The DEA Papers Webinar 3, 16 November 2026

1. When Choice and Control is Not Enough

Webinar transcript

Presenters:

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Peter Bacon:

Hello, everyone. Hope you're all doing well today.

It's only just clocked over to two, so we'll give everyone a minute or two to join, and then we will crack on with talking about DEA Paper Number Three.

Let's get going, Renae.

Renae Hartmann:
Great, good morning everyone for those of you in the west, and good afternoon to everyone else.

This is a webinar to launch paper number three of DEA paper series, When Choice and Control is Not Enough – Building the Architecture for Employment.

This is a paper that states from the outset that choice and control must remain invaluable. The choice is a principle about who decides. It does not by itself create good options, trusted information, or the support needed to navigate them.

For real choice to be for choice to be real, it needs the right architecture.

So I've had the privilege of being mentored and co-authoring this paper with our DEA CEO, Peter Bacon. It builds on Paper Number One, which Pete wrote about the architecture of the employment ecosystem, and Paper Two, where Dr. Ann Nevile reported upon the Blended Transitions Project that really explored the intersections primarily between NDIS and IEA that happened in the pathway on the employment journey. Paper 3 tests the argument on school to work transition and NDIS Youth Employment Assistance, formerly known as SLES.

I'd like to begin today by acknowledging the traditional custodians of the land in which we meet and pay our respects to Elders past and present. I come to you today from the

land of the Nyiyaparli People in the Western Desert, in the Pilbara in Western Australia, and I extend my respect to the Elders in the lands in which you're coming from today.

Just a quick bit of housekeeping. The session will be recorded. Please stay muted during the presentation. We will open to questions at the end of the session, and the Paper will be available after the session later on this week.

I'd like to just start with an analogy that you may have heard before that Pete has spoken about and talks about in his foreword on the Paper. And it's about shopping. It's not one of his favourite things to do, as he's expressed before. So, walking into a shop to buy a suit, Pete doesn't want to be confronted with 1000 barely differentiated choices with scant information or advice that will not suit his price bracket. He wants an experienced, well-informed person to ask what it is he wants, size him up quickly and offer a carefully chosen selection that flatters him and that fits within his budget.

He wants his agency respected and remain the ultimate decision maker in those choices. However, the expert curation of a well-suited selection of options creates that experience of quality choice.

A good experience is tailored to the individual, an expert who asks what you want and offers a well-chosen set of options while you remain the decision maker. That is the NDIS promise and the right of people with disability to choice and control, and it should remain inviolable.

I've said that twice and that is absolutely a not negotiable. Whilst we are looking at the choice and control, is it enough for this employment journey, it is never non-negotiable that people with disability do not have a choice. The NDIS has delivered real gains. So, you know, we need to celebrate those. In 25-26 Q4, 82% of participants aged 15 to sixty-four, who have been in for the last two years, said it'd help them to gain more choice and control. Q2 baseline.

The choice settles who decides. It does not create good options. NDIS participants with employment funding are promised choice, yet the funding architecture weakens the quality and availability of the choices on offer.

So, starting from that, Pete, would you like to take us through the Paper's central proposition?

Peter Bacon:
First thing I'll do is I'll unmute myself, so we'll start from the place that choice isn't enough. And that for a choice to be really empowering, it needs the right architecture. And probably implied within this is the sense that we don't think that right architecture is in place.

We don't think there's enough emphasis on the quality of the options available or the coverage they can offer. There's an issue with a lack of accessible and trusted information and support for people to navigate those choices. Those things all relate to the architecture, so they build on the arguments that we made in Paper 1, where we said, look, architecture is really, really important here and we need to be more thoughtful about the architecture. And Paper 2, where we said, actually, this architecture isn't just conceptual or philosophical or something interesting for me to talk about. It's something that has an impact on people's real lives. So, Paper 3 is an attempt to build on that and go, well, okay, so what's one of the areas where architecture does have an impact on people's lives? And how can we go about making that better? Was it one thing to diagnose an issue? It's quite another thing to solve it, to improve it, make it better.

And here, of course, being DEA, we're talking about employment. So, we're not talking about NDIS in general, we're talking about how the NDIS settings apply to the employment funds and specifically those school-to-work transitions that are funded through the IEA line or before that, SLES.

So this paper considers how Choice and Control can build employment pathways that truly work. It does not argue for removing that choice, but it talks around what the architecture needs to be in order to make that choice impactful, powerful, effective.

So here we go. I've got a busy slide with several different concepts on them. I'd probably take 10 pages to explain in the paper, but I shall try and explain to you in the next two or three minutes.

