



REPORT

Securing open employment

Understanding and supporting practices that work for MID

*Prepared for
Jobsupport*

2 September 2020

The Centre for International Economics is a private economic research agency that provides professional, independent and timely analysis of international and domestic events and policies.

The CIE's professional staff arrange, undertake and publish commissioned economic research and analysis for industry, corporations, governments, international agencies and individuals.

© Centre for International Economics 2020

This work is copyright. Individuals, agencies and corporations wishing to reproduce this material should contact the Centre for International Economics at one of the following addresses.

CANBERRA

Centre for International Economics
Ground Floor, 11 Lancaster Place
Canberra Airport ACT 2609

Telephone +61 2 6245 7800
Facsimile +61 2 6245 7888
Email cie@TheCIE.com.au
Website www.TheCIE.com.au

SYDNEY

Centre for International Economics
Level 7, 8 Spring Street
Sydney NSW 2000

Telephone +61 2 9250 0800
Email ciesyd@TheCIE.com.au
Website www.TheCIE.com.au

DISCLAIMER

While the CIE endeavours to provide reliable analysis and believes the material it presents is accurate, it will not be liable for any party acting on such information.

Contents

Key points	1
1 Introduction and summary	3
Potentially large cost savings	3
The need for an outcome-based approach	3
Diverse results and finding out what works	4
2 Open employment saves money	5
Cost comparisons	5
Savings from Jobsupport outcomes	5
Potential national savings	6
3 Understanding what works	7
Recent history: the emergence of outcome-based funding	7
Key lessons from recent evaluations: real case-based funding	8
What is possible: Jobsupport’s history and performance	9
Understanding what practices work	11
4 The challenge of ongoing support	16
Key feature of ongoing support for persons with MID	16
Assessing and funding ongoing support — ‘overs and unders’	19
Ongoing support audits	19
Ongoing support is low cost and saves money	21
A counterproductive compliance framework	21
BOXES, CHARTS AND TABLES	
2.1 Annual costs for NDIS packages with and without open employment	5
2.2 Potential national annual savings	6
2.3 Present value of savings over 40 years	6
3.1 Jobsupport outcomes compared with average, December 2017	9
3.2 Jobsupport outcomes as at 31 December 2011	10
3.3 DES outcomes over time	11
3.4 A four component integrated approach	13
3.5 Job placement rate versus 52 week sustainability indicator	13
3.6 Distribution of job placement and sustainability rates	14
4.1 Monthly ongoing support hours: three illustrative clients	18
4.2 Comparison of contacts made with number of contacts expected	20

4.3 The cost of ongoing support clients who lose jobs

21

Key points

Open employment saves money

- In addition to the enormous individual and social benefits of securing open employment for persons with moderate intellectual disability, DES providers that achieve high outcome rates also save substantive amounts of money for government budgets.
- Straightforward calculations suggest that Jobsupport alone is associated with savings of \$14.2 million per year.
 - If Jobsupport's outcomes were extended across Australia, annual savings for moderate intellectual disability alone could amount to \$59 million. Over a 40-year period, this amounts to \$1 billion.

Policy needs to be consistent with practices that work

- Given this large potential, it is crucial that the policy environment underlying DES encourages and supports placement practices that work and that are known to generate high outcomes.
- A key aspect of this is to take a consistent outcome-based approach to funding and supporting DES providers.
- It has long been understood in Australia that a consistent outcome-based approach requires recognition of 'overs and unders' in funding.
 - That is, that it allows for 'cross subsidies' between clients or within the funding cycle of an individual client.
 - This is simply a matter of recognising the nature of the effort required to manage high outcome rates for persons with moderate intellectual disability.

The current approach to ongoing support audits places outcomes at risk and is an example of a policy inconsistent with what works

- A substantive challenge currently faced by high performing providers such as Jobsupport is the lack of an outcome-based focus to ongoing support audits.
- Jobsupport is able to achieve high outcome and sustainability rates by flexibly responding to employer and client needs in the ongoing support phase and using the principle of 'overs and unders' to allocate funding between clients to maximise overall sustainability.

- **The current approach to ongoing support audits – while well intended – results in a one-way reduction in funding for clients where ongoing support is lower than expected without any compensation for higher ongoing support for the same client at another time or for other clients.**
- **Ultimately, this approach is counterproductive as expenditure on ongoing support is highly cost effective. By placing overall sustainability at risk, ongoing support audits as currently practiced may lead to overall cost increases, rather than to savings as intended.**

Seeking to understand what works provides an opportunity for further research and dissemination

- **Understanding what practices work is not complete, but what we do know suggests that it requires an integrated four stage process of assessment, job search and job customisation, instruction and ongoing support. Unfortunately, the literature doesn't provide evidence for the best approach within each of these stages.**
- **Looking at measured outcome rates indicates both low average outcomes along with a very wide diversity of outcomes across providers.**
 - **Some providers have a relatively high job placement rate but a low retention rate, while others have a relatively high retention rate, but a low placement rate.**
- **This diversity in placement and retention rates provides an excellent opportunity for on the ground research that analyses the better performers by type of disability to discover practices that work well (and those that do not) at different points in the placement and retention cycle.**
- **This then creates the opportunity for dissemination of best practice which will allow recent changes in DES policy (especially relating to consequences for outcomes) to have an impact of outcome rates.**
- **The long-term implication of this opportunity could be a substantive increase in outcome rates, for the benefit of both clients and government budgets.**

1 Introduction and summary

Potentially large cost savings

Successfully placing persons with moderate intellectual disability (MID) in open employment has the potential to lead to substantive government cost savings. Indeed, the economics of open employment are extremely positive: with a sufficiently high outcome rate, the cost of placement and ongoing support are more than offset by saving in pension payments and in the much higher costs of other pathways. **Chapter 2** illustrates that this is a potential annual saving of \$59 million across Australia (for the MID population alone).

