



**NDS** National  
Disability  
Services

NDIS  
ESSENTIAL  
ISSUES 

**Making  
employment  
a priority**

## Making employment a priority

Boosting the employment of people with disability is integral to the vision of the National Disability Insurance Scheme (NDIS). It was central to the Productivity Commission's original blueprint, which argued that, over time, the economic benefits of the NDIS would outweigh the costs.<sup>1</sup> It is prominent among the objects set out in the National Disability Insurance Scheme Act.<sup>2</sup>

There is enormous scope to increase the employment of people with disability. The workforce participation rate of Australians with disability is low (53%) and static. The workforce participation rate of Australians with severe or profound disability actually fell between 2012 and 2015 - from 30% to 25%.

The NDIS cannot supply the full answer to this problem, but its potential to expand disability employment is considerable. It promotes the economic and social participation of people with disability, gives participants the power to choose the services that meet their goals and effectively uncaps funded places in supported employment services. The NDIS supports early intervention and capacity-building, recognising that young people may need time and training to build successful long-term engagement with the world of work.

Yet, despite all this, the NDIS is under-performing in its support for people with disability to work. Only one in five NDIS participants of working age says that the NDIS has helped find a job that suits them. And of the total annualised committed supports, only 5.4% among 15-24 year old participants are for employment and only 2.1% among participants 25 years and older are for employment. These figures are disappointingly low.

There is a disjunction between the aspiration of the NDIS to boost employment and its application. In practice, the NDIS does little to encourage the inclusion of employment goals in participant plans. It disconnects employment support from real jobs. It intervenes too late in the school life of young people. And its interface with the Disability Employment Services (DES) Program is complex to navigate.

Fortunately, each of these problems is soluble.

### Embedding an employment-first approach into NDIS planning

Most adults expect to work; people with disability deserve that opportunity as well. The low incidence of employment support in the plans of NDIS participants is effectively denying many people with disability a key pathway to an ordinary life. What can be done to remedy this?

- As a standard feature, the NDIS planning discussion must include consideration of how the participant could prepare for or engage in work. Employment supports should be included automatically in all NDIS plans for participants of working age, unless they choose otherwise.
- In order to communicate to participants the benefits and possibilities of work, LACs and planners must have an accurate knowledge of the range of employment options, including Disability Enterprises.

<sup>1</sup> Productivity Commission, Disability Care and Support, Inquiry Report Executive Summary, July 2011 page 12

<sup>2</sup> The Objects stated in the NDIS Act include: "support the independence and social and economic participation of people with disability."

The NDIS Price Guide lists employment under Capacity-building supports. Each of the three Capacity-building supports listed in the Price Guide under 'Finding and keeping a job' is time-limited. Some participants – includes those in supported employment - require ongoing support to retain a job.

- NDIS participants who require ongoing employment support should have employment in their plan as a Core support rather than a temporary Capacity-building support.

### **Connecting employment support with a job**

Currently, a person with disability who needs support to work in a Disability Enterprise cannot have support funding inserted in their NDIS plan unless they have first identified and secured a job. This is because the support funding varies according to the Disability Enterprise site at which the job exists.

At the same time, a Disability Enterprise cannot afford to employ an NDIS participant unless their plan includes employment support. Revising the participant's plan to include employment support after they have found a job requires an unscheduled plan review which can take many weeks – longer than an employer can afford to hold open a job.

- Employment support should be inserted in the plans of NDIS participants as a 'quotable item', in the same way that Assistive Technology is included in plans. This would allow the appropriate funding level to be triggered as soon as the NDIS participant finds a job in a Disability Enterprise.

### **Removing employment obstacles for Disability Support Pension recipients**

The barriers that people on Disability Support Pension (DSP) face in securing employment should be minimised. At present, however, it is difficult for a Disability Enterprise to employ a DSP recipient who has yet to enter the NDIS because they don't have employment support in an approved NDIS plan.

- A Disability Enterprise should be able to employ a DSP recipient with support funding guaranteed until their NDIS eligibility has been resolved and they have an approved plan.

DSP eligibility requirements are impeding access to employment for some people. The rules require people with less severe disability who score 20 points or more across the Impairment Tables, but not 20 points on a single Table, to engage in a DSP qualification period that includes participation in a Program of Support. Supported Employment and Disability Employment Services are recognised as Programs of Support. The qualification period for DSP eligibility can be up to two years.

