

EPIC Assist response to the Productivity Commission's issues paper

EPIC Assist welcomes the opportunity to submit its response to the issues paper on National Disability Insurance Scheme costs, and appreciates the invitation extended by the Productivity Commission.

Who is EPIC Assist?

EPIC Assist (EPIC) is a leading not-for-profit organisation which has been operating for over 27 years.

EPIC has grown to over 400 employees and 50 service centres, assisting people with disability to prepare for, find and maintain meaningful employment. EPIC also delivers education and training, and provides services under the National Disability Insurance Scheme (NDIS).

EPIC operates along the East Coast of Australia with offices in Queensland, New South Wales, Victoria and Tasmania, while also delivering a range of disability services in Europe.

We provide a personalised service to assist people with disability to achieve their goals. EPIC stays with them on their journey until our assistance is no longer needed, resulting in success for all – participants, employers and the community.

EPIC also works closely with employers, taking the time to understand their business and its unique needs. We then identify an effective solution that meets those needs, leading to sustainable employment.

EPIC was the first organisation in Australia to achieve Disability Confident Recruiter status and we are passionate about workplace diversity and creating disability confident workplaces.

The NDIS and EPIC Assist

EPIC has been operating within the NDIS environment for four years in the Tasmanian trial site. EPIC has since expanded its NDIS operations to Victoria and will shortly begin providing NDIS services in Northern NSW and the ACT.

EPIC's core focus is around assisting people with disability into sustainable, meaningful work. We see employment as the only proven way for NDIS participants to achieve the core elements of the NDIS, as described in the National Disability Insurance Act 2013. The Act states in its objectives and principles:

People with disability should be supported to participate in and contribute to social and economic life to the extent of their ability.

Throughout EPIC's 27 year life, we have seen time and time again the importance of helping someone find a job. The economic and social benefits that accompany employment for both the individual and the community cannot be overstated. Through employment, people have a reduced reliance on income support, make greater tax contributions and become consumers of more goods and services.

Undertaking active and appropriate job development skills also means savings in support provided by the federal government. A 2014 review by The Centre for International Economics (CIE) found suitable support for people with a moderate intellectual disability resulted in significant savings for the taxpayer once the person secured work.

The review also noted that in one well-performing organisation, the annual cost to the taxpayer of assisting an individual with a moderate intellectual disability (an automatic NDIS participant) was \$4,206 per annum. This is significantly more cost-effective than the alternate ADE program (\$12,908) and the State government activity program (\$17,667-\$23,844); alternatives which such individuals were normally streamed to.

These findings and our own experiences have led to EPIC's concern around unsubstantiated, aspirational claims made by supporters of non-employment focused activities, who insist these activities result in economic and social benefits. Given the significant investment by the NDIS in such programs, the cost pressures to support aspirational activities will be significant.

The Outcomes.

The level of NDIS supports centred on employment and employment preparation is highlighted in the agency's December 16 report to the COAG Disability Reform Council.

The report notes that at the end of the December 16 quarter, just 2.2% of all committed supports focused on employment (*December 2016 | COAG Disability Reform Council Quarterly Report Table 2.5 page 70*). This has led to a significant disparity in the unemployment rate within the NDIS cohort.

The report also notes the unemployment rates of NDIS participants aged between 15- 24 as 39%. This is compared with the general rate of unemployment for this age cohort at 13%. (*December 2016 | COAG Disability Reform Council Quarterly Report Table 1.5- p.35*).

After four years of the NDIS trial and full scheme roll out, EPIC believes the small amount of plans focusing on employment is due to widely-held

beliefs that can have detrimental effects on NDIS participants and their families.

We believe the Australian community broadly accepts that NDIS participants will not primarily be seeking employment through their NDIS packages. In addition, many participants and their families have often been misled about what activities will lead to open employment. Furthermore, participants and their families are often led to believe open employment is simply not a viable option.

