



Minister for Commerce
Minister for Finance
Minister for Industrial Relations
Minister for Ageing
Minister for Disability Services
Leader of the Government in the Legislative Council

14 March 2006

Mr John Evans
Clerk of the Parliaments
C/- Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Evans

I refer to the Report on the Inquiry into Post School Programs for Young Adults with a Disability – Getting a Fair Go undertaken by the General Purpose Standing Committee No. 2.

Enclosed is the New South Wales Government's response to the recommendations of the Committee's report.

I trust that the Government response will be of assistance to the Committee.

Yours sincerely

John Della Bosca MLC

Received at 11-55am
Tuesday 14 March 2006
Lyn Beech
to Clerk of the Parliaments

Government Response to *Getting a Fair Go: Report of the Inquiry into Changes to Post School Programs* Standing Committee Number 2

The NSW Government welcomes *Getting a Fair Go: Report of the Inquiry into Changes to Post School Programs* from the Legislative Council Standing Committee No 2 (2005).

The report identifies a number of recommendations that are consistent with the Government's new directions for post school programs. In line with the emphasis of the Inquiry, the Government has placed priority on improving the Community Participation program. The NSW Department of Ageing, Disability and Home Care (DADHC) has worked intensively with service users and their families, service providers, peak and advocacy bodies to develop and implement program improvements that have a strong evidence base and that increase the quality and capacity of funded services to meet the needs of people with a disability. In late 2005 the Department circulated for consultation *New Directions for Community Participation* that flagged the major changes proposed for this program. Feedback on these directions has been used to further shape program arrangements and implementation.

As part of the Government's change management approach for post school programs the Department released a tender for Community Participation services on 1 March 2006. This tender reflects a greater focus on delivering program outcomes for service users, introducing new service types and specialist services for young people from Aboriginal and culturally and linguistically diverse communities, delivering support that is linked to need and underpinned by cost benchmarks, with more transparent processes for the allocation of funding to non-government organisations. The tender incorporates new program directions and addresses the key issues raised in the *Getting a Fair Go* report.

The new Community Participation services, to commence from 1 July 2006, will provide more choice and opportunity for young people with a disability who require an alternative to paid employment, vocational education and training or higher education. Key features of the new directions for Community Participation include:

- A clearer focus on services that develop everyday life skills and independence, provide learning and meaningful activities, expand friendship and support networks and promote inclusion of young people with a disability in their local communities.
- Recurrent individual funding corresponding to need that is flexible and portable, enabling service users to move between service types and providers as their needs change. Consistent with *Recommendation 2* of the Inquiry, service users will have the ability to move between the Community Participation and Transition to Work programs.
- Provision of funding for individual service users that is more closely linked to actual needs, so that people with the highest support needs will receive the highest level of funding. As part of this needs based approach four new funding bands are being introduced from 1 July 2006:
 - people with moderate support needs will receive \$14,550 a year while those with higher support needs will receive \$16,878; and
 - people with very high support needs will receive \$20,807 with people with exceptionally high needs being supported at \$29,100 a year.

These funding bands have been set after intensive analysis of costings from existing providers and drawing on the financial and service data from the University of Wollongong Cost and Classification Study. As recommended by the Committee (*Recommendation 9*), DADHC recommenced the Cost and Classification Study in 2005, as a matter of priority.

- All eligible Community Participation service users will be guaranteed a minimum of 18 hours of support a week for at least 48 weeks a year.
- New service types will be provided to give young people and their families greater choice over their support options. Available service types will include new self managed packages (*Recommendation 1*).
- Access and Equity strategies will be introduced to improve the participation rates of young Aboriginal people and people from culturally and linguistically diverse (CALD) communities. In addition to requiring all generalist services are accessible the Department wants to establish through the tender process specific Aboriginal managed services as well as CALD specific services.
- The financial stability of individual providers will be supported through the provision of a guaranteed minimum level of funding each year (based on 75% of the number of service users at the beginning of the calendar year), with quarterly adjustments made to reflect actual user numbers.

