25 February 2024

Submitted Online

SWINBURNE UNIVERSITY OF TECHNOLOGY

Feedback on DES Reform questions

The Centre for Social Impact at Swinburne University of Technology (CSI Swinburne) thanks the Department for the opportunity to make this response.

CSI Swinburne is a multi-disciplinary research centre established in 2014 and is a part of the national CSI Network. Our research strives toward positive social change through improving the systemic and organisational conditions that shape communities. CSI Swinburne has been undertaking a wide range of research into the inclusion of people with disability, and particularly in the area of employment.

Given the extremely short time frame for this feedback, we will provide comments in relation to the first question only. We are happy to provide further research or responses with sufficient timeframes.

FEEDBACK

The Disability Royal Commission and public consultation on DES reform recommended removal of the minimum 8 hour work capacity requirement.

- If eligibility was extended to include those with an assessed work capacity with support of less than 8 hours a week:
  - What would quality employment look like for this cohort?
  - What would be the key features of a service for this cohort?
  - What kind of expertise would be required in providers to deliver this service?
  - What type of employment incentives or support would be beneficial?
  - Is there the potential for unintended consequences that should be considered?

Currently the employment service systems is discriminatory, particularly against those with more substantial disabilities. Leaving aside the repeatedly noted inadequacies of the work capacity assessment, people who can work less than 8 hours a week should be entitled to a much wider range of employment supports and services than they currently are.

DES is currently the Commonwealth's main investment in disability employment. As this, it should be available to people with disability who need employment support, unless other equal or better services and supports are provided by the Commonwealth. At present, this cohort (able to work less than 8 hours) are largely serviced by ADEs and a host of short term, insecurely funded initiatives that are designed to meet the specific needs of this cohort. This situation is clearly discriminatory as they are locked out of (and arguably, into) services due to the nature of their disability.

There are currently a raft of poorly funded employment initiatives, as mentioned above, that service this group, in a very patchy and uncoordinated way. These initiatives are frequently funded by philanthropics and by short term Commonwealth grant programs (such as the DSS Information, Linkages and Capacity Building program). Despite these limitations, in the main, these initiatives have been designed to address the needs of this cohort. Service activities include:

- Building social capital to provide the foundation to levering employing
- Building personal skills necessary for work
- Building vocational skills
- Providing access to (paid and unpaid) work experience via a range of activities, job shadowing, work integration social enterprises/ADEs, internships, etc.
- Providing customised employment support (through the whole gamut of 'discovery', work exposure, job carving, task identification, job 'creation', training (in-situ and off site), workplace adjustments, building workplace support (informal – i.e. colleagues, and formal – via paid in situ support), post placement support
- Working with employers to support changes to recruitment practice, make workplace adjustments, train workplaces in inclusive communication or relevant adjustments, support employers to job carve and customise, provide ongoing support *over the medium to long term* to ensure the employer can appropriately respond to and mediate issues arising and is equipped with further skills and understanding etc.
- Working with other employment support organisations to piece together both the support and the funding needed to develop an effective employment pathway. This kind of inter-agency network is evidence-based and can include Local Learning and Employment Networks, RTOs and VET providers, schools, parent groups and family organisations, disability or cohort service providers (e.g. youth service/advocacy agencies), employer and industry bodies e.g. local Chamber of Commerce, DES etc.

Employment support activities are effective when they address the barriers to employment. A review of the international literature highlights that these can be thought of as:

Personal factors	e.g. age, gender, biopsychosocial health factors (including diagnosis, psychological dispositions such as motivation, recovery expectations, coping ability, beliefs about own ability to work, adjustment to injury), family and carer responsibilities, literacy and numeracy levels, socio-economic status, cultural factors, educational attainment
Service factors	e.g. timely access to quality health services, access to services and supports, timely and quality communication about services and entitlements, continuity of supports, design and culture of services/systems, administrative requirements, the work capacity certificate, engagement and coordination between stakeholders
Social factors	e.g. personal / family support, social networks

Vocational factors	e.g. appropriate skills, access to training, level of prior work experience, job search skills, pre-injury employment status
Job-related factors	e.g. type of occupation, availability of work customisation including modifications to tasks/duties, hours, duties and conditions, flexible working arrangements, range of suitable duties available
Workplace/ employer factors	e.g. employer size/industry, attitudes or employer (e.g. unconscious bias, perception of incapacity/ disability), employer track record, attitudes of colleagues, relationship with colleagues, skills/knowledge/resources of employer to support employment, inclusivity of workplace, availability of graduated RTW, availability of resources to support development of inclusive practice, relationship between worker and employer, organisational policies and procedures
Environmental factors	e.g. accessible infrastructure (transport) and communication, accessibility of the workplace
Societal factors	e.g. norms and attitudes, stigma, discrimination, cultural factors
Economic factors	e.g. market supply, financial incentives, labour market demand, income support policy and access

(Cameron et al., 2020; Immervoll et al., 2019; Collie et al., 2020; Crosbie et al., 2019; Iles et al., 2018; Sampson et al., 2016).

Over time, barriers can be identified and addressed through a range of strategies. Our Typology of Employment Support Interventions (https://apo.org.au/node/318002) highlights one way of thinking about these and has been designed based on international literature.

An important issue here is understanding the trajectory of 'outcome' with dimensions of attainment over time, and the capacity to move forward and back along a continuum or pathway of employment without this backwards movement being seen as 'negative' or a failure. People with very significant needs will need opportunity to try employment activities and identify what situations, work roles, hours etc. are suitable and preferable. **This challenges notions of a singular and stable outcome of job attainment and retention within the same work environment.** The current DES design is fundamentally antithetical to the intended outcomes for many people with disability, but particularly for those with significant disability (likely to be in the 0-7hour/week cohort) who have had few opportunities to experience employment and related vocational (and personal preparation), and who will face greater barriers to inclusion in the labour market and in individual workplaces (even once employed there). Our data has highlighted the common trajectory of people moving into open employment and back to ADEs, for example, as a result of exclusion and poor treatment in open employment settings. This movement across work settings and opportunities is common to many successful and evidence-based employment services for highly marginalised cohorts (for example in mental health:

Individual Placement and Support, where trying a job placement and moving out of it again is considered part of a normal pathway towards finding the right match). Additionally, people may seek to hold multiple positions e.g. one shift a week in an open employment setting and several days per week in an ADE or social enterprise. This is often because the ADE or social enterprise setting is meeting social and support needs not available in the mainstream workplace or offers more stable and ongoing employment than is available within the labour market for this person. This highlights that there should be no minimum requirement for hours of work per week, to enable a response that suits the individual's circumstances.

These features require a re-design of the service offering of DES to encompass a much wider array of activity over a longer time period and with a broader set of employment and work exposure options seen as valid activities in **economic participation**.

The notion of economic participation is an important one, as individuals hold different views and values about what constitutes meaningful 'work' and the trajectory to it. Consistent with the above discussion which highlights the importance of diverse pathways and dimensions of these, some individuals will seek volunteer or unpaid opportunities – noting that, for some, despite being unpaid, these activities may be the most highly valued and the most meaningful to them of their various economic participation activities. These activities can also contribute to a paid employment pathway. However, it is important to enable participants to maintain highly valued economic participation activities of varying kinds.

There is evidence that we do not have a suitably skilled workforce of employment support providers. This has been raised in multiple reviews and also in research conducted by us. There are models of employment support that can be used as a basis on which to skill a workforce (e.g. USA's supported employment, customised employment, etc). Some of these models have been used in Australia, mostly by disability employment support initiatives outside of DES, such as those funded by philanthropics and DSS (ILC grants). Additional to this disconnected workforce, some ADEs and disability-focused social enterprises have built workforces that are skilled in these strategies, especially workplace adjustment, customisation and inclusive organisational design. There is also a workforce in the injury and accident compensation sector in the form of vocational rehabilitation. Some organisations have built and delivered, or commissioned external, training for their workforce. There is currently no research available on the size or dimensions of this collective disability employment support provider workforce, outside of DES, however there is real potential to coordinate, invest in and build this workforce, especially given most employment in it is currently insecure (within short term grant programs).

It is unlikely that a competitive design to DES, that reinforces the ring-fencing of approaches rather than the sharing of evidence and information about 'what works', will work. The international literature across many types of employment intervention for people with disability reinforces the need for service and sector collaboration. One design feature of services for people with disability who are most marginalised from open employment would be incentives for collaboration across agencies and sectors. This is consistent with Royal Commission and NDIS Review recommendations that emphasise 'joining up' systems, complementarity of services and funding. This cohort needs to be able to use funding across services, and to access and blend

both multiple funding sources and services in order to address complex barriers to employment. Currently, there are complex guidelines that prevent engagement with multiple service types of government, and that narrowly stream participants (this is potentially an unintended consequence to be avoided). A further design feature will be the front-ending of payments to enable appropriate supports to be delivered when needed. Ideally, the system will allow and invest in a range of service types, including social enterprise and other models. A current, possibly unintended consequence, is that there is no incentive for different service types (social enterprises, ADEs or employment interventions) to generate job outcomes for this cohort, or to work with DES to do so, as DES is the only service type that is financially incentivised through outcomes payments. Additionally, this back-ending of the payment, over-emphasises job placement, and does not reward the activities to remove all related barriers to it.