Looking at this diagram on the left, what we're saying is that we really need three things, three forms of architecture, or one thing, and then two forms of architecture in order to make choice and control effective.

The first is personal agency, which is what we've been talking about. So that's that person's will and preferences, their ability to access supported decision making, and the control they have over supports they use.

So, who decides this is one thing?

But the next layer is that choice architecture, which is a really important part of all of this. It concerns whether a decision can be made meaningfully, made well, made successfully, and that includes access to accessible information, indicators of comparison, the ability to talk to a trusted navigator who knows what's in the local area and has some idea of what would support somebody and would usefully understand the social model of disability rather than a medical model, and a manageable decision environment.

So what we're saying is, yes, it's important that you have personal agency, but also the choice architecture needs to be good. You need to be able to go somewhere and get the information that you need and support that you need in order to be able to make the right choice for you as to how you use, in this case, the employment funding that you've been allocated.

Systems architecture is the third concept, which really concerns whether the kind of options that you would want to use exist. So, this includes things like provider capability, the regional coverage, whether a workforce has been sufficiently well staffed and trained, as well as other things like are there employee relationships in place? Are there other key relationships, such as school relationships in place? Do quality standards exist? Is that publicised?

Is there performance data? Is that publicised? And consideration of the interfaces between the programmes, which of course Paper 2 goes into pretty substantially, and whether there's public accountability and visible data in place. We're defining all of that as being systems architecture.

Now, take those things together, we've come up with this concept and it's a sort of new invention, which is called architectural load. What architecture refers to is, well, how heavy is all this required architecture? How much of it is needed in order to make that personal agency effective?

So, there might be a low architectural load, even within the NDIS. If you need a piece of assistive technology, for example, that is the same everywhere and works in a way that is entirely predictable, and you can access information on its utility through whatever means on the internet, and are capable of doing that, that is a relatively low architectural load.

On the other hand, you know, kind of systems which are high in complexity, unpredictable, have lots of humans involved throughout, an ever-changing context where you can't just take something back if it doesn't work properly, where it might look very differently in some parts of the country to others.

Those have high architectural load. So no prizes for guessing that we have defined employment as being something with a relatively high architectural load and therefore warranting a relatively well supported architecture.

Renae Hartmann:
So Pete, if the argument is not that employment involves too much choice, it is that employment places much heavier demands on everything around that choice, how do we test whether that surrounding architecture is working?

Peter Bacon:

So actually, if you look at this diagram on the left, I've set out a few different tests of whether the architecture is working. So high participation, high utilisation, high satisfaction and confidence participant experience, and strong outcomes. And when it's not working, the converse, low participation, underutilisation, difficulty finding supports, weak outcomes. So those are some of the tests that we've applied and we've done, you'll see in the Paper when it comes out, which I think will be Friday, by the way, a lot of work done on trying to apply those tests to the world of SLES / IEA.

Now, one of the problems with this is we had to dig really hard to try and come to fair conclusions on each of those different tests. And in part, that's because the way that data is collected initially and published is really not what it could be, I'll say, which is being as nice as I possibly can, given that I've tried to dig through every single piece of data available in order to come to the most finely pointed conclusions.

I might say something like, well, on the available data, outcomes are not what we'd want them to be, but I will put the caveat of there is a lack of data around a lot of this stuff in a way that you don't see with something like IEA, for example. So, using those four tests, we'll start on outcomes. I've just given you the big fat caveat on outcomes, I think it's fair to say, but outcome reporting for this space really rests on provider attestation of what their outcomes have been using a not overly user-friendly spreadsheet and not being compensated for the time it takes to do that work in terms of working out where people are up to when they leave the service and fill out the spreadsheet.

It's not as robust as you'd see in some things, and it's not really a marker of employment duration or sustained outcomes either. It's A marker of whether somebody has different forms of outcome when they exit the programme.

Nevertheless, from our perspective (the outcomes) we would like to see them be better. Ultimately, in terms of the number of outcomes that are in the most recent reporting, you see it's a relatively low number of people actually achieving open employment outcomes.

And if you were to say, well, let's divide that by the funding received, it's around, it's over $200,000 per open employment outcome that's in there. Now, some people say that's not entirely fair, one, because the data is not very robust, and two, because that's not all of what SLES or IEA is actually meant to do. A lot of it is meant to be about capacity building and then eventually transferring people on to DES or IEA, as it would be now.

And some of that is fair, but what I would say is that the difference in the average cost of outcome between the highest performing providers and the lowest performing providers is really, really stark.