People who must complete a Program of Support before qualifying for DSP cannot be paid a productivity-based wage under the Supported Employment Services Award or the Supported Wage System in open employment. The Supported Employment Services Award defines an employee with a disability as "a national system employee who qualifies for a disability support pension". The Supported Wage System (used in open employment) uses a similar eligibility criterion. Without access to a productivity-based wage, some people with disability will be refused employment.

- Job seekers or employees participating in a Program of Support in order to qualify for DSP should be allowed access to productivity-based wages

## Develop sustainable funding arrangements for supported employment

People who enter the NDIS as supported employees are funded at their existing rate (one of four funding levels determined by the Disability Maintenance Instrument - DMI). New supported employees who are NDIS participants are funded at the average funding level for the site at which they work. This is not a feasible long-term arrangement: for one thing, it creates a disincentive to employ people with high support needs - that is, people who require funding greater than the site average.

As well as the direct costs of providing on-the-job support to employees, Disability Enterprises incur additional costs resulting from having a workforce with reduced productivity. This 'Production Output Gap' is evident when the value of goods or services produced by supported employees is of lesser value than the cost of employing them. The gap expands if wage costs are higher than the contribution of the supported employee to the business.

Disability Enterprises also can incur additional infrastructure and maintenance costs as consequence of employing a workforce where the majority of people have a disability: for example, if the Disability Enterprise has to break down a single complex job (that would be found in open employment) into several simple jobs, then additional space would be required to employ more workers, resulting in additional rent and utility charges.

- The pricing model for supported employment should consist of two funding streams. The first should reflect the NDIS participant's individualised on-the-job support costs and be funded through an NDIS plan. The second should compensate providers for the Production Output Gap and the additional cost of infrastructure and maintenance. It should be paid directly to the Disability Enterprise and reflect the size of the Enterprise's workforce.

## Assist school students to build workforce confidence before they leave school

NDIS School Leaver Employment Support (SLES) is a welcome initiative to assist year 12 school-leavers with the transition to work. The availability of SLES nationally is an important step forward.

However, SLES's effectiveness is limited by the fact that it is available only to young people who complete year 12. This is too late for some young people with disability. Engagement with work – through work experience and after-school employment – should commence earlier than the end of year 12.

- Eligibility for School Leaver Employment Support should be broadened to students with disability of workforce age

SLES would also be enhanced by incorporating the person-centred approaches successfully trialled in NDS's Ticket to Work initiative and the WA Customised Employment Project. These initiatives focus on individual preferences and the influence of collaborative networks. The former increases the probability of an employment outcome by identifying the proclivities of a young person and connecting them to a career goal. Customised Employment involves developing a 'discovery record' that showcases competencies and interests and utilises circles of support. Ticket to Work brings together educators, trainers, DES providers, local government and other stakeholders to work jointly with the young person for an employment outcome. Coordinated effort focussed on the shared goal of employment is a critical factor in the success of Ticket to Work. Effective collaboration requires a coordinator.

- The NDIS should fund the coordination needed to develop the collaboration and local networks that are a critical part of successful school-to-work transition.

## Simplify the interface between DES and the NDIS

Disability Employment Services and the NDIS should interact in a way that optimises employment support for people with significant disability. While the NDIS cannot duplicate supports provided through DES, it can complement them. It is important that the focus shift from demarcation between DES and NDIS to ways in which the two systems can work effectively together to maximise employment opportunities for people with disability.

Some DES participants with significant disability require ongoing support that is more intense than DES providers are funded to deliver. Where a business case can be made that supplementary funding is necessary to sustain the participant's open employment, it should be provided in the participant's plan.

- NDIS funding should be available to supplement DES funding for some people with significant disability in employment

There is a risk that the Employment Services Assessment (ESAt) will become the default means of determining eligibility for SLES and that it will direct young people with significant disability to DES where they won't receive the level of support they require to prepare for employment.

- Young people should not be prematurely directed to Disability Employment Services if they could benefit from capacity-building support through SLES.

Until recent years, supported employees had to resign from employment in a Disability Enterprise before they were allowed to engage with a DES provider to seek open employment. This was an unfair barrier to supported employees and contrary to the community norm which does not require a person to resign from their current job in order to look for a new job.

The Government introduced concurrency arrangements to overcome this barrier. They allow supported employees to access DES for up to two years while maintaining their funded place in a Disability Enterprise. Moreover, if they obtain mainstream employment with support from a DES, the arrangements allow them to continue part-time employment concurrently in a Disability Enterprise.

- The NDIS should continue to support concurrency arrangements between supported employment and DES to enable supported employees to exercise choice of employment and test their potential

July 2018

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