Finally, the re-design of an employment service model to people with significant disability (whether assessed by work capacity or other criteria e.g. intellectual or cognitive disability) requires substantial work. Most importantly, it requires substantial input from this cohort, their families and supporters. In addition, we can learn from recent initiatives. Over the past three-four years there have been around 54 ILC economic participation projects, 22 Building Employer Confidence projects, a small number of Tourism Navigator projects, and a set of Payment By Outcome (3 – White Box) disability-related projects run by DSS. In addition, there are a small number of philanthropically funded disability employment projects (e.g. Ticket to Work; traineeship models in ADEs etc). While not all have dealt with this cohort, this is a viable number to better investigate 'what has worked' and the size and nature of the workforce. CSI Swinburne already has data on some of these.

Over the past two decades, the 0-7 hour work capacity cohort is one that has received very little attention from the Commonwealth in terms of the provision of employment services (other than via ADEs). It is important to suitably invest in an appropriate design for this service, building-in the necessary iterations to embed improvements. It should be noted that a previous employment service for this cohort (Disability Employment Network) was funded by the Commonwealth in the 1990s and much of the design thinking remains consistent with international evidence.

CONCLUSION

CSI Swinburne thanks the Department for the opportunity to provide this response. We have also attached here a copy of our submission to the NDIS Review given that much of our discussion focused on employment issues for this cohort. Unfortunately, employment did not receive substantial attention in this Review so you may be unaware of the evidence submitted on this topic.

We would welcome the opportunity to discuss the research raised in this submission further. In this regard, please do not hesitate to contact Professor Erin Wilson, ewilson@swin.edu.au

Yours sincerely

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21 August 2023

Co-Chairs
NDIS Review

Submitted Online

Dear Co-Chairs,

Submission to the NDIS Review, August 2023

The Centre for Social Impact at Swinburne University of Technology (CSI Swinburne) thanks the Co-chairs for the opportunity to make this response.

CSI Swinburne is a multi-disciplinary research centre established in 2014 and is a part of the national CSI Network. Our research strives toward positive social change through improving the systemic and organisational conditions that shape communities.

BACKGROUND

CSI Swinburne has been undertaking a wide range of research into the inclusion of people with disability, and particularly in the area of employment. In addition, we have undertaken work with the Department of Social Services to inform the Information, Linkages and Capacity Building (ILC) investment.

We draw on our learnings from this range of research in our comments to address the key challenges as outlined in the NDIS Review update: 'What we have heard. Moving from defining problems to designing solutions to build a better NDIS. June 2023'.

Contributions are drawn from the work of: Professor Erin Wilson, Dr Jenny Crosbie, Dr Perri Campbell, Dr Andrew Joyce, Dr Robert Campain, Dr Chris Brown, Dr Aurora Elmes, and Ms Gemma Dodevska.

SUMMARY OF KEY POINTS

Challenge: Why is the NDIS an oasis in the desert?

- There is an absent foundation of fully inclusive services and supports, for example in the area of school to work transition
- A siloed approach to service delivery/access across the ecosystem has cut off access to complementary supports
- It is critical that people are enabled to piece together a tapestry of necessary supports/services from diverse parts of the ecosystem

- There is a need to enable understandings of 'complementarity', i.e. able to use services from any part of the system simultaneously. Need to actively foster and aid this interaction, not set up roadblocks to it in policy, guidelines and practice/management culture.
- There is a need to make visible the specific activities of support within market providers and other supports so as to better support a complementarity approach and avoid duplication.
- ILC investment needs joined-up thinking related to clear targets of change.
- There is a need for mechanisms to learn from ILC activities – share learnings to aid replication and transform poorly functioning services.

Challenge: Why aren't NDIS markets working?

Context of transition from school to work for people with intellectual disability

- People with ID have a history of being relegated to non-worker status, and Commonwealth employment programs including DES, are not a main support provider to this group.
- There is a lack of available employment supports that are desired by young people with ID moving from school to work and a lack of long-term funding for these.
- There is neither an adequate market of evidence-based employment supports for this group, nor are mainstream institutions (such as TAFE, Universities) offering relevant or effective transition to employment programs for this group.
- NDIS needs to focus on building capacity of existing post school pathway providers (mainstream and market) to offer evidence-based and structured supports for transition from school to work – a strong evidence base is available.
- A much wider understanding of employment outcomes is needed as employment preferences are diverse (including mix of ADE and open employment, short weekly hours etc).
- Co-design the NDIS market with young people with ID and family members in order to align this with their aspirations and needs.
- Well set up and supported jobs can reduce the amount of paid support needed.
- Employers need shoulder-to-shoulder support from trusted advisers in order to create and maintain inclusive employment opportunities.
- Stepped and sequential supports are required over an extended period in order to gain and maintain employment for young people with ID. The NDIS needs to steward market development and mainstream change to provide this.

Context: Supporting people to move from ADE's to a community-based job

- Organisations that were formerly ADE's are a part of the employment support market, offering a wide range of supports to employees and employers and their potential in this space is not adequately supported by NDIS.
- ADEs are not adequately resourced to offer the range of employment supports across the employment pathway from ADE to open employment.
- NDIS funding is not flexible enough for utilisation by ADEs in the range of employment supports necessary (delineations between core and capacity building funding are creating barriers to supports offered).
- NDIS funding needs to enable complementary delivery of supports across providers, including ADEs, particularly allowing people to work in both ADEs and open employment simultaneously, with supports in both.
- Funding is needed to build ADE staff skills to transfer and use their skills to support pathways to open employment.

Challenge: NDIS Sustainability – measuring outcomes and performance

- A range of problems are well identified in the literature in relation to measuring outcomes of services for service users.
- The Community Services Outcomes Tree (CSOT) offers one method to address some of these, and offers a mechanism for self-report (of service users).
- The CSOT is designed to take a lean, minimum data set approach to data collection, noting the context of lack of capacity of services to manage data.
- Significant capacity limitations means that outcomes data is best collected at Scheme level.

CHALLENGE: WHY IS THE NDIS AN OASIS IN A DESERT?

Prof Bonyhady has outlined the absence of underpinning and widely available supports in his addresses on 22nd August 2023, provided on 'The future of the NDIS and where we are heading' page of the NDIS review. Frequently, people with disability remain locked out of key services or these 'mainstream' activities have not been designed in a way to be fully inclusive and relevant to diverse cohorts of people with disability. An example of this is the area of school to work transition, discussed in more detail in relation to the Market Challenge, later in this submission. For young people with significant disability, the NDIS has become an oasis in the desert because the typical post school pathways available to young people are rarely available to them. Preparation for adult life, including vocational training and university education are the primary pathway into secure, decent work for young Australians. Eligible young people are entitled to access post school education and training courses which are funded by various levels

of government as well as full fee-paying courses. However, on the whole, these institutions are not available to young people with significant disability and do not provide the type of evidence informed post school education and training that young people with significant disability require. As discussed later in this submission, these systems can be reformed by application of evidence-based approaches to re-design them to be fully inclusive.

In addition to this absent foundation of fully inclusive supports and services, there are several other issues that impact on the effective functioning of the whole ecosystem (or the three tiers of the NDIS). This is a complex area with many parts.

The concept of ecosystem

The concept of an 'ecosystem', while widely used in academic and research thinking, has not been embedded in the way in which government approaches procurement and oversight of supports and services. The ecosystem concept (Bronfenbrenner) essentially focuses attention on the layers and segments of social actors and social structures that together influence human development. These layers are permeable (not defined by hard boundaries) and work in concert. These understandings are important as, to date, the thinking of government and the NDIA has been to draw sharp boundaries between layers, or sectors and jurisdictions, and to keep them separate. In the early years of the NDIS, there was much attention on how to manage 'interface' challenges so as to avoid duplication, 'double-dipping' of funding, and ensure clear lines of responsibility for each jurisdiction. This kind of thinking is wrong and has fundamentally functioned to silo NDIS participants, as well as those people with disability accessing other forms of government-funded supports. This is largely a mechanism of costs allocation and control. Individuals themselves do not experience the world like this. They are simultaneously an NDIS participant, potentially a DES participant, a resident in a community in a jurisdiction (State/Territory and LGA) who is entitled to all the services and supports available through these systems linking to their multiple identities (single parent, person from CALD background, person with disability, etc). If they are seeking support for employment, they should be able to utilise employment supports available through local Not For Profits and Social Enterprises, Schools/TAFE's/Universities, State/Territory governments (e.g., jobs or industry-focused programs), Commonwealth government (e.g., DES, Transition to Work), private providers (such as Careers Counsellors) and employment supports funded by their NDIS package. Being able to access all these ultimately reduces costs to the NDIS. **What is needed is new thinking around 'complementarity'.**