So that shows that actually you can deliver pretty good outcomes within this programme, or not a programme, within this funding.

And beyond that, I think you can also see that the reality is very few providers are actually contributing to those outcomes. So more than 1000 organisations received funding for this SLES, SLES IEA work in that year, of which just over 200 reported using that spreadsheet. And of those fewer than 20 actually got eight or more open employment outcomes. So, some organisations are doing it and really helping people into open employment. But there's a huge tail of organisations that are either not reporting or more likely not helping many people into open employment.

So that's outcomes. I do have lots of caveats around all of that. And actually, some of those caveats go to, well, I don't think it's ideal by any means that we don't have a clear definitive picture of employment outcomes on a school to work programme for young people. I think we should, at the very least, be doing better than that when it comes to satisfaction, again, it's kind of hard to draw too many conclusions. There is a report that's out there from I think it was 21, 22, which had some interesting feedback. A lot of people saying they maybe like more work experience, but I think it's hard to rely on something which is five years old in terms of that participant experience. We did talk about it a bit in the paper. But again, it would be more ideal if we had more information about that to draw conclusions on. Where we do have data is on utilisation.

The interesting story is that since March 2022, the amount of funding for this work in people's plans has almost doubled. That is a significant increase, and it shows that the NDIA's work with LACs and other planners to get funding into plans has been largely successful. It isn't perfect and it isn't everywhere, but the gain is real. Over the same period, however, utilisation of that funding has fallen from 44% to 33%, meaning only a third of allocated funding is used each year. The picture is fairly uniform across the country: the median LGA sits at 32.1%, and few local government areas in Australia have utilisation above 50%. In short, it's an across-the-board problem.

DEA being DEA, we said, well, what is that? What's causing that? Can we isolate the factors that do that so we can start to think about how you fix it?

So we looked at seven different potential regression analyses to determine what it could be. Is it to do with labour force participation or unemployment numbers in an area? Is it to do with remoteness? You might expect remote or regional areas to have lower utilisation.

Is it to do with DSP prevalence, the availability and concentration of a population, or the number that there are of people who are funded? You know, if you have more people funded in a particular area, that gives you a concentration. You might expect utilisation to go up. Is it, does IEA provider presence mean anything? You know, is there a better ecosystem of providers in the local area, even if they're not delivering this stuff? Or is it

to do with the number presence of the providers of IEA / SLES themselves that make a difference?

We looked at all those different factors in order to be able to try and rule in or rule out potential explanations. What we found was some explanatory factors, but not much. So we found that higher workforce participation was associated with lower utilisation. So generally, areas where there's higher unemployment or lower workforce participation expect utilisation to be a bit higher.

If you have more providers of SLES / IEA, that makes a difference, potentially about 5 percentage points. But even that it wasn't particularly compelling, the results. In the six LGAs with four or more large providers, and it was hard to map providers, I think it's fair to say, and we give a lot of the methodology around mapping in the paper because it is tricky. You could only map 235 local government areas for a start. But even the six with four more large providers, utilisation was below half of allocated funding. So combined, those seven regression factors only explained about 10% of the variation across geographies.

And there's lots more details about this in the paper. And that means that about 90% of the variation between different LGAs was unexplained. So, we have this position here where only 33% of funding is being used. Any sensible kind of analysis could explain why 33% is not 43%, but not much more than that. So, when you think about, well, okay, what is it that's causing this then? Why is that utilisation so low?

One other potential thing that's been mentioned is, is it because there's sort of a legacy effect where someone has funding in their plan and it's put there for a period of time and then actually it becomes less relevant. Maybe they get a job, and they never use the funding, or maybe they become less interested. Either way, that kind of a sort of goes to this point of, this is data we should understand. And B, I'm not entirely convinced of that, because I would think that as we're getting shorter horizons and plans now, you would see utilisation go up correspondingly. We're not seeing that.

So maybe, maybe not on that one. It's one which I've asked NDIA to provide more information on. Hopefully they can they can fill us in because that might explain some of the variation.

Where we end up here is really a point of choice architecture, which is this problem seems to be relatively universal for people with employment funding. Admittedly, there are some differences in different places, but not much. And that is because even though there are quite a few providers, you know, nearly 2000 in that most recent reporting period, which makes you think, oh, well, there's loads of providers, which makes it look crowded, but it's actually really quite fragmented. So, of the 160 Providers claiming IEA / SLES, 18148 supported 10 or fewer participants and only 28 supported more than 50. It just bears repeating, of nearly 2000 providers, only 28 supported more

than 50 people. And I recognise this is an IEA, but that's the size of 1 case line in the IEA, right? So this is deeply unscaled. It is broad, but it is shallow and it is fragmented.