But this potential can only be achieved with sufficiently high outcome rates. The high variability in outcomes between providers, suggests that best practice is not widely understood and that there is considerable potential to improve outcomes by studying which practices genuinely work and ensuring that policy supports those practices.

The need for an outcome-based approach

The available literature and experience around the world make two suggestions about DES policy for persons with MID.

First, it is crucial to take a consistent outcomes-based approach to policy. That is, open employment should be funded according to actual outcomes without intermediate attempts to control inputs. **Chapter 3** sets out the understanding of the need for an outcome-based approach in the context of the history of employment services for MID.

Second, a model for open employment that works contains four integrated stages as set out in detail in **chapter 3**.

That these four stages are integrated is, in part, why an outcome-based approach is so important. Any attempt to manage inputs in any one individual stage will tend to limit the ability of the provider to produce consistent outcomes.

The challenge of ongoing support

Part of a consistent outcome-based approach is that there is likely to be cross subsidies between different stages, as well as cross subsidies between clients. This has long been understood in Australian case (it goes back at least to 2005 with a formal statement in the guidelines).

Chapter 4 considers the importance of ‘overs and unders’ in undertaking ongoing support. Importantly, Jobsupport’s high outcome rates (set out in chapter 3) are possible

because of an ability to flexibly respond to ongoing support needs of clients and employers.

The current approach to ongoing support (OS) audits places this method of operation at risk. OS audits are an example of a well-intended policy that does not fully recognise the practical needs of ongoing support for clients with MID and risks leading to increased costs rather than to savings. In a true outcome-based approach, OS audits would be restricted to checking outcomes rather than micromanaging the process of getting to those outcomes.

Diverse results and finding out what works

On average, the probability of a client with intellectual disability getting a job and maintaining it for one year is 20 per cent. But looking across all providers, this ranges from 10 per cent to 67 per cent. For half of the providers (that achieve 52-week sustainability, which not all do), this probability is less than 20 per cent. For one provider, the probability is 67 per cent; nearly 2 times greater than the next best provider.

This low outcome rate, combined with the dispersion suggests that either the policy settings are not encouraging best practice, or that understanding of what works has not been well disseminated.

These diverse results present an excellent opportunity for DES policy development and enhancement. Careful study of the factors that determine the very wide differences in outcomes — through careful on the ground investigation — will generate crucial information that will allow:

- The dissemination of information about practices that work; and
- The development and clarification of policy settings that ensure an outcome-based approach centred around genuinely effective practices.

2 Open employment saves money

Cost comparisons

Persons with MID can pursue different post-school pathways, each involving different costs to government budgets. Open employment is a pathway that proves to be much less cost intensive from the government perspective.

For example, within the NDIS, early evidence suggests that there is a substantial difference in package costs between participants that pursue open employment, and those that do not. Table 2.1 presents a comparison of two sets of NDIS packages, those with and without open employment. Comparing these implies an NDIS saving of \$16 994 for each client that achieves open employment.

2.1 Annual costs for NDIS packages with and without open employment

Pathway outcome	Annual cost	Notes
	\$ per client	
NDIS package with no open employment	32 285 ^a	Derived from sample of 46 participants with Down Syndrome (i.e. MID) ^c
NDIS package with open employment	15 291 ^b	This cost is constructed as the cost of the NDIS package plus the cost of Jobsupport services (net of pension offsets). In 2017 the Jobsupport cost was \$3 630 which when added to the average Jobsupport client NDIS package cost of \$11 661 gives the total cost of \$15 291. Note that as at 29 February 2020, Jobsupport costs were \$2 430 per client. Thus, it is possible that with more updated data the cost of the NDIS package with open employment would be lower.
Implied saving from open employment	16 994	NDIS package with no open employment minus NDIS package with open employment (based on February 2017 comparison)

^a The component of the package included here covers ADE, transport and assistance with social and community participation.

^b The components of the package included here cover transport and core supports. ^c Participants from Karingal, LEAD and Sunnyfield.

Source: Jobsupport and other sources as noted

Savings from Jobsupport outcomes

Jobsupport supported 837 persons in February 2020 (751 in greater Sydney, 15 in Brisbane and 71 in Melbourne). Using the annual savings in table 2.1, this implies annual total savings of \$14.2 million per year. The savings in greater Sydney alone amount \$12.8 million per year.

Potential national savings

If Jobsupport's outcomes could be reproduced across Australia, there would be substantial savings in terms of avoided cost from other post school pathways.

Table 2.2 shows the potential total savings by applying the savings per client from table 2.1 (\$16 994) to the estimated number of clients that could be placed in open employment if Jobsupport's placement rate were to be reproduced throughout Australia.

That is, potential placements in Melbourne, Brisbane and all of Australia are calculated by applying the placements to population ratio for Greater Sydney (a known number) to the population for Melbourne, Brisbane and Australia. This implicitly assumes that the incidence of MID is the same across all locations and that policy settings allow Jobsupport's high outcome rates to be achieved.

Total savings Australia-wide amount to \$59.4 million per year.

2.2 Potential national annual savings

Region	Population	Placements (assuming Greater Sydney outcomes assumed in other cities or across Australia)	Savings comparing open employment NDIS with non-open employment NDIS
	Millions of persons (15-64)	Persons	\$m
Greater Sydney	3.5	751	12.8
Greater Melbourne	3.3	711	12.1
Greater Brisbane	1.6	350	5.9
Australia	16.2	3,493	59.4

Source: Assumes Jobsupport results from Greater Sydney are replicated across Australia. CIE calculations, Jobsupport, ABS (3235.0)

Table 2.3 shows the value of these savings over a period of 40 years (expressed in present value terms). These saving amount to around \$1 billion.