The basis of the NDIS is the provision of reasonable and necessary supports to enable people with disability to participate in the economic and social life of the community in which they live. The types of supports people require to achieve that outcome vary widely. There is no evidence that people with disability are seeking to have their identified needs met twice (i.e. duplication). Instead, they are required to piece together services and supports from different allocations of funding, often with different focuses, so as to achieve full support or full coverage of their needs. If a person is receiving adequate support with personal care, they do not want to access that same support over again from a different system – that support would be redundant. Our

experience in interviewing countless service recipients is that they fundamentally don't want any more than necessary contact with services – they want their needs met, not a doubling up of service provision. Notions of 'duplication' are more a concept of funding managers than they are of service recipients. A good example is the complementarity of employment supports for people with disability. Leaving aside the different (and often unfair) entitlements to support built into the system, our research (Wilson et al., 2021, see Appendix 5, pp.69ff) has shown that services such as DES and other Active Labour Market Programs, vocational rehabilitation in the compensable sector, and ILC-funded economic participation projects are largely focusing on responding to a different set of barriers to employment and associated supports. When allowed to work collaboratively, these become 'complementary'. That is, each part of the system makes a contribution to the overall outcome the person is seeking, and by working together, there are synergies, cost savings and transference of skills. However, to date, there are both structural barriers to working collaboratively, as well as cultural and practice barriers that have been embedded over time. Changing this requires a shift in understanding about the ecosystem: we need to understand that it only functions when there is interaction and overlap across systems and actors/services within the ecosystem. Unlocking this shift will need a review of 'interface' guidelines in the NDIS.

Building collaborative systems requires better articulation of the supports and services available to people with disability in different parts of the ecosystem, that on face value may appear to be 'duplications', in order to understand their differences and how they can be combined in complementary ways. This process needs to become easy – via enabling any part of the system to reach out and 'reel in' the complementary supports from other parts of the system. At present, each is working in firmly bounded silos. This requires significant system understanding and navigation skills, as well as jurisdictional 'permissioning' and organisational willingness to work in collaboration. Approaches, such as Ticket to Work – a place-based cross-agency response to school to work transition for young people with disability, have shown that 'system navigators' can work across systems to support individuals to navigate across complex systems and can support the actors within those systems to better collaborate. While these targeted approaches to connecting across systems are effective, stronger policy settings need to enable complementary thinking and service provision.

The NDIS has a strong role to play here, especially at the coalface of planning and funds allocation and review. As discussed elsewhere in the CSI response, one example is that people with disability working within an ADE who are being supported to plan, build capacity and transition to open employment, have had their NDIS funding for these activities cut once they register for DES support, despite the fact that the DES is not providing these activities and they are still necessary. NDIS planners need to understand the 'complementarity' of activity. This might be aided by a better explanation of the details of support 'activities'.

In the employment context, to support a better articulation of employment support activities, CSI has built a Typology of Employment Supports (Wilson et al. 2022). This typology aims to identify and articulate employment support activities so that participants and funders can clearly see what activities of support in relation to employment are being provided and where. At this level of more granular detail, the complementarity of supports is apparent. Further work could be

done to enhance this Typology and replicate this approach in other service areas. Making visible the activities of support makes the pieces of the service/support puzzle transparent and thereby aids the connecting of complementary pieces.

A remaining problem for a complementarity approach is in ensuring that each provider, jurisdiction or system level fully meets its obligations and does not quietly hand-off these to others. Professor Bonyhady has alluded to this in his speeches. In the above example, it is possible that the DES provider will receive a results/outcomes payment for an eventual job placement, although the ADE has done most of the work to prepare the person for employment. In addition, the DES may not have provided the required level of pre and post placement support expected, for example because they lack skills in supporting people with intellectual disability, leaving it to the ADE. These are real dilemmas that already exist in a siloed system. It is likely that where there is an overt complementarity approach, this will add a layer of scrutiny to all providers involved, as each will have greater visibility of what the other is providing. This could be aided by 'complementarity agreements' where each provider more clearly articulates their role (in the employment space by using the Typology mentioned), which adds clarity for participants also. Possibly, 'complementarity agreements' could be become a metric to be monitored and provide useful data. Through such a mechanism, there would be better data available to government about what is being procured and which part of the system is best placed to deliver the particular support type to particular cohorts.

At its heart, a complementarity approach enables use of services from anywhere in the ecosystem simultaneously. This is not duplication, this is complementarity. In many instances, participants and those outside of the Scheme, can only get their needs fully met and attain their goals through this kind of bricolage. There is a need to get the guidelines and boundaries out of their way so they can get on it with it, fund the collaborative piece, and skill key staff working with people with disability across the ecosystem, as well as families/carers, to have better ecosystem knowledge.

Reconfigure investment in the ILC

Another mechanism to achieve a 'joined up' system is to reconfigure the investment in the ILC. In 2021 CSI released the report into the ILC investment (Wilson… Kamstra et al. 2021). The ILC investment, though relatively small (approx. $132M p.a.), carries a wide remit and high expectations to foster inclusive reform and activities across the ecosystem. Via interviews and surveys, the sector consistently expressed that the ILC investment must be more strategic and 'joined up', not only with other strategies and investments, but also internally so that activities and learnings within the ILC can be shared, connected and replicated. A series of short-term grants rounds is not the best mechanism to achieve strategic investment. Instead its results are considered 'scatter-gun'.

Despite this very significant critique of the ILC by the sector, it remains one of the only funding sources for the activities it funds and a key funding source for the representative organisations of the sector. These organisations (i.e., peer led organisations) and their activities are considered key in leading innovation and being a non-market voice and source of information

and capacity building necessary to balance the dominance of the market in the NDIS. The precarity of this sector, of this important function and its other activities, is a key concern. Through its grants, the ILC has funded a wide range of activities that address gaps in the NDIS market, particularly in the areas of peer support, social connection and employment.

A further important area of the ILC, as identified by the disability sector in CSI consultations, is its investment in structural and ecosystem change. There appears to be no other investment that is driving inclusive reform into the ecosystem – however, to date, these activities are hampered by issues of 'interface', with reluctance to fund inclusive reform that should be the responsibility of each jurisdiction and each system part. For example, investing in 'mainstream capacity building', despite being an ILC grants stream, has been hampered by issues of jurisdictional and sector responsibility. However, it is evident that without this kind of catalytic investment, and particularly an investment that has such strong disability sector leadership, little change will occur.

With such a small amount of investment, the ILC needs further strategy for investment. 'Joined up' thinking needs to inform the target and logic of change – what is the problem, who is best placed to action reform or deliver activities, what partners need to be included, how do we learn from this activity/reform, how do we share the learning, what is the strategy for iterative design, replication and scale? There needs to be a clear relationship between innovations developed and tested via the ILC, and ongoing investment (by jurisdictions, the Commonwealth or other funders) – including using learnings to reform similarly focused but inadequately performing services and activities (e.g., DES or other Active Labour Market Programs).

An example of this type of strategic approach, can be seen in the Think College initiative, discussed below in the Market Challenge section of this submission. Taking a long term and strategic view about how inclusion in community life is built, has resulted in an initiative that can build capacity and change attitudes at various levels of the ecosystem. In the Think College example, millions of young people attend college in the United States alongside people with intellectual disability. Doing so helps to build their understanding of disability and of the importance of inclusion in mainstream community life. As the employers of the future, this is very powerful messaging. In addition, directly supporting young people, families, schools and colleges simultaneously with very direct and targeted funding and assistance, ensures that the outcome of improving access to college for this cohort is more likely to eventuate at both the individual and the cohort level. This change, as with others in the US, is supported by the investment in Technical Assistance Centres to build the capacity of a broad range of institutions to become more inclusive of people with disability. They do this in three key ways:

1. Undertake research to build the evidence base about 'what works'
2. Collate the evidence and translate it into good practice
3. Disseminate good practice widely, in particular within organisations that have not been inclusive of people with disability.

This type of very targeted funding is needed to address barriers that are particularly present in the distant parts of the ecosystem that people with disability are not currently accessing, but

should be. This kind of example emphasises strategic investment in a well understood problem by intervening across the parts of the ecosystem and supporting its parts to reform. This should be an investment priority of government, possibly via the ILC.

CHALLENGE: WHY AREN'T NDIS MARKETS WORKING?

In this section, we focus on the 'market' of employment supports and provide detailed commentary on two segments of this:

1. School to work transition for young people with significant disability, including people with intellectual disability
2. The provision of employment supports by ADEs to open employment.

Our commentary draws on research we have conducted in these areas.

School to work transition as a market segment

This section of the submission draws from the PhD thesis of Dr Jennifer Crosbie (2022) titled 'Creating a path from school to work: Reconceptualising economic participation for young Australians with intellectual disability'. The data was drawn from interviews with young people with intellectual disability, family members of young people with intellectual disability and key informants who work in roles that seek to develop employment opportunities for people with intellectual disability.

This section will focus on how a more responsive and supportive market and workforce, delivering evidence informed supports, can be developed to support young people with significant disability to move from school to work in the community-based labour market.