It is not deep.

So we've done some mapping on this to try and work our way through what that looks like in reality in different LGAs. And it is quite tricky. We only look to providers with participant with more who serve more than 20 participants in the year in terms of going, well, they've got enough scale to be worth looking at and mapping.

And we found that if we did that and then sort of went through various different things, methods of trying to map providers in different areas, 60% of LGAs didn't seem to have an observed provider serving as few as 20 participants. Now, they may well exist, but what that really means is the level of fragmentation means there aren't that many scale providers in most areas. Or, you know, there might just be dribs and drabs.

That's a pretty significant issue, I think. And to refer to the choice architecture element of this, that's hard to make sense of, right? Which takes us to our next point...

So I said, right, I'm going to try and create a situation which, relatively speaking, should be quite a good one for choosing a provider.

I said, right, my name is Alex. I live in central Melbourne, so I should be able to go to lots of places for different providers, and I'm autistic, and I'm leaving school, so I want some help with that, and I want to go into open employment. Great. I've gone and I've got some employment funding in my plans. Fantastic. Now my job is to go and find a provider. So, what am I going to do? Well, I don't have a support coordinator because I'm autistic. So that's something that I'm not often going to get. And you know, the problems with that support coordination market itself are pretty well documented at this point in terms of under-indexed pricing, etc. I can go to my LAC and they can give, potentially they can give me a list of local providers who I could go to, but they're not going to give me a well-tailored recommendation because they're not allowed to. So what do I do? Speak to my family, speak to my friends, see if I can get any recommendations. There's nothing there, right? I've not got any recommendations. So I get Googling and I find the NDIS Provider Finder. I think, great, this is good. There's a tool here directly for me to find a provider. Right, first thing that confronts me is there are 38 different registration groups that I have to choose from to choose the right one for my funding. And even once I've been through all of those 38 groups, it's not particularly clear what I have to click. But I find one that looks basically like the right thing, so I click it.

Then I get 227 results. So, I start going through all these results. Well, first thing, you know, I'm not seeing many obvious employment specialists apart from support and

employment for a while, and I've decided that supported employment is not what I want to be doing here. I want an open employment job.

I actually go through 9 pages till I find one which looks about right. And that's actually with my specialist knowledge of, as in Peter's specialist knowledge of what a plausible type of provider looks like for SLES / IEA.

Whether Alex has that knowledge, I don't know. But at that point, I have scrolled through a lot of different other things like day centres, etc, and other community options, which are probably going to struggle from a lack of funding now, let's face it, that I could be doing instead.

And my family is saying, well, you're leaving school now, so we need to find something to occupy your time. Hence why I wanted a job, but those options become potentially more attractive to me, the harder it is to find an open employment opportunity.

And I think this issue of how hard it is to find the right provider, how hard it is to connect, how poorly curated that choice is and how little navigation or support I get, that goes to the heart of how this underutilisation happens. The architectural load I'm talking about, that's just landed on Alex and his family.

And even if he's found a provider, that goes to the next questions of how does that work for him?

Renae Hartmann:
Pete, Alex eventually finds a provider, but only after he and his family have done an extraordinary amount of work, as you've outlined. If we fix the information and navigation problem, would that solve the problem?

Peter Bacon:
So if we fixed the choice architecture, leaving aside the systems architecture part of it, which I've also put on the diagram, I think it would make a significant difference. I really do. It takes us to where we want to get to, but it would make a significant difference.

So if you said, right, okay, so if there was easily accessible information about which providers deliver services locally, where and what specialisations are there, published in some kind of directory or portal, maybe even Job Access, right, which has things like IEA on it, that would be better.

And it would be even better if Alex had access to specialist employment navigation, someone who understands evidence-based practice, social model of disability, knows the local market and what providers might suit who, and is skilled in supporting decision making. This would lighten the load, and it would make a real dent, I think, in those

underutilisation numbers. Whatever happens, whatever reform we get to, what's really important, is making sure we get those things right.

But Alex can only choose between options that actually exist. So you can say, oh, let's improve all the choice architecture. But if the providers aren't there, it's still not that useful. It's a beautiful architecture supporting nothing, right?

In this system, who's making sure that there are good options there? Who scrutinises how well they work? Who makes meaningful consequences when they're not working well? Who has developed the workforce? Who's built employee relationships, and who's connected all these systems up. Because even if you fix that choice architecture, none of that is obvious.

