

MARKETS IN THE COMMUNITY:

The Deaf Society of New South Wales

KangaNews is proud to support the charitable endeavours of Australian and New Zealand capital-markets professionals. This issue features the work of an asset manager who is using his financial-markets experience to contribute positively to **The Deaf Society of New South Wales** (The Deaf Society) – an organisation with the goal of supporting equity for deaf people.

Leonie Jackson is the chief executive of The Deaf Society, based in Sydney. She is the society's first deaf chief executive and she spoke to *KangaNews* via an Auslan interpreter. Auslan is the official sign language of the Australian deaf community. Vivek Prabhu, head of fixed-income at Perpetual Investments in Sydney, joined The Deaf Society in 2011, first as a board member before moving into the role of treasurer six months later.

Around one in six Australians are affected by some degree of hearing impairment according to Disability Services Australia statistics – a broad segment of society spanning all intersections of identity. For more than 100 years, The Deaf Society has been the leading provider of specialist services for deaf, deafblind and hard-of-hearing people and their families in New South Wales.

"Social justice is something I am really passionate about. Fundamentally,

it comes down to recognising the rights of all people in society and ensuring there are safeguards to protect the vulnerable. This means equity in access to essential services, legal aid, education, employment and general community services. Something as simple as going to the movies and having subtitles available is important for hard-of-hearing individuals," Prabhu comments.

Prabhu says he had been looking for a community cause to lend his professional skills and experience to for quite some time. When the opportunity arose for him to be a part of The Deaf Society he felt it was a good fit. "Several members of my own family are affected by some level of hearing impairment. Having this personal aspect strengthened my resolve to commit my time and resources to this organisation. It was a great opportunity for me to make a positive difference to the community. So when I saw the opening I did not hesitate in putting forward an expression of interest."

In his role as treasurer, Prabhu also became chair of the society's finance and audit committee, which sees him accountable to the members of The Deaf Society and responsible for compliance and the financial performance of the organisation. Ultimately, this covers organisational strategy, corporate responsibility, regulatory requirements and fiscal operations. As well as this, Prabhu shares control of board composition, leadership, succession planning and remuneration.

RESOURCES MANAGEMENT

While Prabhu believes The Deaf Society is in a solid financial position he acknowledges the low interest-rate environment has been a challenge for not-for-profit organisations.

"Traditionally, a lot of not-for-profit organisations have held the bulk of their reserves in term deposits but as interest rates have fallen it has become difficult for them to generate investment returns. We are very much aware of this issue at



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LEONIE JACKSON THE DEAF SOCIETY

Perpetual and when it comes to a not-for-profit organisation it is even more salient. Some not-for-profit organisations are surviving financially on a month-to-month basis. Ultimately, we must respond to this by generating a decent return for not-for-profits in a way that avoids taking on too much risk,” Prabhu comments.

Prabhu says the ideal investment structure for this type of organisation depends on the risk appetite of its board, which will be influenced by their knowledge of financial markets, the organisation’s financial position and its diversity of funding sources. Strengths in these areas will generally increase their tolerance for risk.

“Not-for-profits have traditionally been very conservative when it comes to investments and have often exclusively invested in term deposits. Now, they are forced to think about investments more broadly. They must look beyond traditional deposits to consider equity, property or other alternative assets to enjoy similar levels of income to those they enjoyed a couple of years ago when cash rates were higher.”

Government policy also puts pressure on the financial structure of organisations like The Deaf Society. In July 2016, the Australian government began to roll out the National Disability Insurance Scheme (NDIS). This programme aims to provide all Australians under the age of 65 who have a permanent and significant disability with the necessary support to enjoy a normal quality of life. The scheme also signifies a move away from block funding towards arrears-based cashflows for service providers like The Deaf Society.

While the NDIS is generally viewed as a positive development for the disability sector, the implementation of the scheme has presented some challenges, Prabhu says. Previously, a large portion of not-for-profit service providers had funding filtered through to the organisation in advance of the services being delivered.

But, he adds: “Now, under the customer-centred approach, a significant portion of this funding goes straight to the individual who will then choose their service provider. This creates cash-flow challenges, as previously block funding was received in advance and will now be received in arrears after the customer accesses the service.”

It also raises issues for the organisation’s business model, Prabhu adds. Now not-for-profits are competing with commercial organisations they must respond with active marketing, a better understanding of the costs of services and ensuring they can offer these services at a competitive price. All this requires a significant investment of time and resources.

In response, Prabhu was charged with formalising an investment policy statement for the society which provided a framework around the investment process at the same time as setting the risk appetite around performance objectives. The Deaf Society was already relatively progressive with the types of asset classes it invested in, Prabhu notes. Much more so, in fact, than other not-for-profits he has been involved with.

“In recent times, there has been a push for not-for-profits to become less reliant on government funding,” he tells *KangaNews*. “Diversification of funding subsequently becomes very important

whether this is through commercial activity, fundraising, philanthropy or investments. An organisation’s ability to demonstrate its willingness and ability to reduce its reliance on government funding can be challenging. It is something that is beginning to feature heavily in the funding activities of not just The Deaf Society, but in the Australian not-for-profit sector as a whole.”