The term 'Person with significant disability' is used throughout this submission to describe people who have a moderate to severe intellectual or developmental disability.

Background

There are over half a million Australians with intellectual disability, and a majority (61%) have a severe or profound limitation in 'core' activities of daily living (AIHW, 2008). Most live at home with family, with a smaller number living in supported accommodation (AIHW, 2008).

People with intellectual disability commonly require significant support in areas such as cognitive or emotional tasks, self-care, communication, meal preparation and transport. According to the AIHW (2008):

> *People with intellectual disability encounter special challenges that are different from people with other types of disabilities in a number of important aspects. For example, they have difficulty learning and applying knowledge and in decision making. They may have difficulty identifying and choosing options at key life transition points. They often have difficulty adjusting to changed circumstances*

and unfamiliar environments and therefore need high support during times of change (Western Australia Ministerial Advisory Council on Disability 2006). Two important life transition points are from home to school and from school to adult life—work, post-school study and participation in meaningful activities'.

Intellectual disability is a condition on 'List A: Conditions that are likely to meet the disability requirements' within the NDIS. In 2022, 85% of applicants with intellectual disability were accepted on to the scheme. A diagnosed IQ below 70 also results in a manifest eligibility for the Disability Support Pension, meaning that there is no requirement to seek employment across the lifespan. The majority of young people with intellectual disability attend a special school for some or all of their schooling and most are eligible for School Leaver Employment Supports (SLES) funding as they prepare to leave school. Traditionally people with intellectual disability have transitioned from school to disability services, such as Australian Disability Enterprises (ADEs) or Day Services.

People with intellectual disability are a major group of users of disability support services in Australia (AIHW, 2008). 16% or 86,120 active participants in the NDIS have a primary disability of an intellectual disability, making it the second most common disability for NDIS participants. Over 2 billion dollars was paid in supports in 2022, at an average cost of $89,100 per participant (NDIA, 2022). Therefore, in any reform of the NDIS, people with intellectual disability must receive adequate attention to both increase their economic and social participation outcomes and drive down NDIS costs.

Employment and intellectual disability

People with intellectual disability continue to be underrepresented in employment, and the trajectory has not shifted for over 20 years. Their employment rate is 32% overall, however the data indicates that people with a severe or profound core limitation have an employment rate of 27.2% (ABS, 2020). Only 29% of people with intellectual disability aged over 25 who are NDIS participants are in paid employment. Of these, more than 77% work in an Australian Disability Enterprise (ADE), usually for below award wages. Importantly, many people with intellectual disability, especially those granted the Disability Support Pension manifestly, are not counted in labour market statistics, and are instead in non-work activities, such as day centres.

Employment and the NDIS

The Disability Employment Services (DES) system is the primary government mechanism to support people with disability who are seeking employment in the mainstream labour market. Employment supports were largely left out of the NDIS as it was anticipated that DES would provide adequate supports to scheme participants with disability who were seeking employment. This PhD study identified that the DES model in its current form largely does not provide the types of, and volume of supports required to transition people with significant intellectual disability into mainstream employment. Employment rates have not increased and only 4% of the DES caseload is people with intellectual disability (DSS, 2023).

When the NDIS commenced, there was a focus on transitioning new scheme participants employed within an ADE onto the scheme. Following several iterations of the NDIS pricing arrangements and price limits guide, the following is included in the 2023/2024 guide:

> *While some participants, with supports offered through DES or employer reasonable adjustment, will successfully maintain work, others will need higher intensity, often daily, support delivered in the workplace to maintain employment. These supports have typically been available in an Australian Disability Enterprise. They can also be used in a range of employment settings including: private, government or not for profit organisations; a social enterprise or similar environment; self-employment or a micro-business; or a family run business.*

Further, the guide provides details about what can be provided under the 'Specialised Supported Employment' category.

> *These support items are for participants who are employed and who are less independent in performing their work tasks or need frequent prompting and coaching to stay on track, communicate with others, or manage their behaviours.*
>
> *Supports may be provided one to one or within a group-based setting, complementing existing or expected employer supports, and claimed according to the intensity and frequency of supports delivered to achieve employment goals. Supports can include:*
>
> - *on the job assessments related to the impact of a person's disability on their ability to work;*
> - *job customisation;*
> - *on-the-job training and intermittent support with daily work tasks;*
> - *direct supervision and/or group-based support to enable meaningful participation at work;*
> - *physical assistance and personal care delivered in the workplace;*
> - *supports to manage disability-related behaviour or complex needs at work; and*
> - *non face-to-face activities that are directly related to supporting a participant's employment.*

Evidence suggests that these supports are primarily provided to people working within an ADE, despite the guidelines stating that they can be used in any setting.

In addition, School Leaver Employment Supports (SLES) were added in 2017. In May 2023 it was announced that SLES would be renamed Youth Employment Supports.

What are the Barriers to employment for this cohort?

Chapter 7 of the thesis contains a comprehensive analysis of the barriers to employment for this cohort as described by young people with intellectual disability, family members of young people with intellectual disability and key informants. The barriers are summarised below, grouped using an ecosystem framework:

<table>
<tr><th colspan="5">BARRIERS</th></tr>
<tr><th>Individual</th><th>Interpersonal</th><th>Organisational</th><th>Community</th><th>Sociopolitical</th></tr>
<tr><td rowspan="4">Intellectual disability results in embodied difference</td><td rowspan="4">Conflicted attitudes of social network members</td><td>Deficit culture of schools and service providers</td><td>Young people are conceptualised as non-workers</td><td rowspan="4">Misalignment between policy and practice settings</td></tr>
<tr><td>Organisational culture of working in silos</td><td rowspan="3">Unavailability of appropriate opportunities and supports</td></tr>
<tr><td>Families forced to fill the void as system navigators</td></tr>
<tr><td>Lack of coordinated long-term planning</td></tr>
</table>

The data demonstrates that for this cohort particularly, highly specialised employment supports are required, delivered by a well-trained and resourced workforce. In addition, the use of evidence informed practice increases the likelihood that an employment outcome will result.

Why aren't NDIS markets working for this cohort in relation to post school employment?

In relation to post school employment supports for young people with intellectual disability, the data revealed that a quasi-market exists, because families must choose 'something' from the limited range of options available to them. Family members reported the need for a structured program in the period immediately post school to assist with what are referred to as 'family adjustment issues', when the period of formal schooling ends. For example, commonly young people with intellectual disability cannot travel or move around the community independently and require a supervised environment. Therefore, families are seeking a structured offering, which enables them to continue to work and undertake other commitments, and enables the young person to have opportunities to develop new skills and readiness for adult life.

Family members reported attending an expo to learn about the services available post school. Despite being called an 'employment expo', there was primarily disability services in attendance. From the providers on offer they chose the most suitable based on location, transport, program hours and how closely the organisation's program offering aligned with their goal of paid community-based employment. For most, the supports they thought would help the young person reach their goal, such as job broker, were unavailable.

A second problem that emerged during the transition period was obtaining long term funding from NDIS for employment related supports. School Leaver Employment Supports (SLES) were highly valued by families in the first two years post school. However, families recognised that the transition period would be an extended one for their young person, which aligns with modern societal expectations that young people have a life course period between adolescence and adulthood which is referred to as 'emerging adulthood'. Post SLES, accessing funding from NDIS for employment supports became complex, which contrasted with the ease by which funding for day service type activities and employment within an Australian Disability Enterprise (ADE) could be obtained. This directly impacted on decision making.

While the immediate period post school was considered valuable in terms of the young person learning important work and life skills, families reported that as the 2-year period drew to a close, the hoped for employment outcomes usually did not eventuate. Families reported the need for more focus on identifying suitable employers who would be willing to offer the young person a first job that was customised to their specific strengths. Families who had experience of the Disability Employment Services (DES) system reported a poor experience delivered by providers that had little understanding or experience of working with people with intellectual disability. Over time, disability providers offered an increasing range of non- employment related activities, such as independent living skills and recreation activities. The result was that many families 'gave up' on their goal of employment in a community-based setting, instead reverting back to the legacy disability services, such as day centres and ADEs that they were hoping to avoid.

One of the factors that has led to poor employment outcomes for this cohort is that the NDIS has not paid enough attention to supporting disability organisations, which have traditionally been the primary destination of people with intellectual disability post school, to modernise and upskill so that they can provide the supports that young people with intellectual disability and their families are seeking to purchase in contemporary Australia. The highly individualised nature of the funding system and the fact that many not-for-profit organisations came into the NDIS with low financial reserves, has resulted in little innovation from the disability services sector itself. Rather, group-based services provided within segregated disability settings have continued to be offered. For the families and young people, there is a well laid out path to non-work and segregated settings, one that is supported by easy access to funding, transport services and secure and structured hours.

In addition, few new supports have emerged in the marketplace, and those that have are not required to be aligned to the evidence about what works to support young people with intellectual disability to gain and maintain employment in the community-based labour market.

This is supported by data from the NDIA which shows that very few young people obtain employment through involvement in a SLES program. The institutions other young people rely upon, such as TAFE and university, are largely unavailable to this cohort, or provide services that in the main are ineffective in supporting the transition to employment.