One thing that's interesting is that in our research for this paper, Renae came across work from the Productivity Commission, which said, right, okay, agency, massively important for all these things that we're doing. But if we're going to do that, we need to have really robust supporting functions, navigation and brokerage, which I think we've only partially realised at best.

Quality provider information or provider quality information, both of those things – actually, that's a neat kind of phrase, I should put it in the paper – really limited, really limited and not robust. If you're trying to make a decision about who you're going to, I don't think there's any good public information about that kind of thing.

Standards, auditing, complaints process. Some of this is there, particularly for registered providers, but much more mixed. Workforce and provider capability.

I don't think there's any particular evidence, certainly in terms of this employment stuff, that this stuff is really well evidenced at all in either direction.

Hard to draw inferences apart from we don't know. But we don't know is a bad answer.

The data and the market monitoring I've talked about in some depth, it's not robust and it's only partially realised. Links to education and employment, it's an ever-evolving piece, but I think we can see from DEA Paper 2 that was written by Dr. Ann Nevile, there's a long way to go there too.

And it also talks about, you know, commissioning and block funding where markets are thin. There's no evidence of that at all in the employment space. It's just simply not done. And partly that's because we don't really have a grip of what the market is. So how can you commission things or plug the gaps, if you don't know really what the gaps are or the gaps are so universal that it's unpluggable. So that's what we assess in terms of what's emerged when it comes to employment.

I'll just say in all of this, this isn't a criticism of those people who are working in NDIA. They are doing their absolute best. They're committed public servants who care about

the work that they're doing, and they want to make it work. It's a comment on the institutional architecture. It wasn't set up in the right way. We haven't built the architecture to make it work, and therefore it doesn't matter how good you are in that team, you don't have the levers to pull. And if we want that to change, we're going to have to look at the way the architecture works and come up with an architectural solution.

When you're choosing a provider, when you get to that point, the providers need to exist. They need to be of high quality. So when you think about these things from the, I suppose, the very traditional DEA way of thinking about it, which is, well, what does the market look like for providers here and why aren't they scaling up and investing in a much bigger way than they are at the moment?

The reality is, is because it's a really hard market to invest in. Because on the one hand (and I'm speaking to many of you who I know are providers who are making some of these decisions), on the one hand, you go, oh, great. OK, so there's lots of participant demand. This is good stuff, like meaningful stuff, helping young people into employment and to build their capacity. And most of you have that in line with your organisational purposes. OK, yeah, definitely want to do more of that, and you know, we got some freedom to build our caseloads and grow at the kind of speed that we want to. So, why aren't providers investing more into that market?

The reality is, we're not attractive at the moment. Well, it's not sufficiently attractive. It's hard. And there are lots of different reasons for that. Providers who would love to meet the demand, who would love to deliver more, but can't in all good conscience go to their board and say, we should do this. Or fund it with whatever capital they have. In fact, it's going the other way and it's getting even harder.

Let's put yourself in those shoes. You go, okay, well, I'm thinking of going into an adjacent area here. Maybe I've got a little bit of the IEA staff and I'm thinking about going to another area, but I know there's lots of people who could benefit from this service.

Okay, so what am I going to do here? I'm going to open an office. I have no idea how many people are going to come through my door and I have no idea what's going to be in their plans.

And what's more, we're moving from a place where there's at least some certainty around the funding to I can only bill hour by hour. And how's that going to work if I want to go out and engage lots of employers?

Well, in theory, I can charge some of that employer brokers type work to people's plans, but they have to consent to it. And are they going to want to consent to it? And besides which, most of the employer broker is in development activity I do, benefits multiple people at once rather than one.

And then even if I go, okay, maybe I can make the maths of this work. It's going to be pretty hard, but maybe I can make the maths of this work. I want this to be meaningful work. I want to be rewarded for helping people into work. And the funding model doesn't really do that. It rewards activity. So there's a very high correlation between the amount of activity that's delivered and the revenues that providers achieve. There is a very low correlation between the number of outcomes that people get, open employment outcomes they get with people and how much family they receive. It is the thing that we want to achieve, even the thing that's being rewarded. And actually, is there in fact a counter incentive in the system that rewards me for keeping people on my caseload for longer and therefore being able to charge activities to their plans for longer. So as a provider in this space, I know many of whom are going, well, actually, I'd love to stay in, but I don't have to think about winding it down or transferring my participants to somewhere else, or it's actually looking really, really hard. When ideally, we'd be going, wow, 33% utilisation rate. What an opportunity to grow your service.

