na	na
Cost to taxpayer before pension offset	10 498	13 740	23 844	17 667
Cost to taxpayer after pension offset	4 206	12 908	23 844	17 667

a Most recent wages available for ADE are for 30/6/2008. ADE wages are indexed to 30/6/2013 using minimum wage movements. b NSW CBF funding and wage subsidy for 2012/13 year divided by the number of NSW DES-ESS clients on 30/6/2013. c Pension offsets based on the March-June 2013 means test of \$0.50 per dollar of earnings above \$76 per week.

<sup>1</sup> Productivity Commission (2011). Disability Care and Support. Vol. 1. p. 444

<sup>2</sup> Productivity Commission (2011). Disability Care and Support. Vol. 2. p. 593

<sup>3</sup> Cimera, Robert E. (2010). National Cost Efficiency of Supported Employees With Intellectual Disabilities: 2002 to 2007. *American Journal of Intellectual and Developmental Disabilities*, 115, 1, 19-29.  
 - Cimera, Robert E. (2010). The national cost-efficiency of supported employees with intellectual disabilities: The worker's perspective. *Journal of Vocational Rehabilitation*, 33, 123-131.  
 - Tuckerman, P., Smith, R., and Borland, J. (1999). The relative cost of employment for people with a significant intellectual disability: the Australian experience. *Journal of Vocational Rehabilitation*, 13, 109-116.  
 - Econtech Pty Ltd. (2005). An Analysis of Alternative Methods of Government Funding of Employment Services for People with Disabilities.

intellectual disability, was \$4,206 per annum and that this was far cheaper than the alternate ADE program (\$12,908) and the State government activity program (\$17,667-\$23,844) alternatives for this population.<sup>4</sup> Jobsupport is the example of the benefits that can flow to the taxpayer and people with intellectual disability from the inclusion of effective TTW options within the NDIS.

The size of NDIS packages for people in open employment compared with people in ADEs, and people not in any work, are not known at this stage, however, it is likely that similar relative costs will emerge. It would be useful to collect data by disability type and severity on the size of the packages required by clients who achieve open employment relative to those attending an ADE and those with no employment participation.

A financial sustainability risk management strategy that focuses only on managing individual package size will prove insufficient and counterproductive. TTW services that move people through to open employment are an important means of reducing NDIS expenditure. NSW is the national leader in TTW services, however, the quality of providers is highly variable. For example, 64% of Jobsupport's TTW clients achieve open employment, however, 14 Sydney TTW services have never achieved an open employment placement.<sup>5</sup> A useful lesson from the NSW TTW is that if TTW services are restricted to services with a proven track record in achieving open employment for higher support individuals, waste will be reduced.

### **3. Self-fulfilling low expectations are a risk under the NDIS**

A major barrier to work participation for people with moderate intellectual disability are low expectations. Many falsely believe that aspirations for work in the open labour market unrealistic.

Jobsupport opened a self-funded open employment service in Melbourne for people with moderate intellectual disability in 2008 but no-one came. No-one in Melbourne believed that open employment was possible for people with moderate intellectual disability. School teachers, students and post school planners funded by the Victorian Department of Human Services (DHS) accused Jobsupport of being irresponsible. It was only after Jobsupport flew large groups to Sydney to see what was possible, and made the

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<sup>4</sup> The Centre for International Economics. (2014). Transition to work concurrence. Implications for moderate intellectual disability.

<sup>5</sup> [http://www.adhc.nsw.gov.au/sp/delivering\\_disability\\_services/post\\_school\\_programs/transition\\_to\\_work/outcomes\\_in\\_transition\\_to\\_work](http://www.adhc.nsw.gov.au/sp/delivering_disability_services/post_school_programs/transition_to_work/outcomes_in_transition_to_work)

economic case to DHS for establishing a transition program in Victoria, that attitudes changed.

Low expectations will only be overcome when competent services:

- demonstrate what is possible to people with a moderate intellectual disability and their families, and
- offer TTW as a risk free opportunity to test the feasibility of open employment.

The DES Moderate Intellectual Disability Evaluation (MIDL) in 2013 found that outside of Jobsupport few people with a moderate intellectual disability were achieving open employment. It is likely that outside of the areas where Jobsupport operates, NDIS clients, their families and assessors will readily accept that people with a moderate intellectual disability are incapable of work. NDIS assessors are likely to have the same expectations as the Victorian DHS planners.