What needs to be done to ensure NDIS markets serve the interests of young people with intellectual disability, rather than the other way round?

Firstly, the NDIA must be clear about the interests of young people with intellectual disability they are seeking to serve, in relation to post school activities for young people with intellectual disability. Rather than needing to carve out a new individualised pathway for their young person, family members' thinking is aligned with typical or normative post school pathways, such as structured education and training opportunities, and employment programs. While highly individualised supports have worked well in other life aspects, even the most competent and capable family members in the PhD study were struggling to navigate the post school service system, due to the lack of structure. Instead, NDIS funding should be focused on building the capacity of existing post school pathways to support the employment aspirations of young people with intellectual disability. TAFE colleges, for example, are well placed to improve their offering to this cohort, drawing from a range of funding sources including state and territory-based training schemes, DES and NDIS.

Co-design of NDIS markets with people with intellectual disability and their families is another mechanism that would help to ensure the interests of young people with intellectual disability are met. Rather than making assumptions about the goals and aspirations of young people with intellectual disability, co-design processes would enable the NDIA to have a better understanding of the goals and aspirations of young people with intellectual disability and their families, and then steward the market in a way that supports those aspirations. For example, families in this study reported wanting a mix of activities for their young person that were centred around paid employment in the community. Other activities could include a mix of recreation based and skill building activities that required funded supports and some that could be provided using natural supports. Employment outcomes though are strongly aligned with social inclusion goals and with the undertaking of a typical and valued role within the community – that of a worker. Therefore, employment can be many different things to different people. For some, 10-12 hours per week of paid work, supported by a mix of other activities was their goal.

Families also recognised that transition from school for young people with intellectual disability is a complex time, and a period of adjustment was required for both the young person and family. There is a need to learn new skills and establish new routines. Rather than a rush into employment, young people and families are seeking opportunities that enable exploration of the world, identity development and learning of new skills in readiness for adult life. Basing services and supports on these outcomes aligns far more strongly with what contemporary young people and families are saying they want as they leave school and move into the adult world.

Reducing the amount of individualised funding available and offering structured supports within high quality personalised programs may serve the interests of people with intellectual disability

more effectively. The complexity of the NDIS planning process and individualised funding can be overly burdensome on people with intellectual disability and their families. One way to ensure that NDIS markets serve the interests of people with disability in the post school environment is by providing seamless pathways from school to the evidence informed programs and supports which prepare young people with disability for adult life and for employment.

A review of the Australian and international literature conducted for the thesis found evidence of the effectiveness of the following:

1. Structured supported employment programs that create paid employment opportunities in community-based settings and provide long term and ongoing support to maintain them. Customised employment is one strategy used to obtain employment outcomes for this cohort. In the initial post school period, a small part time job of approximately 4-6 hours per week can provide the early work experience required.
2. Structured post school education and training programs. Evidence from overseas suggests that colleges, TAFE and University, are an excellent mechanism for building the inclusion of people with significant disability in community life. They offer a range of courses as well as co-curricular activities and supports. In the United States, two-year college programs have become widely available to people with intellectual disability through an initiative called 'Think College', a university based technical assistance centre. These programs, that are integrated or semi-integrated and have a strong focus on preparation for employment and placement into employment, have achieved outcomes for people with intellectual disability. 'Think College' has increased the enrolment of people with intellectual disability into colleges, has supported colleges to be more inclusive and welcoming of students with intellectual disability, and has resulted in higher rates of employment outcomes for the young people who attend college programs. Think College has three key aims:

    1) Normalise college as a pathway post school for people with intellectual disability
    2) Provide support and information to people with intellectual disability to understand their college options and make choices
    3) Support the capacity building of colleges to include people with intellectual disability in the life of their campuses.

    College programs for young people with intellectual disability often start in the last year of high school using a hybrid approach, where they attend school for part of the week and college for the remainder. Post school, students participate in a fully integrated, semi-integrated or segregated program on a college campus. They are supported to engage in a broad range of activities that make up 'college life'. In the final year of the program, the focus turns to employment placement. Colleges utilise a mix of models to deliver employment outcomes including customised employment, paid internships (such as Project Search, below) and linking students to vocational services.

    The Think College technical assistance centre has a clear mandate to increase college attendance for students with intellectual disability. It has secure long-term funding and there is funding available for demonstration and pilot projects which are used to test and progress

the work. Over time Think College has become the place that young people with intellectual disability, families, school staff and others go for information about college attendance. Critically it has also become the place to go for colleges that want to become more inclusive for students with intellectual disability, where they can access resources, training, support and guidance to build inclusive programs within their college.

3. Structured internship programs, such as those offered by Project Search, where a young person with intellectual disability learns work skills 'on the job'. A number of Australian initiatives have replicated this approach with good success.

Currently there is not enough emphasis on outcomes in the post school market. It could be argued that disability providers are in fact incentivised to hold on to people with significant disability, rather than support them to be in a community-based supported job, which reduces their reliance on paid supports. Well set up and supported employment in the community has been shown to reduce the need for paid supports. A recent example of a well-structured supported role for a young man with Down syndrome has resulted in him only requiring one hour of paid support per week across a 15-hour job, instead of 15 hours that would be required if he was attending a day centre. These types of savings can be realised across the cohort by focusing attention on the need to build the capacity of communities to be inclusive of people with intellectual disabilities, instead of keeping people occupied with activities, such as shopping, which are not meaningful and are expensive to deliver.

Offering high quality providers, who are willing to use evidence informed practice, a mix of block grant and individualised funding may support both the upskilling of staff and the uptake of evidence informed practice at the service delivery level. Rather than increasing costs, this type of approach may reduce overall costs to the NDIS, due to increased efficiency and effectiveness of the supports delivered. Outcome measures attached to the block grant funding, and market forces driving the use of individualised funding, have the potential to create a market of highly skilled and focused providers who can support the achievement of the outcomes young people with intellectual disability and their families are seeking. Outcome measures need to focus on the pathway markers to and in maintaining a 'quality' job that meets the needs and preferences of the person.

The families in this study recognised that community attitudes towards people with intellectual disability were a significant barrier to their inclusion in the community-based labour market. However, the work of building the capacity of the community to include their individual young person with significant intellectual disability is not directly funded within NDIS. This reduces the likelihood that service providers will orient their services towards this type of support. Rather than solely focussing on providing support to the person with disability, a broader focus on community inclusion would likely reduce reliance on supports from disability providers and empower families to seek out opportunities and supports within the communities they live. In relation to employment, there is increasing evidence that businesses and organisations require long term, shoulder to shoulder support from a trusted adviser to create inclusive employment opportunities for people with intellectual disability. The NDIA must give consideration to funding this type of support for individuals as well as at the community or place-based level.

Shepherding the employment services market for people with intellectual disability

Given the lack of progress in employment outcomes for this cohort, it is imperative that the NDIA shepherd the broad 'post school' marketplace for young people with significant disability, including intellectual disability, to ensure that there are providers offering the employment supports and community inclusion supports young people and their families are seeking. A number of suggested strategies are outlined above.

ADEs and day centres are well placed to modernise their service offering to better align it with the supports that young people with intellectual disability and families are seeking, especially as they relate to employment. They have staff who are trained and experienced in supporting people with intellectual disability, they are widely available across metropolitan and rural Australia, and they have significant infrastructure such as buildings, vehicles and equipment. They are also spaces in which significant numbers of NDIS participants spend significant amounts of time, and they are a relatively costly support. There is therefore a need to actively 'de-segregate' their offerings.

For example, existing disability day services could be supported to transition to become community-based hubs. Rather than segregated activities in segregated spaces, they could become places from which people with intellectual disability undertake a range of activities in the community, either individually or in small groups. Likewise, a hub could support employment goals by offering workplace-based supports, transport to and from the workplace and by offering access to a range of non-work activities in the community that help prepare people for employment. This offers young people and their families the structure and support they need, while orienting the delivery of supports towards community based and employment activities. TAFE providers may be suitable hosts for community-based hubs for example.

It is important to note that government has previously built a national market of disability employment services for people with significant disability which resulted in the employment of thousands of people with intellectual disability in 'open employment'. In the 1990s, the Federal government utilised a targeted procurement strategy to ensure that employment services were available widely across Australia. After piloting an approach to support people with disability to move from sheltered to open employment, the Department of Families and Community Services (FaCS), procured disability employment services from not-for-profit agencies across Australia. At its peak the 'Disability Employment Network' had over 300 outlets across Australia, primarily supporting people with significant and lifelong disability. The funding available and the procurement strategy used resulted in employment service providers that were embedded in their local communities and were collaborative in nature. For example, employment services worked closely with local schools to support work experience opportunities and with TAFE providers to ensure that students were supported to undertake work placements and to be supported to gain employment once a course was completed.

However, incremental shifts in policy and operational guidelines have resulted in a Disability Employment Services system that operates very differently and is on the whole unable to meet the needs of people with significant and lifelong disability.