To demonstrate this point, Australian Disability Enterprises is often held up as an appropriate transition to open employment. While hard data is not easily gained, anecdotal evidence shows around just 2% of the 20,000 people in ADE's across Australia transition to open employment each year. This figure drops less still when considering Adult Community Access activities, despite the growth of the model in the last ten years.

The belief that the market will drive change.

One of the challenges EPIC has noted over the four years of operating as NDIS employment specialists, is the belief the market will drive innovation and transform the activities people engage in, which will then see National Disability Insurance Act objectives and principles achieved. Clearly, this has not occurred.

The 'Shut Out' report (*National Disability Strategy Consultation Report 2009 prepared by the National People with Disabilities and Carer Council p. 38*) highlights the low level of expectation held by the community that people with more significant disability can be employed. The NDIA's data shows the intervening years have seen little change.

EPIC believes the market alone cannot create this change in expectation; rather active intervention is required to lift the engagement of people with disability into work.

Society's low levels of expectation often manifest in the planning process by NDIS and third party planning staff, to exclude work preparation being included in plans under the 'reasonable and necessary' principle. That is, it is simply not seen as reasonable or necessary for someone who is ineligible for Disability Employment Services assistance to work towards finding employment, or seek funding to enable them to gain skills that will assist them to find employment.

The belief the mainstream employment program will provide adequate assistance

The mainstream employment program for people with disability is the federally funded Disability Employment Services (DES) program, run by the Department of Social Services. The NDIA upholds the principle that it

will not replicate the work of mainstream services.

While understandable, this stance ignores the evidence contained in international literature on the issue and many years of proven performance within Australia. Practical experience demonstrates that for people with more significant needs, active investment in training for up to two years may be required to gain the outcomes noted in the Centre for Economic Studies.

The DES program is a time-limited program that is not appropriate for people who have cognitive barriers. The data shows a disconnect between the NDIS' major disability cohorts and the DES program, a critical vehicle to gain and maintain employment.

The December 2016 Quarterly Report published by the NDIS for the COAG Disability Reform Council Quarterly Report shows that people with an Intellectual Disability and Autism Spectrum Disorders make up 61.4% of NDIS participants. (*December 2016 | COAG Disability Reform Council Quarterly Report Table 2.13- p.56*).

However the Department of Employment Labour Market Information Portal (LMIP) shows that these groups represent just 7.9% of the DES population (*LMIP, February 17- DES Current Caseload*). The major NDIS cohorts are not transitioning to DES, meaning the social and economic participation rewards associated with employment are simply not being realised by the overwhelming majority of NDIS participants.

What would overcome the barriers to the NDIS achieving its stated goals?

EPIC proposes the following points to prevent the NDIS not meeting its key objectives, and facing a significant cost blow out as individuals remain locked into traditional service responses dressed as innovative solutions.

- That the NDIS and third-party planners develop an assumption of 'employment- first' principles as seen in many US states. This places assistance for employment supports at the centre of all NDIS planning, completely removing the need to justify the 'reasonable and necessary' argument
- People are only assessed on their employment support needs by planners, removing the requirement to show they are eligible or suitable to gain and maintain employment via a Centrelink-conducted Job Capacity Assessment
- That the agency actively intervenes in the market to support the establishment of Transition to Work programs that are data-driven and have proven outcomes of transition into paid employment

- That the NDIS cease creating service walls between its funded activities and other mainstream sectors such as state education services, in regards to work training. For example it may consider starting its School Leaver Employment Supports (SLES) initiative while the NDIS participant is still at school, or have concurrency between NDIS employment supports and the Disability Employment Services program.

EPIC Assist is an enthusiastic supporter of the NDIS and the principles that underpin it. Yet we are increasingly concerned the capacity of the scheme to meet its key objectives and remain financially sustainable will not be possible without a strong focus on assisting people get ready for, gain and maintain employment.

EPIC Assist thank you for the opportunity to speak to you in regard to the NDIS and your commitment to its full roll out.

We look forward to a continuing dialogue

Yours sincerely

Peter Symonds

NDIS Manager

On behalf of EPIC Assist