Reports from individuals, families and providers in the Tasmanian NDIS trial site include a range of examples where planners have refused to include transition to work activities in participant plans due to low expectations about capacity to work.<sup>6</sup>

Families who are aspiring to achieve open employment and specialist intellectual disability providers have expressed serious concern about the Job Capacity Assessments (JCA) being used on students and youth with intellectual disability in the NDIS. Youth with intellectual disability currently eligible for the NDIS will be seriously disadvantaged by the predictive Job Capacity Assessment (JCA) currently used.

Research indicates that the initial work capacity of people with intellectual disability has little relationship with the level of work capacity achieved following work placement and training.

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<sup>6</sup> <sup>6</sup> Example 1: Client informed of the need to have an ESAT by a NDIS Planner after a parent requested Work Preparation. This client was deemed eligible for NDIS Work Preparation. However the planner refused to include work preparation in the plan with no reason offered.  
Example 2: We had been working with 2 clients in the senior colleges for some time. The families had expressed their intention for work Preparation funding. The families went to NDIS and spoke of their request to have Work Prep in the plan. The plan delivered after the meetings didn't include work preparation and they are not sure as to why this was left off.  
Example 3: An NDIS planner told a provider in Hobart not to expect Work Preparation to be in any of the plans coming from their office.  
Example 4: A parent strongly requested Work Preparation to be included in the plan. The client met the 0-7 Work Capacity criteria. However they were informed by NDIS that assistance for work preparation would not be included in the plan as they had 'low support needs'. The parents' request was denied and a Community Access package developed. The family was told by the planner they needed to mount their case as to why the client 'needs' Work Preparation.  
Example 5: A client's Work Preparation element of a plan was removed by the NDIS planner after 6 months period due to apparent 'lack of progress' and his 'low chance of achieving an outcome'.

The JCA attempts to predict future work capacity. If an individual is deemed to have a work capacity of less than 8 hours per week they are eligible for employment support funded by the NDIS. If an individual is deemed to have a work capacity of 8 hours or more they are eligible for employment support funded by the Disability Employment Services (DES) program.

Whereas this is a *neat and tidy* method to separate the eligibility of participants between NDIS and DES, it is a criteria that creates *substantial* barriers for people with moderate intellectual disability.

If an individual is deemed to have a work capacity of 8 hours or more s/he cannot access Transition to Work support from NDIS.

If an individual is deemed to have less than 8 hours of work s/he cannot access support from DES.

The Commonwealth Department of Social Services, does not permit individuals to concurrently register in both programs. They must leave the transition program to register in the DES program. Individuals have to sit at home while waiting for a DES provider to find them a job.

Best outcomes have occurred when an individual with moderate intellectual disability in receipt of a transition to work program is able to concurrently register in a DES service when they are ready to find a paid job in the open labour market.

The purpose is to begin searching for a paid job while an individual continues to receive support from the transition program. When a paid job is found the individual is able to safely exit from transition support and keep receiving support from DES.

The benefit of this overlap is that people with moderate intellectual disability are able to maintain confidence and skill gains through the transition program without any “time gap” between programs. Individuals can quickly lose all the benefits gained by the transition program during such a time-gap.

#### **4. The NDIS needs to learn from best practice.**

Outcome rates for people with moderate intellectual disability or autism.

- The Virginia Commonwealth University conducted a randomised clinical trial in the US for people with autism. The treatment group received TTW work experience and achieved a 87.5% placement rate. Prior to the trial families showed disbelief that their son/daughter could work and behaviours included aggression, stealing, tantrums and

wandering. The control group achieved a 6% job placement rate.<sup>7</sup>

- In Australia, Jobsupport used TTW work experience to overcome low family expectations and achieved a 76% 26-week outcome rate for people with moderate intellectual disability (MIDL Evaluation<sup>8</sup>). The average DES 26-week outcome rate for the same population was 26%. Jobsupport's 26-week outcome rate where clients worked in jobs of at least 15 hours per week was 68% compared with a national average of only 13%. Jobsupport was responsible for 72% of all 26 week 15+ hours per week outcomes across Australia.

The MIDL evaluation reported that *few DES providers have the specialist skill sets and competencies required to support MIDL [moderate intellectual disability] participants*. The Virginia Commonwealth University randomised sample study stressed the importance of ensuring *that the staff was highly trained in Transition to Employment, supported employment (open employment in Australia) and ASD supports*.