Where will markets not work?

It is increasingly apparent that the delivery of transition supports and post school supports requires more than a 'market response', The literature outlines how complex the transition from school is for families of young people with intellectual disability as they face what they describe as a 'cliff'. They therefore require stepped and sequential supports over an extended period of time, both for themselves and their young person. This type of approach is not well supported by a market-based system, unless more is done to reform market approaches around transparency and complementarity as described above coupled with reform of mainstream services.

Supporting people to move from an ADE to a community-based job.

In the next section of the submission, we will draw from what has been learnt in delivering the DSS funded ILC project 'ADEs as a pathway to open employment', to highlight the way existing NDIS market mechanisms create barriers to employment outcomes for scheme participants in ADEs.

To investigate the role of ADEs and the organisational elements and activities that support their effective readying and transitioning of people with disability in open employment, CSI is conducting research with four ADE partners to develop Employment Pathways for people with a disability. The Research Partnership collaboration includes: genU, Ability Works, The Disability Trust and Windarring. The research project aims to understand how pathways from ADEs to employment in the open labour market can be funded using the NDIS plan and other funding mechanisms, and where there are support and resourcing gaps. The research is utilising an organisational design approach – the Work Integration Social Enterprise (WISE) model, to identify strategies to improve opportunities for people who are employed within an ADE to move into employment within the open labour market (Campbell et al., 2021). Each ADE has different approaches, for example The Disability Trust have developed a unique employment pathway which they are tracking against NDIS funding.

The introduction of the NDIS has resulted in the cessation of the Commonwealth funded ADE program. Instead, eligible people with disability who are NDIS scheme participants have been able to use their 'supports in employment' funding across a range of settings, rather than just within an ADE. This change has resulted in ADEs recognising the need to modernise their offering, with over 100 now accredited as social enterprises.

ADEs offer a wide range of employment supports, including highly customised employment and training opportunities in diverse industries and roles, some that are ADE-site based, and others that are community-facing or industry-integrated (for example, work crews in labour hire arrangements in industry). Some ADEs are now seeking to play a role in transitioning people with disability from supported employment into employment within the open labour market, and are offering supports to both employees and employers. In this broad context, ADEs are part of the NDIS employment support market delivering a wide range of employment and training supports

and opportunities. Yet, this research has uncovered challenges for ADEs when trying to support people into employment in the open labour market.

What is getting in the way of employment pathways?

ADEs have traditionally been a provider of supported employment, that is people with disability have been employed directly by an ADE. They have not been focused on training and development of their workforce in order to transition to employment in the open labour market. Therefore, funding arrangements have not been focused on transition type supports for this cohort.

Changing community expectations and aspirations have meant that ADEs are recognising their potential role in providing training and skills development for their supported employees, as well as being engaged in school to work transition activities. However, the NDIS funding mechanisms they are working within are not always flexible enough to deliver the supports people need to move from a segregated supported environment into a job in the open labour market.

A case study from one ADE provides a grounded example of ADE activity to prepare, transition and support someone into open employment:

> Case Study: Connor
>
> Connor is 38. He started working in an ADE following a one-year post-school program. Connor commenced at the ADE in the land care department. Through on the job training Connor developed skills for the land care role, including gaining certificates in handling dangerous chemicals, occupational health and safety, operating a ride-on mower, safely using a whipper snipper, and maintenance of equipment. Connor worked at the ADE for 18 years. When the NDIS commenced, Connor identified employment goals in his NDIS plan. Connor was then transitioned into open employment. This pathway was established by the ADE via a relationship they had with the employer, who was keen to create an inclusive workplace by ensuring their workforce is diverse and supports people with a disability. In addition, many of their staff have experience supporting people with disability. Connor is now earning a full wage in a job he loves. However, his NDIS plan is holding him back: he needs additional funding to cover travel costs to and from his new workplace during winter darkness periods; and he no longer has funded 'employment support' from the ADE because he is working in open employment. Connor's former ADE support worker is still providing him with unpaid/unfunded support and checks in on Connor to track his progress. The support worker has noted that Connor's verbal skills, especially on the phone, have deteriorated somewhat since commencing in open employment. However, there are no current supports to address this, nor anyone funded to identify ongoing support needs. Previously the ADE also provided some informal support coordination assistance. Connor now does not have this support because he is no longer a formal client of the disability organisation.

The key issues facing people with a disability who work in ADEs who wish to transition to a job in the open labour market are as follows.

Inadequate funding for training/certification:

ADEs face the challenge of inadequate funding to offer training and skills development to workers with significant disability and higher support needs. In the context of ADEs preparing and transitioning clients with significant disability to open employment settings, there is inadequate funding per individual for in-house training, certification and preparation for employment pathways, particularly if ADEs are relying on NDIS Core funding.

ADEs draw on 'Core' funding from an individual's NDIS plan. According to the NDIS pricing guide, Core: Supports in Employment focus on 'ongoing, frequent on-the-job' support…to achieve people's employment goals'. This Core funding includes ratios for Skills; Non face-to-face; Establishment fee; and Centre Capital Costs. Different ADEs offer different levels of support-to-employee ratios (dependent on site, industry, work task etc.). For instance, in an ADE Warehouse setting the support ratio could be as low as 1 to 7 (1 trainer/staff member to 7 supported employees). A landcare setting ratio could be 1 to 5, whereas a café role may have a funding allowance for a higher ratio of support such as 1:1. This type of funding model results in supported employees being allocated to roles and tasks according to their support needs, rather than their interests and aptitudes. For example, those with higher support needs may be allocated to job roles where ratios of support are highest rather than in roles and industries they wish to enter. Staff/trainer ratios can therefore act as a barrier to providing additional training or support to some employees, who may need additional support for a short period, for example, while they learn a new skill.

Core funding is not designed for pathways:

The Centre's current research is investigating the frequency with which Capacity Building Funding is drawn upon by ADEs. ADEs can draw on Capacity Building funding related to employment pathways to mainstream employment *only* if they are registered to provide 'employment services'. Our research has highlighted how this is not straightforward as many ADEs are nested within larger disability service providers. For example, in one case study, the ADE is not registered as a provider of 'employment services', However, the broader organisation's 'Employment Services' division is registered to provide this service but does not have a strong interface with the ADE, based on historical divisions. Prior to 2021 there was a period of 18 months in which the ADE's funding came from Capacity Building, before NDIS shifted the funding back to the Core line item.

The challenge in using Core funding for employment pathways is that it is a lower amount of funding compared to Capacity Building funding. Building pathways to employment outside the ADE without Capacity Building funding often results in unfunded work for ADE support staff. In addition, ADEs are not using Core Funding to build evidence for or demonstrate the need for equipment or supports in individual plans, even if on the ground they are tailoring supported employment to the individual.

There is a funding shortfall for open employment pathways, and related NDIS plan management issues:

A funding shortfall for individuals occurs when individuals are underfunded from the outset for a pathway to employment. Also, supports and funding may be reduced after an individual has worked in open employment, leading to negative employment experiences.

In the case study, Connor was intentionally placed into new roles within the ADE suite of enterprises to progress his skills and to assist him to move into open employment. This is evidence of Capacity Building within the ADE, however the use of Core funding means that it is occurring 'under the radar'. ADE staff developed Connor's tailored pathway into employment with him, primarily delivering the extra supports without funding.

In this example, the costs, including regular check ins, were incurred by the ADE, rather than by the new employer, or by a DES provider. In summary:

- Connor participated in job matching and job customisation with the support of the ADE via conversations with the support staff team.
- The ADE support worker contributed time to check-in on Connor's well-being and progress during the trial and during his later ongoing employment. The support worker provided advice to the new employer, for example about levels of supervision required as Connor progressed.

As the case study suggests, the support staff from the ADE, who new Connor well, were well placed to provide him with support in his new job. However, there are practical difficulties to do with funding and workload, as the ADE support staff are not funded to provide on the job support to Connor outside the ADE. Moreover, ADEs must balance the need to continue to provide sufficient support staff within the ADE setting itself.

For ADEs to take up a role in supporting people with disability into the open labour market, additional funding must be made available. In effect, the ADE needs resources to maintain its many roles, particularly continuing to offer high level training and job support within the enterprise while also extending that support into planning and delivering employment pathways beyond the ADE environment into the open labour market.

Further, it is critical that the NDIA and its planners recognise that the shift from supported employment to employment in the open labour market is not necessarily linear. People with disability may require repeated opportunities to try open employment before it's successful. They therefore require the safety net of the ADE until there is security in open employment. Some people might prefer to work part time in an ADE and part time in a job in the open labour market. The funding must be flexible enough to enable this type of choice and control. In addition, long waiting times to have new plans that reflect open employment goals are problematic:

> *Clients think: 'If I have a goal, I shouldn't have to wait nine months before I can start working on it' … Then, again, in an ideal world, you get a great LAC that can see the vision; 'This person needs to continue to work at business enterprises, but they're going to be there Monday, Tuesday, Wednesday, but on Thursdays,*

> *they're going to start working with Employment Pathways to look at that transition out. They're going to do both. They're going to keep working, they're going to start building on their skills to transition out.' We do have challenges where an LAC will say, 'No, you pick one or the other' (Helen, disability enterprise staff, interviewed on 17 October 2022).*

If mainstream employment is not stated as a goal in a participant's plan, funding may only be allocated under Core to maintain employment in an ADE, leaving a shortfall for activities that the ADE can provide to build a pathway to employment in the open labour market.