2.3 Present value of savings over 40 years

Region	Savings comparing open employment NDIS with non-open employment NDIS
	\$m
Greater Sydney	219
Greater Melbourne	207
Greater Brisbane	102
Australia	1,019

Note: Uses a 5 per cent discount rate

Source: CIE calculations, Jobsupport, ABS (3235.0)

3 *Understanding what works*

Recent history: the emergence of outcome-based funding

The development of schooling and employment services for people with MID is comparatively recent. Prior to the 1950s people with MID were not considered educable.

Important developments since then include the following.

- Students with MID were accepted for the first time into the NSW public school system in 1951 and were enrolled in special schools.
- The first class for students with a moderate intellectual disability in a regular NSW primary school was introduced in 1974; and the first such class was introduced into a NSW high school in 1982.
- The first Sheltered Workshop in NSW for people with an intellectual disability was set up by a parent group in the 1950s; shortly afterwards, a parent group also established the first Activity Therapy Centre.
- Commonwealth funding for Sheltered Workshops and Activity Therapy Centres began in 1967.
- In the early 1970s the US Researcher Marc Gold demonstrated that with systematic instruction people with a moderate intellectual disability could perform meaningful work.
- By the mid-1970s, United States demonstration projects were showing that with systematic training open employment was a feasible option for people with a moderate intellectual disability. The Employment Training Program which began in the University of Washington in 1975 was the first large scale program to offer this option.
- In the light of the US open employment demonstration projects and the 1985 Handicapped Programs Review, a number of Australian demonstration projects, including Jobsupport, were established to test the feasibility of US open employment programs under Australian conditions.
- *The Disability Services Act 1986* was enacted with all party support and reflected a fundamental shift to an integrated lifestyle for people with disabilities.

Following this long history, it is widely and clearly understood that open employment is a viable and constructive option for persons with MID.

‘Research and demonstration indicates that people with significant intellectual disability can work in the open labour market if they get the right type and level of support. This support invariably includes a customised job that matches the strengths of a jobseeker with the needs of a business, systematic on the job training to achieve the skill level required by an employer, and ongoing support for the term of the job to maintain the required standard of work, and to

address changes that will impact the individual or their role at the workplace.’ (Paul Cain, Inclusion Australia, 2018)

Key lessons from recent evaluations: real case-based funding

The 1995 *Working Solution: Report of the Strategic Review of the Commonwealth Disability Services Program* recommended funding based on individual support needs and included the following caution:

‘It is important that the employment objectives of the Commonwealth do not direct services only towards those with the mildest level of disability or the mildest level of support needs. Although such an approach would produce the most rapid improvement in employment statistics, it would not serve any of the equity goals that have been espoused by the Government. Those responsible for the program should ensure that no perverse incentives are created in the program that disadvantage those with higher support needs.’

The 2002 *Case Based Funding Trial Final Evaluation Report* reflected the development of an individual funding model that covered ‘the real costs incurred in achieving job seeker outcomes and providing ongoing support’. Funding levels were based on up to 28 months of support hours data for each job seeker. The review found that people with an intellectual disability achieved higher employment outcomes and required higher funding than other disability groups. It also noted:

- comparatively more job seekers with an intellectual disability obtained employment; and
- a general tendency for job seekers with an intellectual disability to be provided with relatively more support than other disability types.

Case Based Funding (CBF) replaced block grant funding entirely from July 2005. ‘Overs and unders’ were a key feature of Case Based Funding and recognised that it was not possible to accurately predict the funding required by every individual.

The Disability Maintenance Instrument (DMI) established ongoing support case-based funding for each individual. The 2005 CBF DMI guidelines noted:

‘Funding does not have to be acquitted against individual job seekers/workers. The Service Provider can move funding between job seekers/workers to suit changing needs and to balance the ‘overs and unders’ that occur.’

The *Evaluation of Disability Employment Services 2010-2013 Final Report* recognised the nature of the need for ongoing support for the MID population.

‘There is no doubt that this is a group of job seekers with exceptionally high needs, who face considerable odds in the open labour market. What appears to set them apart is the body of evidence of their potential to succeed given the right type of service. From the available literature it is clear that outcomes are driven by positive conviction of specialist know-how and gives a strong sense that this is very high cost servicing. Most importantly, the literature confirms that in spite of a poor overall track record of employment for people with significant intellectual disability, the technology to achieve much better outcomes for this group does exist.’

What is possible: Jobsupport's history and performance

Jobsupport is a specialist Disability Employment Service (DES) Employment Support Service (ESS) catering for people with a moderate intellectual disability (IQ \leq 60) and funded by the Department of Social Services (DSS).

Jobsupport began as a NSW demonstration project in NSW for the 1986 *Disability Services Act*, obtained Victorian funding in 2013 and Queensland funding in 2018. As of February 29 2020 Jobsupport supports 837 people in open employment jobs of their choice. The average employed client works 20 hours per week, earns \$408 per week, and has been in their current job for 7.7 years.

As illustrated below, Jobsupport is arguably the best performing DES-ESS service in Australia.

Contract performance

Jobsupport's 14 DES-ESS contracts were all 5 Star in the March 2020 Star Ratings. Significantly, all of Jobsupport contracts have been 5 Star since March 2014.

Outcome results

DES publishes employment Outcome Results by Type of Disability. The most recent data in December 2017 shows that Jobsupport achieves much higher outcomes than other providers for people with an intellectual disability (table 3.1).

3.1 Jobsupport outcomes compared with average, December 2017

	Job placements	52-week sustainability	52-week outcome
	Per cent	Per cent	Per cent
Jobsupport	82.1	80.9	67.2
Average other intellectual disability	44.3	48.5	21.5 (next best 37.6)

Source: DES Outcome Results by Type of Disability, December 2017

The DEEWR *Evaluation of Disability Employment Services 2010-2013 Final Report* provided the only published data on the outcomes achieved by people with a moderate intellectual disability. The report noted that 'Jobsupport achieved 2 to 3 times the outcome rate of other providers with MIDL participants' and that 'few DES providers have the specialist skills sets and competencies required to support MIDL participants'. A summary is provided in table 3.2.