Using its change management approach the Department will work with stakeholders to improve the Transition to Work program in ways that are broadly consistent with the recommendations of the Inquiry. The Transition to Work program will continue to provide eligible school leavers with skills development and support for a maximum period of two years to enable them to transition to employment, wherever possible. In response to *Recommendation 3* of the inquiry report, DADHC will in some instances extend the two-year time limit for the Transition to Work program for a further six months. Decisions to grant an extension will be based on an assessment of need.

In terms of broader Commonwealth-State arrangements, the current Commonwealth State and Territory Disability Agreement (2002-07) gives priority to strengthening 'across government links'.¹ Issues outlined in the Inquiry report relating supported employment places, co-ordination of services and funding responsibilities current form part of the current NSW Bilateral discussions and agreed workplan between the Australian and NSW Governments. These issues will continue to be pursued by the NSW Government as part of the negotiation of the future CSDTA.

A more detailed response to each of the Inquiry recommendations is provided below. These responses reflect the Government's ongoing commitment to working with service providers, service users and peak disability organisations to establish effective and sustainable post school programs in NSW.

Recommendation 1

That DADHC consult widely to develop and implement a funding model which includes:

- *block funding for service providers sufficient to enable them reasonable financial stability*
- *individualised funding, assigned to a named individual, that is transferable with that individual*

¹ Productivity Commission, *Report on Government Services 2005*, p. 13.1.

- *self managed flexible funding that allows people to developed individually tailored support packages, and is available to all participants in post school programs. Individualised funding would involve providing carers and people with disabilities with independent advice for options in using disability packages optimally.*

DADHC has consulted extensively with stakeholders on the directions for Community Participation and implementation including:

- Consultations with stakeholders through the Community Participation Stakeholder Reference Group.
- Circulating the *New Directions for Community Participation* paper (2005), to gain feedback from service users and their families, service providers and peak advocacy bodies on major changes proposed for 2006.

The new funding model that is being implemented for Community Participation includes individual, portable funding and self managed funding packages. The development of self managed packages has been informed by the experiences of other states (Western Australia, Victoria and the ACT). As part of new model, block funding has been replaced with the provision of a guaranteed minimum level of funding for providers, to more efficiently target and address the viability problems of individual providers, including rural services.

The current funding arrangements for the Transition to Work program will continue.

Recommendation 2

That DADHC develop and implement policies to encourage flexible movement the between Community Participation and Transition to Work programs.

The Government recognises that people's needs and goals can change. People in the Community Participation program are able to have their placement reviewed to move to Transition to Work. The new directions will mean that a young person's funding will move with them when they transfer between programs. The process through which participants will be able to move between programs will be the subject of further consultations between DADHC and the Community Participation Stakeholder Reference Group.

Under current arrangements, people seeking to move from Transition to Work to the Community Participation program generally do so in the 18 months of commencing in Transition to Work. Further changes to cross-program arrangements are being considered. These will be informed by findings of the Transition to Employment pilot projects.

Recommendation 3

That in relation to the two-year limit for the Transition to Work program, DADHC adopt a policy of granting extensions of longer than six months, subject to an assessment that the participant has a prospect of entering into employment. The policy should be publicised throughout the sector.

As outlined, DADHC has made provision for extending the two-year time limit for the Transition to Work program for a further six months for service users requiring extra time to transition to employment. Decisions to grant an extension will be subject to an individual assessment of need.

Recommendation 4

That the NSW Minister for Disability Services approach the Commonwealth Government with a request that unfilled supported employment places be reallocated on the basis of need and that this issue become part of the current State and Commonwealth negotiations in regard to employment programs for people with disabilities.

The NSW Minister for Disability Services has taken steps to ensure joint planning between the Commonwealth Department of Employment and Workplace Relations and DADHC is focused on locating Commonwealth supported employment places within priority areas in NSW. The Minister has written to the Commonwealth Minister on this matter. This planning should address the location and vacancy problems identified by the Committee. The co-ordination of Transition to Work and supported employment exit and entry requirements will also be discussed in 2006 as part of the agreed CSTDA workplan, to make it easier for Transition to Work participants to move to supported employment.