Highly skilled staff are required for employment pathways:

A high level of skill is required to support people with disability into employment in the open labour market. The skillset is markedly different from that required to provide support to employees with disability in a segregated setting. Therefore, to build capacity of ADEs and disability organisations to support people into open employment, there needs to recognition of and funding for a broader range of staff skills. In particular, skills in negotiating with employers, implementing reasonable adjustments and providing one to one training and skill development are necessary for tailored and customised employment.

Solutions

The 'Connecting Pathways to Employment with the Work Integration Social Enterprise (WISE) model' has the potential to provide an organisational design framework to support ADEs to refocus their attention on creating training and skill development opportunities and pathways to employment in the open labour market. However, further research and development is required to address the funding and structural barriers identified in the early research. In particular, ensuring that there is both sufficient capacity building funding available, staff with the necessary skills and flexibility to deliver the employment supports required when they are required.

In addition, further research is required to understand how external parts of the system (for example a re-envisioned DES system and TAFE system) could be blended and braided together with NDIS funded employment supports to create pathways to employment.

However, a range of solutions are also required within NDIS.

Use of capacity building funding in ADEs:

In the context of ADEs being asked to prepare and transition clients with higher needs to open employment settings, there needs to be capacity building funding available for training and certification as required. Training within ADE settings could be funded under NDIS Capacity Building funding. This would enable ADEs to provide training that creates a bridge to open employment. Without this, ADEs are not in the position to offer training that is certified and linked to available open employment jobs in the region.

Create a 'first-year ADE employment plan':

Modernised ADEs potentially have an important role to play in preparing people with disability for open employment. In particular, the 'work first' approach means that work skills are taught on

the job. However, there are opportunities for ADEs to improve the planning of supports and training and develop a plan for transition to open employment, especially in the important first year. This would improve focus on planning for open employment and enable ADE staff to undertake vital assessments and ensure that core transferable work skills are the focus of early work experience.

Maintain strong supports for open employment:

Transitioning to employment in the open labour market is not linear and the supports required are not time limited. Therefore, an assumption that supports can be reduced or ceased once a person commences employment is incorrect. The NDIS must factor in the need for ongoing support for people in employment, drawing from the understanding of 'supported employment in any setting' as described in the international literature, especially in the early stages of commencing a new job.

Provide adequate funding for highly skilled staff:

Funding should be made available to enable the development of a workforce of highly trained and skilled support staff who can provide high quality and evidence informed support to people with disability across their extended employment pathway.

CHALLENGE: NDIS SUSTAINABILITY – MEASURING OUTCOMES AND PERFORMANCE

The Centre for Social Impact – Swinburne is heavily focused in testing and developing methods for measuring outcomes and performance of social support/development activities. This includes analysis of Payment by Outcomes (PBO) mechanisms, continuous quality improvement approaches, self-report approaches for consumers of community services, accessible methods for people with diverse disability and children with disability. The Centre, and separately its staff, have a long track record in these approaches. This provides a high level of expertise in understanding what works in relation to outcomes measurement and the limitations of each approach.

There are numerous challenges for the NDIS in designing outcomes approaches that assist participants to assess whether services are supporting them to achieve their goals (i.e., individual or micro level), whether services are successful (i.e., service/organisational or meso level), and whether as a whole the NDIS is making population level change and the investment is justified. Each will need a different approach.

At the micro level, CSI Swinburne has developed the Community Services Outcomes Tree to support organisations/services to measure the outcomes of the services provided to individuals, based on the consumer self-report of outcomes.

Problems of outcome measurement as a practice

Researchers and policy makers appear to agree that we need to understand where and how to best allocate scarce resources, but there remain a number of challenges and complexities with outcomes measurement which warrant attention. Researchers have noted the difficulties in undertaking outcomes measurement with a body of literature devoted to considering some of the main problems. In brief these include:

- *The timing, accuracy and appropriateness of data collection in community services*

In certain circumstances (i.e., crisis), the imposition of outcomes instruments may be potentially offensive, difficult or traumatic for the service participant. Also, the 'achievement' of certain outcomes may not easily occur within short-term, prescribed timeframes of a funded service window. Because it may be difficult to track consumers and their emerging outcomes beyond the service, a focus on collecting data during the service window can result in either poor data or poorly matched outcomes selection.

- *The challenge of pre-defining outcomes*

Developing and implementing a prescriptive set of outcomes risks denying or ignoring important consumer progress in life areas that were not initially included in the outcomes framework. Conversely, a short set of outcomes can help sharpen focus on priority impacts that then supports decision making.

- *The attribution problem*

Determination of the extent to which an outcome is a direct result of service provision is difficult and contentious given the complexity of people's lives, their environments and the contribution of multiple factors and services to any life change. This is particularly relevant for NDIS participants who often engage with multiple service providers.

- *Resources required for outcomes measurement*

Outcomes measurement is a resource heavy initiative and demands significant staff time, attention and funds if it is to yield useful information. Australian research evidence (e.g., Flatau et al., 2016) suggests that in the not-for-profit sector, there are not enough resources including staff, time and money to undertake the various aspects of outcomes measurement such as survey development, data collection, data analysis and the sharing/distribution of the relevant results. CSI Swinburne research with one of Victoria's largest community services (including disability) providers confirms this. In the main, organisations do not have data handling capacities necessary to the task of outcomes measurement, even when the framework and data collection methods are provided to them.

- *Outcomes over people and relationships*

There is the risk that services will select beneficiaries that are likely to achieve an identified target to successfully meet outcomes and fulfil funding requirements (such as in the case of DES and results-based payment systems), with the accompanying outcome focus risking the development of staff/client relationships.

- *Over-simplification of complex issues and quantitative dominance*

Outcomes measurement in community services can run the risk of over-simplifying complex issues and the factors constructing social problems and their solutions. Standardised approaches can overlook cohort features (such as cultural factors) or be inappropriate for some cohorts. Most outcomes measures do not consider the barriers to outcomes attainment and this risks laying blame for low performance on the service or, worse, the client, when structural factors may be the cause. Added to this is the risk of reliance on quantitative data which is generally simpler to collect and analyse. However, it is the qualitative data that offers a richer picture of consumer experience and service features that are necessary.

- *Neglecting the importance of process as outcome*

Not all outcomes approaches consider or integrate with quality and process measures that focus on the quality of services and the experience of consumers within them. Consumers often report quality or process characteristics (e.g., being treated with respect) as important 'outcomes' for them, particularly where services are an ongoing feature of their daily lives and hence the way the service is delivered necessarily affects the individual's experience of daily life. The relationship between process of service delivery and outcomes or results is a complex one, with evidence for the effect of process on outcome being available in only some service areas (for example early childhood intervention).

- *Being 'client centred' in outcomes measurement*

Client-centric service design and provision is a feature of many community services and some funding models (i.e., individualised funding). However, outcomes measurement typically uses outcomes decided by others, not service users, and relies on assessments made by clinicians or practitioners. There is a need to align service, organisation and funder outcomes with those identified by clients and to involve clients in the measurement process. However, this causes difficulties in translating a large set of diverse individualised goals into a consistent approach that can yield aggregated data. This is a primary difficulty with goal attainment measurement, which on the surface would seem suitable for a NDIS context. However, our research (as well as others) shows that many NDIS participants are not familiar with the goals in their plan nor have had much input into their design. This means that the NDIS goals may not be meaningful to them or reflect the goals they want to attain. Additionally, trials to use goal attainment as a measurement method have shown that goals are often poorly written and difficult to measure and even where scaling can be applied, it is difficult to aggregate across consumers in a meaningful way. In general, aggregation can show the proportion of consumers experiencing various degrees of change (e.g., two steps of positive change on a five-point scale). Arguably this data is not rich enough to be useful.

- *Notions of 'progress'*

Outcomes are often framed as 'progress' or 'change'. Even the concept of 'result' suggests a changed state from the original. Our work with one large disability services provider has highlighted the need to consider 'no change' or 'maintenance' outcomes. These are rarely included in outcomes scaling that might move from a situation rating poorly to well, or from a

situation getting worse to getting better. The mid or neutral point of scales is often read in the negative as meaning a lack of desired change or lack of progress. Our research shows that 'no change' can be positive as it captures a state of maintenance of beneficial conditions and prevention of negative ones. For example, people with spinal cord injury report that maintenance of skin integrity and prevention of pressure sores is critical to their ongoing life activities and wellbeing. Ideally, a healthy state is maintained, and the service works hard to prevent negative outcomes of pressure sores developing through providing appropriate care and vigilance of skin integrity. While some data collection systems can prompt further clarification when a respondent answers 'no change', other data collection systems cannot. For example, an online Qualtrics survey can offer further clarification questions, whereas organisations using Microsoft forms cannot. This highlights the link between organisational data capacity and relevant and adequate outcomes measurement.