And that is because it's not been a market that people want to invest in.

Renae Hartmann:
Yeah, that sounds like the other side of the same problem. Alex has funding but cannot easily find capable supply, while a capable provider can see the funding and still rationally decide not to invest. What does that leave unresolved?

Peter Bacon:
So I'm saying if you fix the choice architecture, you can fix quite a lot of things. But it doesn't make it better for that provider. They're still left going, oh, I'm not sure I want to scale this. In fact, I might want to scale it back. It also doesn't, as I said, briefly mentioned there, is a heap of activity here, which isn't really well suited to an individual purchasing arrangement where everyone has their own funding, and they spend it on their own journey.

Building an employer network doesn't fit that very neatly. Building strong relationships with schools, which you might do as a kind of lead activity to get to build a caseload. But also, for some people who are sort of engaging in both education and employment, where's all those conversations, fundable and also to build your capability for your workforce. Again, not easily fundable through these current systems.

As well as that, there's also a point around eligibility. So as long as this funding sits where it is, eligibility is always going to be constrained to people with NDIS packages.

Now, that's that kind of obvious point, but it's a serious point because there are plenty of young people out there with and without disability, but I'll concentrate on with disability as ever, who need more support in getting from school or to work or even if they're out of school, in terms of building that early career and getting that experience and getting the right advice and speaking to employers about workplace adjustments for the first time and knowing how to start to build a career.

That's tough for anyone, but having a disability often layers on an added area of complication which requires specialist support. So I think having eligibility that's just restricted to people with NDIS packages is problematic.

Not to mention, I think the majority of all the preponderance certainly of people who go into this kind of service, they're autistic. And so in the longer term, they're all going to be thriving kids. I know that's not going to be something that's going to present for the next 8, 10 years, but at the same time, when we talk about reform, that's often the horizon we're thinking about, right?

So this is this isn't a long-term solution, whichever way you shake it. So the result of all of that is that we know the choice architecture is not working.

For all of these reasons, we just discussed the systems architecture is not working as we'd like it to.

So you can say, let's try and fix it up, let's try and do a bit of repair. But once you pass a certain point of going, right, we need to, you know, we need to do something fundamental in choice architecture and systems architecture, those repairs, they become redesigned.

Those of you who were involved with our co-design project earlier in the year, we know that we had this idea of bucket A and bucket B, and bucket A was the things that we could do to fix things in short order, as you know, relatively sort of programmatic type fixes, and bucket B was where we were talking about the longer term fixes that you need to put in place. And in the end, we have advocated for the bucket A stuff to the department, but we came to the conclusion that bucket B, as in the longer-term reform, is where we need to spend our time, because ultimately, you end up in this conversation around reform and fundamental change, whichever way you approach it.

Of those three things, I think we're saying that we reject the status quo.

It's not working as it should be at the moment. Now, repair is an interesting one. And if we were to come out and say, look, let's just really focus on getting the choice architecture right, and that will improve other things in the systems architecture, which it might. Like if you fix the choice architecture, then maybe you've got some more certainty for providers that they're going to get a reasonable flow of participants, for example, but there's no certainty behind that at all. And some of the way the funding

works is not ideal for that. Or you can say, well, reform is where we need to go now. We need to do something much more fundamental.

Renae Hartmann:
So Pete, if the collective function needs an identifiable steward, that brings us to a difficult institutional question. Who is actually best placed to carry it?

Peter Bacon:
This is something which I've given a lot of thought to, because all of these options have pros and cons in terms of where we should go next, in terms of what is the natural institutional home for a reformed school to work service. And you can probably read a more exhaustive version of all of this in the paper when you've got it. But if we say, well, you know, we've tried the NDIA option, and ultimately, you know, we've got almost 100 pages saying why we don't think it's working as it should be.

We go to, well, what should the other options be? DEWR is obviously an area which is in the middle of employment services reform, but it's actually not really demonstrated that much capability when it comes to disability employment as yet.

The Workforce Australia 26-week outcome rate for people with disability is 6.9%, given that they are generally people who are closer to work than that words that we see in IEA and it's, you know, somewhere between three or four times as effective, DEWR is probably not the obvious home for it.

There is a really interesting case to say, well, let's actually establish a foundational support here for, you know, young people in the school to work phase. Kind of open to that discussion, but a lot of the architecture would need to be built fresh and you can do that, but you need to be aware that the sort of length of time until you get to a point where you go, well, actually, the architecture is sort of up and functioning and useful is going to be a pretty long burn. And I don't think that's necessarily the right way to go. But it's an interesting option.