Recommendation 5

That DADHC incorporate measures that indicate if a service provider is delivering services that meet the needs of multicultural and Indigenous participants in its new performance indicators for the Transition to Work and Community Participation programs.

DADHC has adopted a more comprehensive approach to assisting Aboriginal young people with a disability and service users from culturally and linguistically diverse (CALD) communities. As part of the Community Participation Tender, providers will be required to demonstrate how they will improve the accessibility and responsiveness of their services for Aboriginal people and people from CALD communities living in their areas. Specific performance indicators will be introduced to measure the use and satisfaction of services amongst Aboriginal and CALD users. In addition the Department will fund specific Aboriginal and CALD services to address the historically low representation of these groups in post school programs and provide additional service options for these communities.

These strategies have been informed by consultations with Aboriginal organisations and multicultural disability groups and DADHC's broader policy directions.

DADHC has also developed draft performance indicators for the Transition to Work program, which will be refined in consultation with stakeholders. The Department has engaged an independent organisation (ARTD Management and Research Consultants) to develop the framework.

Recommendation 6

That DADHC change the eligibility criteria for the Transition to Work and Community Participation programs, to accept students who apply for a Universities Admission Index.

The NSW Government is not seeking to take on new higher education funding responsibilities and sees the support of university students as a mainstream Commonwealth funded / university responsibility. DADHC will however work with Commonwealth agencies to promote increased tertiary support for university students with a disability living in NSW.

Recommendation 7

That DADHC develop, in consultation with relevant academics, service providers, advocacy groups and participants, objective performance indicators for the Community Participation and Transition to Work programs, as a matter of urgency. These indicators should be developed using the previous work done on performance measures by the ATLAS Reform Project.

DADHC is addressing this recommendation by commissioning an independent organisation (ARTD Management and Research Consultants) with experience in performance management to assist in the development of performance indicators, monitoring and evaluation frameworks for both Community Participation and Transition to Work programs. This work is drawing on the approaches of NSW agencies, other state disability authorities across Australia and the ATLAS reform measures. DADHC will be discussing the frameworks with the stakeholder reference groups.

Recommendation 8

That DADHC adopt a policy of providing a minimum of four program days per week for all participants in the Community Participation program. Participants assessed as having high support needs should receive the most number of days, namely five program days per week.

The Government has made a commitment to providing a minimum of 18 hours of support to service users per week for 48 weeks a year. Funding tiers have been introduced to ensure that all service users have access to the minimum number of hours of support.

Recommendation 9

That DADHC work with Wollongong University to finalise the Cost Classification Study as soon as possible. Funding levels for the Community Participation program should be revised based on the findings of the Study, to ensure that all participants receive enough funding to have a minimum of four days per week, and participants with high support needs receive enough funding to have five days per week.

As previously indicated, DADHC reactivated the Cost Classification Study in May 2005 and received an interim report in February 2006. In developing the tender for Community Participation services, DADHC has drawn heavily on the financial and service data from the study.

Other data contributing to the evidence base for new program directions included information collected from visits to 24 individual services and the development of a costing tool by Deloitte Touche Tohmatsu.

Recommendation 10

That DADHC comply with the consultation requirements of the Disability Services Act 1993.

The Government acknowledges that previous consultations undertaken as part of the 2005 post school program reforms were inadequate. As part of a change management approach consultation processes and structures have been fundamentally improved during 2005 to include the establishment of an ongoing Stakeholder Reference Group for post school programs and workshops with Aboriginal organisations.

In December 2005, DADHC released the *New Directions for Community Participation* consultation paper for input from service users, families, peak advocacy bodies and industry representatives. A wide range of submissions were received and feedback has informed the development of the Community Participation tender.

Peak bodies and service industry representatives have provided input into the development of program guidelines, service schedules, performance indicators and the operation of the Supplementary Funding for People with Very High Support Needs and the Equipment and Modifications Fund. DADHC has also met directly with providers managing the Transition to Employment Pilot Projects to ensure outcomes from these projects are used to inform policy and practice guidelines.