3.2 Jobsupport outcomes as at 31 December 2011

	Job placements achieved by all funded clients	Proportion of jobs ≥ 15 hours per week	Proportion of jobs that last 26 weeks	26 week outcomes achieved by all funded clients
	per cent	per cent	per cent	per cent
Jobsupport - MID	92.0	91.3	81.0	76.0
Other - MID	58.0	50.0	44.8	26.0
Other intellectual disability	53.4	48.9	53.4	28.7

Source: DEEWR Evaluation of Disability Employment Services 2010-2013 Final Report

The DEEWR Report also found that Jobsupport was responsible for 59 per cent of all 26-week open employment outcomes for people with a moderate intellectual disability and 72 per cent of all 26-week open employment outcomes where the weekly hours were 15 hours or more.

MID school leaver follow up data consistently shows low open employment outcomes by services other than Jobsupport. For example, the Queensland government publishes a *Next Step Report* on the Destinations of Year 12 Completers in Queensland from special schools each year. The 2017 Report reported only 9 achieving employment out of 285 students.

International recognition

Virginia Commonwealth University (VCU) provides training and technical assistance across the United States and 7 foreign countries. Dr John Kregel from VCU evaluated Jobsupport's DES service in 2011 and concluded:

'Simply stated, Jobsupport is one of the top 5 open employment service delivery agencies in the world. There are no programs in Europe that rise to its standards and only a handful of programs in the US that achieve similar outcomes. The success of Jobsupport is directly related to its reliance on solid, evidence-based practices in all facets of service implementation.'

Results based on best practice

Jobsupports results illustrate a level of performance that is possible with a moderate intellectual disability.

Jobsupport's higher outcomes are based on:

- The implementation of best known practice.
- DES funding that covers real costs of best practice.
- DES policy that allows the flexible use of funding across phases, over time with the same client and between clients to address fluctuating needs.

Understanding what practices work

The DES Program has made a serious and praiseworthy attempt to improve open employment services.

- An employment services system (ESS) data collection has been introduced.
- An outcome-based performance framework has been established.
- Consequences have been introduced for poor performance. For example, initially over 50 per cent of the DES ESS contracts were reallocated in 2013 following a tender process.
- Performance data has been published by disability type for every service.

However, even allowing for different measurement approaches used over time there appears to be little impact on outcome rates from these measures (table 3.3).

3.3 DES outcomes over time

Year	13-week Employment Outcome		26-week Employment Outcome	
		Per cent		Per cent
January 2010 DEN Capped ¹		38.64		33.67
Dec 2011 – DES-ESS ²		26.80		22.60
January 2013 – DES-ESS		30.50		30.40
December 2014 – DES-ESS ³		28.60		29.10
May 2015 – DES-ESS		27.70		28.30
February 2017 – DES-ESS		29.80		29.20
March 2020 – DES-ESS ⁴		22.4		21.4

Notes: **1.**The DES evaluation used a different cohort methodology and discounted DEN 26-week outcomes by 2.6% to allow for different program rules. **2** The 2020 -13 contract ran from March 2010 and didn't include carry over outcomes from the previous DEN contract. **3** The 2013-18 contract ran from 2013. Outcome KPIs use a 3 year rolling period, however approximately 50% of contracts are new, only run from March 2013. **4** The 2018-2023 contract ran from July 2018 didn't carry over outcomes and the outcome KPIs use a 2 year rolling period.

Source: DEEWR

The DEEWR *Evaluation of Disability Employment Services 2010-2013 Final Report* recognised that Jobsupport's higher outcomes are achieved because the organisation has put considerable effort into identifying what works for people with a moderate intellectual disability.

Jobsupport's CEO reviewed all the available literature from the early US demonstration projects in 1985 as part of a master's degree. He is on the editorial board for the *Journal of Vocational Rehabilitation* and continues to monitor new literature. The leading programs were visited in 1985 and every few years thereafter.

More recently, Jobsupport commissioned the Rehabilitation Research and Training Centre at Virginia Commonwealth University and the Centre for Disability Studies at Sydney University (Kregel, Wehman, Taylo, Avellone, Riches, Rodrigues, and Taylor, 2020) to conduct a worldwide literature review to identify any articles or studies over the last 50 years that included data on what works for achieving open employment outcomes for people with an intellectual disability.

Unfortunately, there are significant challenges in identifying what practices work from the existing literature.

- Most articles are opinion pieces that don't include analysis of outcome data.
- The articles that do include outcome data typically target broader populations (that is, a mix of disability types, not just MID). The impact of an intervention is then reported across the entire population even though it may have only worked for some types of disability.
- Even where disability specific outcome data is provided the description of the actual intervention is typically superficial with the same terms used to refer to quite different approaches across authors. While the literature clearly supports a four component process set out below, it does not identify the relevant practical details of the practices studied within each of these four components.

Nevertheless, the overall literature can be used to identify potentially useful approaches to be followed up by site visits to gain a fuller understanding. Promising approaches can be trialled and adopted if the trial data shows they are useful.

Note though, that change management theory suggests that change only occurs when there is a reason to change. The leading US academic John Kotter identified complacency as the main impediment to change. While DES has done a commendable job in introducing consequences for poor performance, there is a missing ingredient of information on how to improve.