Transition to Work programs that raise expectations and staff with specialist skills make a substantial difference to employment outcomes.

People with an IQ less than or equal to 55 are automatically eligible for the NDIS. People with a mild intellectual disability need to achieve eligibility by demonstrating functional deficits.<sup>9</sup>

**The MIDL Evaluation examined a population comparable to the NDIS eligible population and found only one DES provider achieving any significant employment outcomes for people with an IQ of less than or equal to 60. This service (i.e. Jobsupport) uses a combination of transition to work and open employment support to achieve high rates of employment outcomes.**

**With only one service achieving open employment for people with moderate intellectual disability 28 years after the introduction of the Disability Services Act 1986, it is critical that there is a close examination of this model of support to determine what works, and how we can replicate this practice throughout Australia**

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<sup>7</sup> Wehman, P. H., et al. (2014). Competitive Employment for Youth with Autism Spectrum Disorders: Early Results from a Randomized Clinical Trial. *Journal of Autism and Developmental Disorders*, March, 44, 3, 487-500.

<sup>8</sup> Evaluation of the Moderate Intellectual Disability Loading, April 2013. Commonwealth Department of Education, Employment, and Workplace Relations.

<sup>9</sup> NDIA, Operational Guideline - Access - Disability Requirements (v2.1), 2 May 2014.

**for people with moderate intellectual disability to achieve greater economic participation.**

#### **5. Publish service outcome data for both TTW and DES services.**

Some DES and TTW services achieve very poor outcomes. A choice between services that can't deliver isn't a real choice. People with disabilities need to be able to make an informed choice based on which service is most likely to achieve an employment outcome. It is important that choices are informed by published results rather than by which service has the slickest marketing.

Both DES and NSW TTW programs already publish data. It is important that the NDIS incorporate and publish outcome data for employment support.

Publishing individual service outcome data by type of disability (and level of disability where possible, e.g. MIDL data) allows:

- Informed consumer choice.
- Improves outcomes because more people select higher outcome services.
- Puts pressure on poorly performing services to improve
- Allows good performance to be identified. Training can then be based on what works.

#### **6. Build on what works to improve economic participation for NDIS eligible people with a disability while achieving savings.**

TTW services have increased the number of higher support individuals achieving open employment. The NSW TTW program was established because DES programs alone were not succeeding with many higher support individuals. The NSW 2001 Disability Census reported that in year 2000 (prior to the establishment of TTW programs) there were 1525 people in Post School Options programs and only 12 achieved open employment and one supported employment. The most recent 2013 outcome data from the NSW TTW program shows a significant improvement. For the 681 individuals who left school in 2010 205 had achieved open employment and 97 were in supported employment. TTW programs other than Jobsupport assist people with mild intellectual disability or other disabilities.

#### **Replicate the NSW TTW program nationally with the following learnings:**

NSW-TTW outcome data shows that the only TTW services achieving significant open employment rates are those that also run Disability Employment Service (DES). To

achieve economic participation and savings, only services with a proven track record placing the NDIS population should be allowed to offer TTW programs.

The evaluation of the NSW TTW<sup>10</sup> found that:

- individuals and families were most satisfied with TTW providers committed to achieving employment outcomes for young people, and,
- employment outcomes correlated with the provision of work experience opportunities and training in actual workplaces.

### **Establish more specialist contracts within DES:**

The Moderate Intellectual Disability Evaluation (2013) recommended the funding of specialist contracts for people with a moderate intellectual disability. The evaluation found that few services 'have the specialist skills and competencies to support MIDL participants'.

Specialist contracts services can be held accountable for target populations. Generalist services when held accountable for the number of individuals placed will tend to focus on the individuals who can be placed most readily.

### **Maintain consequences for poor performance within DES and introduce training and technical assistance for DES and TTW services:**

Jobsupport, NCID and Virginia Commonwealth University were funded to provide training and technical assistance between 2010 and 2012. The research literature indicates that complacency causes the majority of change efforts to fail. The leading change theorist, John Kotter, estimates that 70% of change efforts are unsuccessful.<sup>11</sup> Employment service providers that were offered training and technical assistance only began implementing change in 2011 after the tendering of average services was announced. Serious consequences for poor performance are important because they create a reason to change.