Having examined those options, DSS seems to be the best institutional fit. They have Disability Employment Policy already. They have IEA under their remit, which is something which whatever we design here would need to fit with.

They have established commissioning powers, even if I don't necessarily always agree with the way they use them. And there's a sort of policy to employment bridge. They also have the supported employment policy too, which I think is relevant. The things that we need to watch with that are all design things, I think, like making sure that it doesn't just become another bouncing ball type programme, and the agency is treated as inviolable, as Renae said several times. All of those things would need safeguarding, but you can

probably design them in. So, of the four options that we went through, we felt that DSS were the best option with some of those caveats and also the caveat that they might need, well they would need a different market for this and we need to make sure that those providers who are actually good at delivering this stuff, but maybe aren't in the IEA world, are given the opportunity to be part of whatever it is designed here.

To sort of wrap up what I'm saying here, what we need to do is move the load to where it can be carried – where participants do retain people with disability, retain that authority over their lives, and providers are responsible for high quality, effective services and Government carries architectural functions that keep that bridge up.

Policy stewardship, market development, provider capability, employer infrastructure, school connexion system coordination and information and data are all in some degree of harmony. And the reforms should be judged partly by whether load moves away from the people who are least able to carry it at the moment, which is people and their families.

So, for Alex, choice would no longer start with that impenetrable list. For a provider, it would be attractive. They would want to scale, and shared functions would have an identified owner. And for Government, they would be accountable for the results and the practice that comes under them.

Where we've got to so far with the DEA Papers is we've produced the first three and there's a bit of a through line. So architecture is our frame. We consider things from that architectural level. We think that's the appropriate level for working out what we should do next when it comes to disability employment in Australia.

DEA Paper Two was about how employment journeys persistence and change over time. And now I think of it, I think it's a bit of a sort of prefacing of the argument around architectural load and the way that that creates a load on somebody to navigate their own journeys a lot of the time and how that can be really hard.

And then the third Paper, this one is that choice is not enough. It's not enough just to say, oh, we're giving people personal agency, and the market will sort it out.

It doesn't work that way. You need to build something that's enduring and solid and robust. The next task is to co-design the architecture with the people who will use it, whether that's providers, Government, participants. And the next DEA paper, that will be called, I'm committing myself here, I think it's coming in January, I'll write it over Christmas.

It's called underestimated, underinvested, underutilised, and that's all about the capability of people with disability and how it's systematically underestimated by players in the system and how that translates into life chances and outcomes.

Renae, back to you.

Renae Hartmann:
Thanks, Pete. As Pete mentioned, moving responsibility to DSS without changing the design will just reproduce the same problems in another portfolio. So parts one to three set 8 principles shown here in full for the principles for co-design.

Agency stays not negotiable and support stays individualised, not standardised. Access should follow employment support need, not NDIS eligibility. Employment must be the organising outcome, movement towards entry into, retention in, and progression through meaningful paid employment.

Shared capabilities such as employer relationships, specialist practitioners, school connections and regional coverage must be intentionally funded, and transitions must be owned so that families and providers do not stitch the system together.

The market should stay contestable and entry with entry based on demonstrated capability rather than incumbency and quality performance and learning must be consequential. These are the principles for co-design. This will not determine the service sequence, the provider model, funding formula or governance.

So just in closing, just want to return to the central proposition.

What Australia lacks is not another statement of aspiration. It needs an architecture capable of turning that aspiration into opportunity. This matters because school years are formative.

Early movement into segregation or non-vocational pathways can shape what becomes possible later and every young person whose capability is underestimated is contribution that may never be realised.

Employment also changes both sides of the public ledger. A 2021 Centre for International Economics Analysis estimated annual NDIS and employment support costs $15,291 for a participant in open employment against $32,285 outside open employment.

The objective is that young that a young person who walks who wants to work can find a credible pathway, that access depends on need rather than NDIS eligibility, that providers have reason to build capability, and that government takes responsibility for what no young person, family or provider can build alone.

Thank you for engaging with our webinar today. And like Pete said, our Paper will be out by the end of the week, so you can have a deep dive further into the argument that we've put forward today.

We do have some time for questions, so...

Peter Bacon:
There's a few online, there's a few online already, which I can answer a couple of, a couple I don't know the answers. So that might be some homework to look at, Renae.

So Freddie from CBS asks, do you think NDIS providers who do not provide IEA tend to want to keep NDIS participants preparing and looking for work trapped to this stage rather than moving to ongoing employment as they think if a participant gets a job, then they drop their own NDIS income.