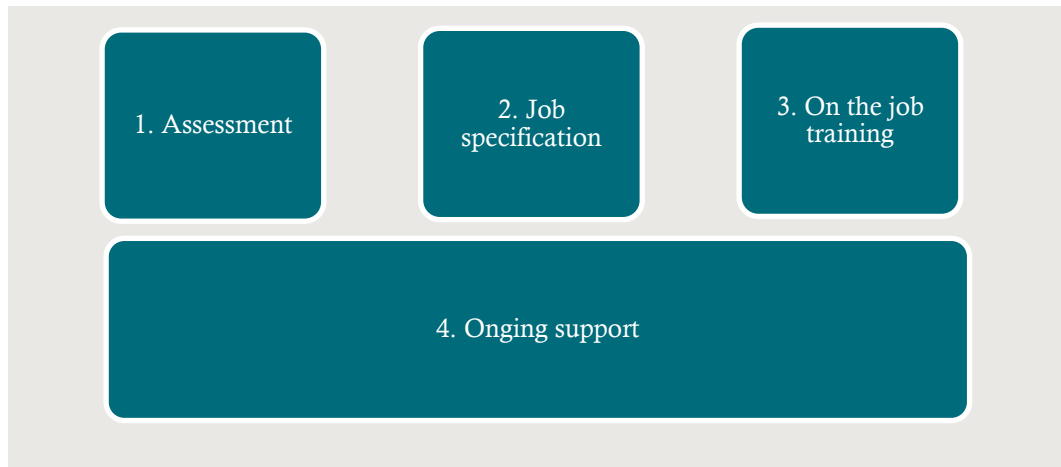
The DES database provides an opportunity for outcome improvement. It could be used to identify the best performing services in Australia by type of disability. These services could then be investigated, and detailed information distributed describing how the services operate.

The literature for what works in achieving open employment for the people with an intellectual disability identifies four key components that all need to be present for successful job placement and retention. These are (chart 3.4):

- An assessment process that identifies client strengths and possible weaknesses with a view to matching the person against a job.
- Job search and customisation or job carving to create a job that meets a genuine need for the employer whilst also matching the client's strengths and job preference.
- Systematic instruction based on applied behaviour analysis theory. It was the introduction of systematic instruction including task analysis, prompting and reinforcement that initially demonstrated the employment potential of people with an intellectual disability in the 1970's.
- Ongoing support to meet the changing needs of clients and employers. Ongoing support is much cheaper than replacement and is the area of the program that generates significant savings to Government.

While the literature is clear that these steps are all critical, it does not provide information about which approach is best within each step. Hands on investigation is needed to document the approaches used by the services achieving the best outcomes for different populations.

3.4 A four component integrated approach

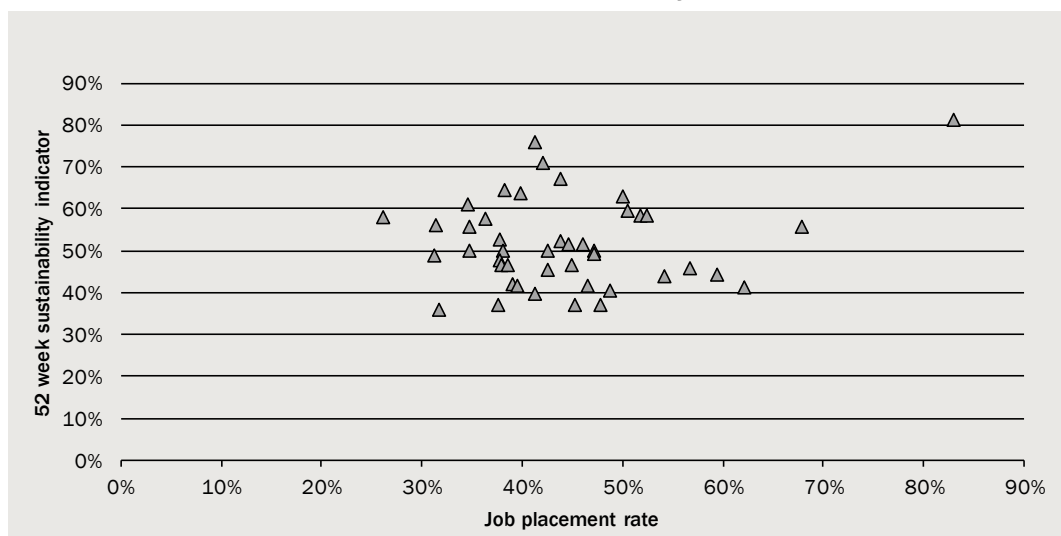


Data source: Wehman et al 2020

There is currently no data about how this best practice is applied in Australia, although a large divergence in measured outcomes suggests that it is not.

Indeed, the available data suggests that for most providers, there is little integration between the four steps outlined as there is no link between initial job placement rates and the 52 week sustainability indicator. This is illustrated in chart 3.5 which indicates a random scatter between placement and 52 week sustainability rates. A service that is good at one is not necessarily good at the other. (The single outlier with high rates on both axes is Jobsupport).

3.5 Job placement rate versus 52 week sustainability indicator



Notes: The 52 week sustainability indicator is the proportion of clients for which the job lasted a year from first starting the job. This is the terminology also used in the 2017 DES Star Ratings methodology. Under the current contract (2018) this is referred to as '52 Week Outcomes'.

Data source: DES Outcome Rates by Disability Type.

<https://lmip.gov.au/default.aspx?LMIP/Downloads/DisabilityEmploymentServicesData/DESOOutcomeRatesbyDisabilityType>

The DES reporting of outcomes by disability type allows some broad comparison of job placement and sustainability rates between services. Examining the latest available data illustrates considerable diversity of results (chart 3.6).

