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The Secretary
Senate Community Affairs References Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Sir,

Re: Inquiry into the funding and operation of the Commonwealth State / Territory Disability Agreement.

Jobsupport is the largest Open Employment Service for people with a significant intellectual disability (IQ less than 60) in Australia and currently supports approximately 450 people with a significant intellectual disability in jobs throughout Sydney earning an average wage of \$319 per week. Jobsupport also operates a Post School Options Transition To Work Service that specialises in people with an intellectual disability. Jobsupport was one of the demonstration projects established in 1986 to show that open employment was possible for people with a significant intellectual disability and more recently Jobsupport was one of the pilot Transition To Work services set up in NSW to show that many Post School Options service users were capable of achieving open employment.

The 1998 Ernst & Young Evaluation of the NSW Post School Options Program found that employment was an important goal for 36% of Post Schools Options service users. As of March 2006 69% (60) of the Post School Options service users who had completed Jobsupport's Transition To Work program had achieved open employment. A further 7% (6) of service users exited to a Supported Employment Service. Clearly many Post School Options service users want to work and clearly many are capable of achieving open employment.

The current CSTDA interface arrangements between Commonwealth funded Disability Employment Network services and State funded Post School Options services are an obstacle preventing people with a significant intellectual disability who want to work from working and don't make financial sense for the taxpayer. Commonwealth funded capped Disability Employment Network places are not always available because the program is capped. Post School Options service users and their families don't want to be without any service and some are reluctant to attempt open employment because it can be difficult to re-enter Post School Options if the open employment attempt is unsuccessful.

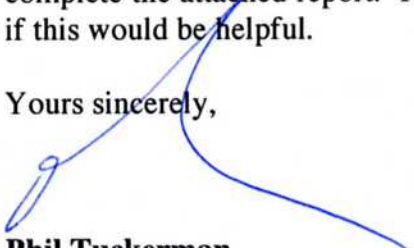
The average 2005-2006 per client funding for Jobsupport's Open Employment Service was \$10,911, however the net budget cost was only \$4,284 because Jobsupport's Open Employment clients earn an average of \$319 per week and generate significant pension savings and tax revenue. The annual funding for a NSW Post School Options Community Participation service user is \$13,871 and there are no pension or tax savings. The attached Econtech report demonstrates that if approximately 8% or just over 2,000 of the Post School Options service users across Australia moved from Post School Options to Open Employment it would result in a recurrent budget saving of \$21 million. If approximately 18% or just under 4,500 moved the recurrent budget saving would be \$42 million per annum. Given the success of Jobsupport's Transition To Work Service, movements of the order of 8 – 18% would seem quite realistic.

The Econtech report simply assumes that the Commonwealth and State Governments pool their funding. Jobsupport is not suggesting any particular model for the Commonwealth / State interface. We simply want to highlight the fact that an opportunity exists to let people in State Post School Options services who want to work do so, while at the same time saving the taxpayer money. All that is needed is a more flexible interface between the Commonwealth and State Governments including the removal of the cap on Capped Disability Employment Network services.

The savings shown in the Econtech report are based on Jobsupport's open employment outcomes. Jobsupport's open employment outcomes are high by industry standards. Jobsupport credits a significant proportion of this higher than average performance to the assistance it obtains from the U.S. technical assistance units based in universities such as the Virginia Commonwealth University in Richmond, Virginia. U.S. states such as Oklahoma and Massachusetts combine results based funding that provides an impetus for open employment services to improve with the availability of technical assistance based on known best practice that can show them how to improve. Jobsupport believes that the absence of such technical assistance programs in Australia is a significant deficiency.

Thank you for the opportunity to have input into the Senate CSTDA inquiry and for granting Jobsupport a submission extension until today to enable Econtech to complete the attached report. I would be happy to expand on any of the points raised if this would be helpful.

Yours sincerely,



Phil Tuckerman
Director