What I've said to Freddie there is the economic incentives point in that direction, right? So if you've got somebody with employment funding in their plan and you are able to spend that funding for longer by doing activity with them, that's where the economic incentives point. But where the providers actually do that or not, I don't think there's enough evidence to say either way. I'd like to think not too much, because most providers who are in this space do have some kind of organisational purpose to help people into open employment. But deeply non-ideal that the economic incentives point in that direction. That's as far as I will go on that one, because I don't think I have evidence to say they're trapping people or anything like that. Maybe you do, but certainly there's no scaled kind of evidence, which is what I'm looking for.

Freddie also asked what percentage of NDIS participants are in the IEA. Now, I do recall seeing this at some point. I think it was something like, actually you know, it was the other way. It was how many DES participants have NDIS funding and it was quite low.

But that's not what you're asking anyway. So I will say I don't know. And I'm pretty sure if that data was out there, I would have seen it, but it's certainly a good one to dig in on, especially given the fact that, you know, we have found some, or Dr. Nevile found some opportunities where actually blending and braiding the different funding streams can be quite an effective model.

Greg from G-Force asks, how many of the 28 providers with more than 50 participants are organisations that existed pre-NDIS, i.e. transition from block funding to NDIS hospitable hours? Now, that is a good one for us to look at, Renae. I suspect the answer is Yes, most of the scaled ones, probably yes, but you've got this massive tail of organisations where it's very hard to really tell what's going on. You've got some that are sitting behind plan managers where you really can't have any sight of it at all. And I think lots of them have kind of emerged over the past, you know, decades. I suspect the organisations who are doing a lot of this are still those who were doing it 10, 15, 20 years ago.

Renae, I'll invite you to answer or speculate on that one as you choose. Yeah, the speculation is definitely in that ballpark, Greg. You know, we don't have the evidence, but we do argue that the modelling for the hourly rate is not conducive with organisational overheads. So, therefore, you know, the health of NDIA employment section of your organisation is potentially leaning into other areas that you've been involved in. So whether it's IEA or whether you've got an RTO or whether you've got other elements of the organisation that can support the SLES cohort or the finding keeping a job cohort, whether it's the older cohort as well. It's just, again, the evidence trying to piece all that together because like Pete shared, it's just not available.

Peter Bacon:
Carol says, I'm struggling with this perception at all. The same has been said about IEA, parking, creaming, and there are good providers who do NDIS employment supports. But I think we are one of them.

I would agree with that. And when you read the paper, we make lots of points about that. There are plenty of good providers who are stitching this together and making it work. What I would like is if the system was more supportive of that work, and if it was happening at a greater scale than it currently does at the moment. That's not to say that I want to do something that recreates IEA and premium parking, all that kind of thing. I don't think that's at all what we'd want to do. And things like questions of what, you know, what's the proper place of outcome funding is a good question. And certainly, I think we should be building from the good of what organisations are doing and trying to support that rather than anything else.

But that being said, at a sort of, you know, Australia level scale, I think there are enough issues in this that I think it does require that significant reform that we've talked about.

And Freddie says, is there a sort of preaching to the converted here or to the choir, I suppose? Well, maybe, but I also do know that government is seriously considering this issue. There is a non-zero chance that they might be, you know, seriously considering the kind of reforms that we're talking about here.

And part of the reason we're doing this is we want to get on the front foot to make sure that whatever is designed and rolled out is something that really works.

And to Carol's point, that isn't necessarily and saying, oh, well, you know, let's just make this like IEA. I don't think this should be like IEA. I don't think the evidence base points to this as being something that should be similar to IEA.

I think the evidence actually points to some of those evidence-based models that we have struggled to roll out at scale in Australia, things like support and quality framework

or customised employment or project such where, you know, there have been difficulties in funding that under the current model. So I think those are more the kind of questions that we should be considering as well as looking at what the good practise that's out there at the moment and how we can build on that.

But either way, I think you can see it in the data and the information that the choice architecture is really quite broken, and the systems architecture could be much better. And so therefore, we should be giving a lot of thought to how can we create something that works better.

Okay, well, we've reached 3:00. Thank you very much, everyone, for your time. We will be getting the Paper out Friday. It slightly depends on sort of some just remaining feedback that we're awaiting. I'll be excited to hear your thoughts and to catch up with all of you about what we're doing here. So thank you everyone for your time. Cheers.

Renae Hartmann:
Thanks, everyone.