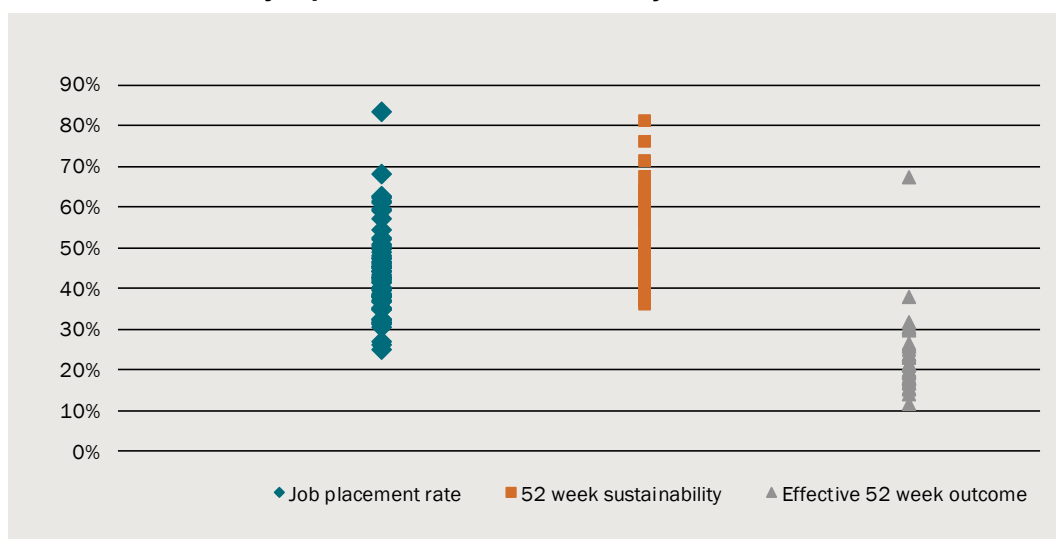
For example:

- The job placement rate varies between 25 per cent and 83 per cent, with an average of 45 per cent.
- The 52 week sustainability rate varies from 36 per cent to 81 per cent, with an average of 52 per cent.

Combining these two rates gives an indication of an *effective* 52 week outcome: the probability that a client commencing with a service will have a job that lasts 52 weeks. This probability ranges from 11 per cent to 67 per cent, with an average of 23 per cent.

Thus, a client commencing with the lowest performing service has a one in ten chance of getting and maintaining a job for a year. With the top performing service, this is a two thirds chance. The average, however, is only a one in five chance. In terms of effective outcome rates, there is a twofold difference between the best and second best performer.

3.6 Distribution of job placement and sustainability rates



Data source: DES, CIE calculations.

The wide diversity of results, and the very low overall outcomes suggest that either:

- Practices that actually work are not understood or disseminated; or
- There are effective (and unintended) barriers to the adoption of best practice; or
- Some combination of these.

Given the diverse range of results, there is an opportunity to undertake careful analysis of actual 'on the ground' practices to discover which approaches are driving the different outcome levels. Research questions could include, for example:

- Which specific practices are adopted by the services that achieve a relatively high job placement rate?

- Similarly, which specific practices are adopted by services that achieve a relatively high 52-week outcome rate?
- Why is it that high job placement rates for some services do not necessarily translate to high 52-week outcome rates?
- Why can some services achieve high 52 week sustainability rates, but relatively low job placement rates?

A comprehensive analysis of this sort would add substantively to current understanding of the practical aspects of achieving open employment for persons with MID. Indeed, this is a unique opportunity to improve social and economic outcomes for this population.

From this improved understanding, it would be possible to:

- Ensure that the policy environment supports practices that have been shown to work; and
- Disseminate information about what practices have been shown to work (as distinct from popular but untested approaches).

The dissemination of effective practices across providers is particularly important given the DEEWR *Evaluation of Disability Employment Services 2010-2013 Final Report* finding that:

‘Peak organisations recognise that few DES providers have the specialist skills and competencies required to support MIDL participants.’

Further, a literature review by the Rehabilitation Research and Training Center at Virginia Commonwealth University and the Centre for Disability Studies at Sydney University (Kregel et al, 2020) recently commissioned by Jobsupport found that:

‘Experimental evidence documents a direct relationship between the delivery of training and technical assistance provided to staff in open employment programs and improved client outcomes for persons with ID in OE’

4 *The challenge of ongoing support*

Ongoing support audits are an example of a policy that is not consistent with what works. Within the ongoing support phase of open employment, there is currently a recoup of funding for individual clients where ongoing support — measured by the number of contacts — is less than an expected minimum amount. While seeking to ensure value for money is appropriate in DES administration, in the context of ongoing support for clients with MID this is likely to turn out to be counterproductive and is unlikely to save money overall.

Key feature of ongoing support for persons with MID

There are three key features of ongoing support that need to be recognised when implementing policy:

- First, all persons with MID are likely to require ongoing support;
- Second, ongoing support requirements are unpredictable for any one client; and
- Third, ongoing support requirements are highly variable, even for very long term clients.

All persons with MID are likely to require ongoing support

The *Moderate Intellectuals Disability Loading Review* reported that people with a moderate intellectual disability were ‘very likely to always need ongoing support’.

This is consistent with the practical experience of Jobsupport’s clients and employers and the views of peak bodies. Harris Farms, in discussing their success in employing persons with MID note:

‘One of the keys to this success is that Jobsupport is always available to provide ongoing support. Jobsupport’s support is critical and varies over time with the changing needs of each employee. The support can be quite intense when the employees’ jobs change or they relocate between stores’. (Harris Farms, 2018)

Similarly, the Australian Network on Disability note:

‘One of the key selling points of DES to employers is the fact that the program offers unlimited support once a candidate is placed. This reduces employers’ concerns about hiring a person with disability. It is well documented that people with moderate intellectual disability require support for the length of their employment’ (AND, 2018)

Ongoing support is therefore an essential feature of the objective of providing employment services for persons with MID.