CUSTOMER-CENTRIC APPROACH

The Deaf Society functions as a disability service with four avenues of funding – interpreting services, education services, employment services and support services, Jackson confirms. However, it is the implementation of the NDIS that has changed the society’s funding landscape the most.

“Disability services is one of the main areas of funding at The Deaf Society. Under the NDIS the customer can decide which organisation to nominate as their service provider. So we need to ensure we are the organisation of choice. In the long run it will hopefully mean most, all, or even additional customers will stay with The Deaf Society as their primary service provider,” Jackson says.

Jackson was appointed the society’s first deaf chief executive in May 2015 and was given the mandate of developing the society’s customer-centric approach in preparation for the NDIS. “The first thing I did was speak with everyone in the organisation. I wanted to know their thoughts on the organisation’s new direction and whether they had any concerns. Most employees saw value in the NDIS, which was exciting, but they didn’t necessarily know what their role would be in creating value for the society going forward. I also

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VIVEK PRABHU PERPETUAL



needed buy-in from the board members and management team before I could implement any change.”

There was, however, a degree of pushback from some members of the society who were reticent to let go of its historical welfare model. “There was a mindset of ‘it doesn’t matter how much our resources cost the organisation, we are here to help the deaf community’. But there was no strong sense of improving our services. Quite often a lot of things were put in the too-hard basket because we didn’t have the funding available.”

Prior to her role at The Deaf Society, Jackson worked in the corporate sector where her position required her to take a particularly customer-focused view. “You can imagine how I felt coming into The Deaf Society: it was the complete opposite. I was used to the customer telling me what they wanted. Without a doubt The Deaf Society will always put the needs of the deaf community first. Now the organisation successfully reflects this in its entirety by focusing on community requirements from the first point of contact,” Jackson comments.

SERVING THE DEAF COMMUNITY

The Deaf Society is currently a registered training organisation which provides accredited Auslan courses. According to Jackson, the last 20 years has seen a substantial rise in the number of families who want to learn Auslan as a result of deaf children being encouraged in this direction rather than to speak.

“We really want to target people who hope to work within the deafness sector in general. They may want to become interpreters, teach the deaf, work with deaf children or become support workers. It also gives hearing individuals the opportunity to participate in the deaf community,” Jackson says.

In the last decade, The Deaf Society has also been providing a comprehensive employment service, which Jackson argues has come with its own set of challenges. “We have been tasked with changing the mindset of potential

employers. Attempting to change the mentality of others can often be complicated, especially in dealing with disability.”

Jackson says The Deaf Society seeks to lead by example by becoming an organisation of excellence that welcomes deaf or hard-of-hearing individuals into the workplace. The organisation currently employs many deaf staff members in different roles and at a variety of levels.

“One of the things a lot of people notice when they come into our office is that there are plenty of mirrors,” Jackson says. “Our deaf employees often sit facing their computers so it is important that they have other ways of being aware of their surroundings. We also use coloured lights for the doorbell and to alert people in emergency situations.”

She adds: “These are all minor details but are extremely important in allowing deaf employees to thrive in the workplace. Potential employers can use our office as a template for how to make their workplace a more inclusive place. It is about demonstrating that deaf people are very capable at functioning like any other individual in a professional environment.”

Jackson believes there is a generally accepted view that it is too hard or too expensive to hire a deaf person. However, she strongly advocates for the need to find employers and organisations that are willing to work with The Deaf Society in affording deaf people equal employment opportunities.

At the moment, a deaf individual can apply for employment assistance funding if they work for 12 hours or more a week. This is available to every deaf person and affords A\$6,000 (US\$4,605) a year to access services like interpreting or live captioning in the workplace. Jackson’s employment assistance funding ran out within a month of her taking on the chief executive role.

“For someone in a position like mine, A\$6,000 does not go very far. I require interpreters for every meeting. If the system was updated to one where

funding was based on requirement and the employers didn’t feel restrained by budgets I think there would be far more deaf people employed in professional positions. Undoubtedly, deaf people would feel more empowered to apply for jobs if they knew they did not have to worry about the financial burden of interpreters. Unfortunately, it is a barrier that most deaf people face regardless of the skills they might have,” Jackson comments.

Jackson says she has seen a shift in the way the general community views deaf and hard-of-hearing people during the last two years. Although she recognises there is still a lot of resistance from the wider community, Jackson acknowledges it is getting better. “Remembering that this society is more than 100 years old it was quite exciting to become its first deaf chief executive. I found that when I met with government departments, for instance, a lot of people have never met a deaf person before. To be frank, some people had the view that a deaf person would not be capable of holding a position like chief executive.” •

The Deaf Society of NSW is the leading provider of specialist services for the deaf, deafblind and hard-of-hearing NSW community. The Deaf Society’s head office is based in Parramatta with additional offices in the Central Coast, Newcastle, Lismore, the Coffs Harbour region and Warrawong. Support is also available in Tweed Heads, Orange, Port Macquarie and Nowra. For more information, including how you can get involved in the NSW deaf community, please visit <http://deafsocietynsw.org.au/>

Members of the Australian and New Zealand capital-markets industry are welcome to contact KangaNews if they would like their own or a colleague’s work with a charitable organisation or project to be profiled in this editorial series. Please contact Samantha Swiss via sswiss@kanganews.com