DADHC will continue to work closely with service providers, service user representatives and peak disability organisations to inform policy and program improvements.

Recommendation 11

That DADHC's TAFE policy ensures that participants in both Community Participation and Transition to Work programs are eligible to study at TAFE.

The Department has held several meetings with the Department of Education and Training about the interface between DADHC's post school programs and TAFE and arrangements are still being refined. The draft policy will be discussed further with the Stakeholder Reference Group following these negotiations.

Recommendations 12 and 13

That officers of DADHC meet with Commonwealth officers of the Department of Education, Science and Training as soon as possible to resolve issues of funding responsibility for university students with a disability.

That DADHC develop and implement a policy to provide self managed funding to:

- *young adults with a disability who are eligible to participate in post-school programs but who wish to attend university*
- *university students currently receiving funding through Adult Training, Learning and Support or Post School Options programs, to support them to undertake postgraduate study or commence a second degree.*

As discussed in relation to *Recommendation 6*, the NSW Government is not seeking to take on new higher education funding responsibilities and sees the support of university students as a mainstream Commonwealth funded / university responsibility. DADHC will however work with Commonwealth agencies to promote increased tertiary support for university students with a disability living in NSW.

Recommendation 14

That DADHC review the accuracy of the assessment tool. If the assessment tool is not accurate DADHC should investigate alternatives and implement a replacement assessment tool. The new assessment tool should be used to link funding to levels of support needs.

The current screening tool developed by the University of Wollongong is used to identify the most appropriate post school program for eligible school leavers – either Community Participation, Transition to Work or a Commonwealth employment program. The *New Directions for Community Participation* consultation paper flagged the Government's

commitment to work with other states and the Commonwealth to develop a new national assessment tool specifically for post school programs and supported employment. Stakeholder feedback to *New Direction for Community Participation* supported this national approach and DADHC will initiate discussions with other state jurisdictions and the Commonwealth to progress this further.

Recommendation 15

That DADHC and the Department of Education and Training start the transition process for Community Participation and Transition to Work in Year 10 for students who are likely to enter post school programs. The assessment process should include:

- *ongoing assessments in subsequent years*
- *a final assessment no later than the first term Year 12.*

DADHC should publish and comply with the assessment timetable.

The earlier commencement of transition planning is supported by the Government. DADHC is discussing ways to improve the current arrangements with the Department of Education and Training. DADHC will investigate the potential for a small number of case workers to work with teachers, school leavers and their families in planning transitions. These positions could provide information and support to people and their families prior to leaving school and in the initial period after entering their Community Participation or Transition to Work service.

Recommendation 16

That DADHC develop and implement a mechanism to appeal assessment decisions. Appeal applications should be simple to complete, and not require extensive supporting documentation.

The Department should raise awareness of the appeal mechanism, including by ensuring that the mechanism is documented.

The Government recognises that no assessment tool is fully accurate and that people's needs change over time. The Department has always had an appeals process for school leavers and their families. As recommended by the Committee, information on the appeals process has been made more widely available to school leavers, families and service providers.

Recommendation 17

That the NSW Minister for Disability Services liaise with the Commonwealth so that the programs in the area of disability services work together to support and assist participants in post school programs.

As outlined in previous recommendations meeting the needs of young people with a disability is not the sole responsibility of the NSW Government. The NSW Minister for Disability Services will continue to work with relevant Commonwealth Ministers using the platform of the Commonwealth State/Territory Disability Agreement and bilateral discussions to progress priorities. These include including increasing supported employment places in NSW and improving service and program co-ordination. This joint approach will provide a better service system for people with a disability and their families and help to increase the range of opportunities available to people in NSW.

The Government recognises that the implementation of the new directions for post school programs outlined in this response presents not only opportunities but also some challenges for people in the programs, service providers and DADHC. As part of its

change management approach, the Department will therefore continue to work closely with young adults and their families and service providers to ensure a smooth transition to the new arrangements.