It is not possible to predict ongoing support requirements for any individual client

The support required by clients with MID varies over time due to factors including

- changes in work (including task and supervision changes),
- personal reasons (such as behaviour and work performance) and
- changes outside work (including advocate support and public transport changes).

These factors can come into play at any time during a particular client's employment tenure. It is important that the ongoing support provided is based on client and employer needs rather than a set schedule.

The evidence suggests that ongoing support requirements are highly variable

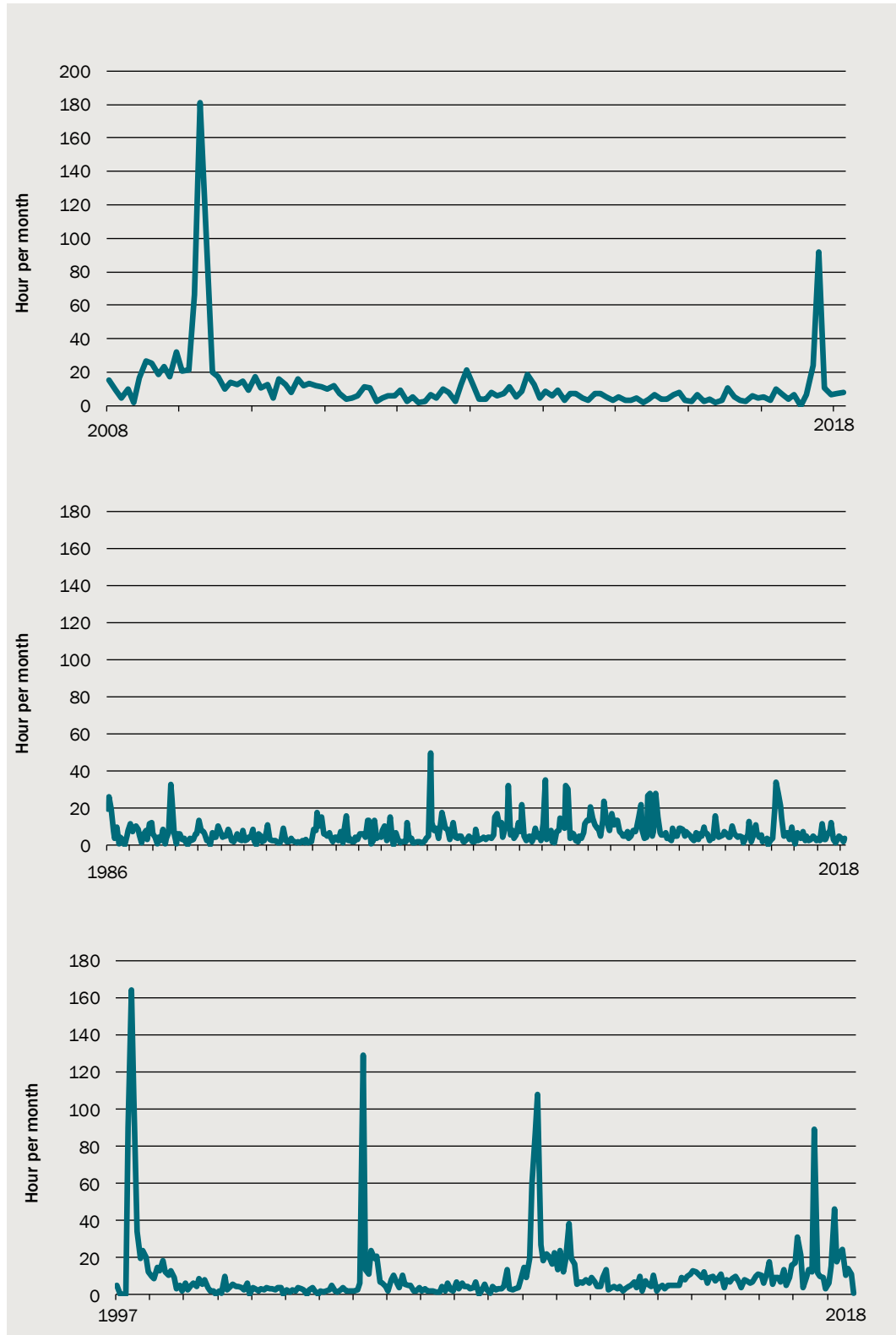
Chart 4.3 illustrates monthly ongoing support hours for three long term Jobsupport clients, used here as an illustration. The chart shows very different patterns of support, ranging from continual low-level support, to sudden and unpredictable periods of intense support.

Jobsupport's oldest client, Anna — who has been in the same job for over 30 years— is a good example of the changes that can occur over time. Both of her parents have died, her brother who advocated for her moved overseas, she moved into a group home that has had changing staff, her employer moved location and has changed hands twice and her co-workers, supervisors and duties have changed repeatedly over time.

It is worth noting that the high variability of ongoing support requirements is particularly acute under the current COVID-19 situation.

The clients stood down until the employer is ready to negotiate a return to work with Jobsupport are relatively low support. However, this changes when a return to work is being negotiated as well as for clients returning to work. For those clients able to return to work, it is usually the case that both the (physical) work environment and the nature of the job has changed substantially. New requirements for social distancing, hygiene arrangements in a workplace and changed tasks mean substantial return to work support is needed

4.1 Monthly ongoing support hours: three illustrative clients



Data source: Jobsupport

Assessing and funding ongoing support — ‘overs and unders’

A functional assessment termed the Disability Maintenance Instrument (DMI) was originally used to set ongoing support funding levels. The 2005 CBF DMI guidelines noted:

‘Funding does not have to be acquitted against individual job seekers/workers. The Service Provider can move funding between job seekers/workers to suit changing needs and to balance the ‘overs and unders’ that occur.’