Additionally, 'progress' must not assume a final state of highest positive attainment as this can be overly predictive and assume certain preferences and capabilities. Ideally, progress is able to be defined by the person in relation to their own preferences. An example is the Commonwealth Data Exchange (DEX) system, for example Outcome 3.1 Disability and Carers Program, which includes several employment related programs. Here, outcomes for employment are scaled in terms of level of 'full time' and also preference part time over casual work in terms of outcomes attainment. (See for example, the Individual placement and support guidance – the highest outcome score is for full time work, and the scale is based on assumed movement from no, to casual, to part time to full time) https://dex.dss.gov.au/sites/default/files/documents/2023-07/2226-program-specific-guidance.pdf

This conceptualisation of outcomes, that does not adequately value choice and appropriateness in relation to employment level and type, is highly problematic, especially for people with disability and those with 'high support needs'. For some people, small amounts of employment are the preferred goal and the difference between casual and part time employment arrangements may be meaningless to the person. Some people may find that a small number of hours per week in open employment is 'right' for them given their stamina, the difficulties of accessing the worksite etc. Some may couple this with some time also in 'supported employment' settings (i.e., ADEs) or in volunteer roles in other settings and with other social and recreational activities. Different job types and settings have different imposts on and rewards for individuals who have different needs. Full time work is not the 'top' outcome attainment for all people.

It is essential that we equally value outcomes across different levels and types of the outcome construct (e.g., employment) and relate these to individual preferences and understandings of what is a 'quality' and appropriate outcome for them. This example highlights the caution needed in defining outcomes metrics.

The above discussion is not exhaustive but does highlight some of the key challenges with outcomes measurement for community service providers and were instrumental in guiding researchers in the development of the CSOT and survey method of data collection.

The design logic: the development of the Community Services Outcomes Tree and survey method

The Community Services Outcomes Tree

There now exists a multitude of outcomes frameworks with many developed to be applicable to specific initiatives (such as education or employment programs), for a specific sector (such as homelessness or disability), with only a few having a broader approach that can be applied to all sectors of service provision and across all life areas. Swinburne researchers aimed to develop a framework that captured a comprehensive range of outcomes relevant to individual service users, and that spanned the community services sector, including disability services. The result is the Community Services Outcomes Tree (CSOT) and an adaptable measurement tool that encompasses a *whole-of*-life approach.

To develop the CSOT, Swinburne researchers coded 200+ references which included government, not-for-profit and academic literature related to outcomes measurement, both in Australia and internationally. This collection of documents included outcomes frameworks, data collection instruments, policy documents, quality standards and funding criteria documents. These were thematised according to domains and outcomes (and/or indicators) until saturation was reached whereby the outcomes discovered had been previously identified from other sources.

The evolving framework was continually tested for face validity through application to various service contexts, partner organisations, and research projects. Part of the design and testing was to ensure that the CSOT aligns with the core outcome frameworks used in Australia, many of which guided the initial design. As a result, the CSOT can be translated into these frameworks.

Researchers worked with a consumer steering group in designing the CSOT and related survey method as well as with services in customising survey design.

Description of the framework

The Consumer Services Outcomes Tree is comprised of twelve domains which comprise key life areas across which community services aim to achieve outcomes for their consumers. The twelve domains are:

1. Choice and empowerment
2. Daily Life
3. Employment
4. Family
5. Finance
6. Health
7. Housing
8. Justice
9. Learning, skills & development

10. Safety
11. Services & government benefits
12. Social Inclusion.

Each domain comprises a number of discrete outcomes which range in number from 6 (e.g., Health) to 12 (e.g., Family). In total, there are 103 outcomes which includes a 'general' outcome for each domain. This general outcome combines all the outcomes sitting within the domain and may be used by services when they want to measure a broader theme/construct. For example, services may want to measure the general concept of 'social inclusion' rather than only one or two of the more precise outcomes that sit within this overall domain/concept. Each outcome is linked to a brief descriptor which briefly synthesises the key sub-concepts associated with the outcome, as found in the literature analysis.

The CSOT is freely available on-line (https://communityservicesoutcomestree.com/) with a visual representation and further information/instructions for use. The website also contains several survey templates to be adapted and used by services. The short survey template is recommended as the leanest approach available (and has been tested to take an average of 10 minutes to complete). Its development is described below.

The CSOT framework is also designed to be method-agnostic, i.e., can be used with any data collection method/instrument that can be aligned to the domains/outcomes. This enables organisations to maximise all data collected by aligning it to a single framework and combining data sources.

The data collection survey method

While sector or government outcomes frameworks are available in some areas, these are not generally paired with data collection methods. In the main, community services lack capacity to select a relevant data collection approach or design their own. Where outcomes measurement is occurring, it often relies on practitioner assessment, not consumer viewpoint. Additionally, a reliance on methods that require comparison between pre-/post-service data has highlighted low levels of adequate data and difficulties when data collection falls at inappropriate times such as when consumers are experiencing crisis/distress.

In this context, a lean and pragmatic approach to data collection was identified as necessary. Researchers aimed to offer a *minimum data set* approach based on service user self-report at a single time point. CSOT developers aimed to provide a method of data collection that could be customised by services but capture data consistently. A survey method was chosen.

The CSOT survey involves combinations of tick-box and open-text response with a focus on outcomes, contribution of service, barriers to outcomes, service improvement, and additional service-specific questions. The contribution question seeks to address the complex and contentious issue of attribution by asking consumers to consider the extent of contribution made by services to their outcome, recognising that precise or singular attribution of change is not possible. Demographic information is kept to a minimum largely because consumers have

reported that the repetitious reporting of demographic information is tiresome and onerous as services should already have this data.

The survey design was informed by an examination of a variety of outcomes instruments, focusing on the types of data collected and language used. A mix of quantitative and qualitative questions to be used concurrently was considered viable to provide a more comprehensive understanding of outcomes.

One of the significant values of the CSOT is the way in which it can be adapted to be used as an analytical tool to assist in identifying outcomes as well as a reporting framework to report outcomes data against. Services can use the framework to align data from different sources or instruments on any identified outcome area, while also aligning data collected using the CSOT framework against other outcome frameworks. (See the alignment information at the Resources tab on the website).

Use in the NDIS context

The CSOT has been used to organise and analyse data in relation to the ILC program (Wilson…Kamstra 2021), NDIS Recovery Coaching (Elmes et al. 2023), and is currently being used in a disability service to measure outcomes of In-Home supports (Dodevska et al., forthcoming).

CSI has also used the approach to support a large community service to effectively aggregate data across different service types to provide whole-of-organisation data.

Further work is needed to develop a consistent way to translate the method into Easy English and link to other image or sound supported methods of data collection (as used by CSI researchers in other activities with children with disability). This requires further investment.

What have we learnt about the CSOT

The CSOT offers a framework and method that can effectively be used to:

- Collect self-report data from users of services
- Offer a mechanism to customise outcome selection
- Aggregate data across individuals and services
- Capture additional information to inform service design (such as ongoing barriers to outcomes attainment, and qualitative information about outcomes and service experience).

While this is a lean approach, community services still lack sufficient capacity (time, resources, skill development to implement consistently, data systems and analysts) to implement it.

Services also lack understanding of and capacity to use data to inform decisions. This fundamentally calls into question the value of any data collection given the impost of doing so. Data must be used in order for the activity to be valuable and justified.

Implications for the NDIS

While we can, technically, measure outcomes at the level of individual participant, without further resources it is unlikely that services can make use of this data. Similarly, there is no clear and current mechanism for individual participants to make use of this data. For example, how would individual outcomes data be used in NDIS planning and review? There is a risk that successful outcomes might result in reduced funding despite ongoing funding is needed to maintain outcomes. There are currently no mechanisms to use individual outcomes data at the point of NDIS planning or review in a meaningful or consistent way.

These conclusions suggest that continued monitoring at Scheme level, as currently undertaken is the most valuable level of outcomes measurement. However, the focus and method of measurement needs review.

In its current form, the Commonwealth Data Exchange platform is not a suitable mechanism for NDIS or ILC data capture and analysis. The DEX is overly deficit in focus, and its outcomes and metrics are not immediately suitable for measuring outcomes of NDIS services. Additionally, DEX does not provide a method of data collection to support services or the NDIS. DEX is also a complicated platform for services to use, and many peer-led and small organisations lack capacity for this.

More broadly, the above discussion does not address other measurement needs:

1. Quality of services
2. Outcomes related to social change, including systems and community level change (such as increased capacity of employers to offer inclusive workplaces).

CONCLUSION

CSI Swinburne thanks the Co-Chairs for the opportunity to provide this response.

We would welcome the opportunity to discuss the research raised in this submission further.

In this regard, please do not hesitate to contact Professor Erin Wilson, ewilson@swin.edu.au

Yours sincerely

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