### **7. Adopt the NSW TTW funding approach. Line item billable hours funding will undermine the success of TTW services.**

It is unclear how services that have been provided by block funding in advance will cover expenditure while they wait for payment. Many organisations will have little cash reserve.

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<sup>10</sup> NSW Family and Community Services; Ageing, Disability & Home Care. (2009). From Protection to Productivity. An Evaluation of the Transition to Work Program,

<sup>11</sup> Kotter, John, 1996. Leading Change.

Successful TTW services like Jobsupport rely on staff with specialist knowledge regarding transition to work (including overcoming open employment barriers through job customisation, on the job instructional and behaviour management programs) and review and adjust each clients program over time. The expenditure each individual will require is not easily predicted. It is unrealistic to expect NDIS assessors to be able to determine in advance what expenditure each individual will require overall or by line item. Block grant arrangements in the NSW TTW program reflect real average costs, allow individuals to move between services if they wish and provide skilled TTW staff with the flexibility to continually adjust each persons program as needed. Quotable price arrangements being used for early intervention services in the NDIS may also provide a suitable starting point for working out Transition to Work funding arrangements.

#### **8. Remove the disincentives in DES that discourage the placement of higher support/NDIS individuals.**

From a silo perspective it made sense for the DES program in DEEWR to focus on the individuals who could be most readily placed. If higher support clients didn't achieve open employment they entered more expensive ADEs or activity programs funded by other departments or state government.

The move by Minister Fifield to bring DES into the same portfolio as the NDIS creates an historic opportunity. Now that DES programs are co-located within DSS a greater focus on placing people with high support needs makes financial sense.

DES policies that discourage the placement of higher support clients should be removed.

- No indexation encourages services to focus on lower cost individuals
- The time lag between incurring expenditure and receiving funding discourages the placement of higher cost individuals
- The ongoing support KPI used in the Star Ratings disadvantages services that place individuals with ongoing support needs<sup>12</sup>
- The ban on TTW and DES concurrent services during job search means that the employment barriers overcome in Transition to Work resurface while the individual waits at home for DES to find them a job.

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<sup>12</sup> Centre for International Economics. (2013). Notes on issues with the Ongoing Support KPI Under the Disability Employment Services Performance Framework. Prepared for National Council on Intellectual Disability

## Recommendations

1. Replicate the NSW TTW program nationally to improve economic participation and address the substantial gap in transition to work support for people with moderate intellectual disability in other States.
  - 1.1. TTW programs have the strongest evidence of achieving greater economic participation.
  - 1.2. The main learning from the Evaluation of NSW TTW is that the only services achieving significant TTW open employment outcome rates are those that also run Disability Employment Services (DES) for the same population.
2. Address low expectations of work participation by ensuring skilled TTW and DES service for people with moderate intellectual disability are made available to youth and families.
  - 2.1. To demonstrate what is possible to people with a moderate intellectual disability and their families, and
  - 2.2. To offer TTW as a risk free opportunity to test the feasibility of open employment.
3. Establish specialist DES Open Employment service contracts for people with moderate intellectual disability.
  - 3.1. The MIDL evaluation recommended the establishment of specialist DES contracts for people with moderate intellectual disability.
  - 3.2. TTW services will only be effective if there are effective DES services for the NDIS population.
4. Adopt the NSW Funding Approach to support best practice transition to work outcomes.
  - 4.1. Best practice TTW outcomes have been achieved when funding is adequate, able to flexibly change to suit changing participant need, and supported by a skilled workforce.
  - 4.2. The quotable price arrangements introduced for early intervention programs may be suitable starting point for working out funding for transition to work programs.
5. Remove disincentives in the DES program that discourage the placement of NDIS participants
  - 5.1. The lack of indexation and the timing of payments create a disincentive in working with higher support participants
  - 5.2. The current ban on concurrent registration between TTW and DES programs
  - 5.3. The lack of neutrality in the DES ongoing support performance rating
6. Maintain consequences for poor provider performance by DES services and introduce training and technical assistance for specialist DES and TTW services assisting people with moderate intellectual disability.
7. Both NSW-TTW and DES publish employment outcomes for every provider. DES

publishes provider employment outcomes by primary disability. NDIS participants must be provided with provider employment outcome results by type of disability in order to make an informed choice on employment support.