This principle of ‘overs and unders’ is a fundamentally sensible response to the nature of ongoing support described above. Reallocating funding between clients as needed allows the provider to be responsive to client and employer needs while remaining within an overall funding envelope.

The DMI was replaced from 2010 by an Ongoing Support Assessment (OSA). An independent OSA assessor talks to the employer, the client, the advocate if applicable and the service and reviews paperwork including contact data. Factors such as anticipated changes can be considered, and each client’s funding can be adjusted up or down.

While the OSA assessor arrangement works well and is appropriate for clients where the need for ongoing support is not known in advance, for populations that can be reliably identified and who are known to always require ongoing support, consideration should be given to simply setting a funding level. Eliminating assessments where the answer is already known — which is the case for ongoing support clients with MID — is an opportunity to reduce costs.

OSAs set funding for each client for the next 12 – 18 months and can adjust the previous funding level both up and down. Within this period, it is highly likely that some clients will experience changes in the level of support required.

- Responsible services will vary their support to meet these changing client support needs.
- Changing client and employer needs inevitably mean that OSAs result in some clients being over funded relative to the contacts they require and some clients being under funded relative to the contacts they require.

Like the DMI it replaced the ongoing support levels set by OSAs only work because the funding provided to clients requiring less support than anticipated covers the costs of the clients requiring more support than anticipated (including more than the maximum available funding). ‘Overs and unders’ are a critical design feature of successful ongoing support.

Ongoing support audits

During the 2013-2018 Contract, a practice of ongoing support audits was introduced. This practice involved conducting ongoing support audits to recoup funding when a client had received less contacts than required by their funding level within a 3-month period between OSAs.

These ongoing support (OS) audits are one-way corrections that seek to recoup any *overfunding* for a particular client at a point in time while not accounting for any *underfunding* for any other client, or the same client at a different time. Taken in isolation OS audit recoups create the impression that services are not adhering to their contractual obligations when in reality they are responsibly attempting to meet changing client and employer needs.

This can be illustrated by looking at fourteen OS audits of Jobsupport conducted between April 2017 and July 2020. Outcomes are summarised in table 4.2. The OS audit were based on 'contacts' and 22 recoups occurred despite the number of contacts provided across clients in every audit sample *exceeding* the expected minimum. Across all fourteen samples 3 512 contacts were provided to 251 clients. The minimum requirement across the fourteen samples was 2 458. These recoups are clearly inconsistent with the concept of 'overs and unders' and do not fully recognise the nature of the need for ongoing support in the MID population.

4.2 Comparison of contacts made with number of contacts expected

Date	Contacts made	Expected minimum contacts	Ongoing support recoups
	<i>Number</i>	<i>Number</i>	<i>Number</i>
April 2017	194	156	3
July 2017	243	204	1
October 2017	158	120	0
January 2018	265	156	0
April 2018	273	198	3
July 2018	262	162	1
October 2018	332	240	0
January 2019	270	174	1
April 2019	216	162	1
July 2019	224	174	3
October 2019	267	186	4
January 2020	250	150	0
April 2020	253	180	a
July 2020	305	210	a
Total	3512	2472	22

^a Audit feedback not yet received

Source: Jobsupport

Even when the OS audits assess claims as valid the contract recording in the government data base is found to have an administrative deficiency because the contacts have not been scheduled in advance. Ongoing support for the MID population occurs on the job and staff move between clients, making phone calls and varying worksite visit schedules to respond to issues when they are contacted by a client or employer. Scheduling contacts in advance is impractical.

Ongoing support is low cost and saves money

Table 4.3 indicates costs associated with providing ongoing support in contrast with the opportunity cost incurred if the client were to lose their job.

4.3 The cost of ongoing support clients who lose jobs

	Average Jobsupport Sydney DES Ongoing Support Funding (February 2020)	DES Replacement Cost	Recurrent NDIS Cost with no open employment
	\$8,815	\$31,925*	N/A
Additional DSP		\$8,334**	\$8,334
Additional NDIS		\$16,994**	\$16,994

Note: * DES Replacement costs assumes 1.8 Service Fees and are based on the 2019 contract funding

** DES replacement clients will receive a higher DSP and possibly additional NDIS funding for the period they were unemployed

Source: Jobsupport, CIE estimates

From this data, it is very clear that ongoing support that maintains MID clients in ongoing employment itself generates savings.

People with an intellectual disability who lose their job have a very high alternate cost to that incurred when they are sustained in open employment. When an ongoing support client loses their job, DES achieves a small ongoing support funding reduction of \$8,815 however this is a false economy:

- The cost of replacing the client is \$31,925 and thereafter the ongoing support costs of \$8,815 are the same. Additional government expenditure of up to \$25,328 per annum in increased DSP and NDIS expenditure will also occur during any period of unemployment.
- If the client gives up on employment there is an increased recurrent DSP and NDIS cost (for alternate daytime activities) to government of \$25,328. (Note that all Jobsupport clients are eligible for the NDIS).

A counterproductive compliance framework

The current approach to OS audits appears to be a well-intentioned compliance framework that will unfortunately prove counterproductive.

- Because OS audits are a one-way correction that only adjust downwards ongoing support job retention rates will fall because without 'overs and unders' there is no way of supporting underfunded ongoing support clients

Case based funding was a deliberate to move towards outcome-based funding and away from input-based funding because it focused DES providers on achieving and maintaining employment. In contrast, process audits inappropriately focus service staff on a contact schedule rather than on meeting client and employer needs and finding and keeping jobs.

It is important that the recent audit office finding that less than 95 per cent of OS audits were assessed as valid is interpreted as requiring a review of the appropriateness of OS audits in their current form — rather than leading to increased and unnecessary compliance costs of audits.

While fraud audits are appropriate, OS audits should be focused on checking continued employment rather than on compliance with a process that if followed put client jobs and considerable government savings at risk.