



Inclusion Australia

acting locally - representing nationally - connecting globally

A submission from

Inclusion Australia

in response to

National Disability Insurance Scheme (NDIS) Costs

Productivity Commission Issues Paper

February 2017

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Contents

Inclusion Australia	3
Introduction	4
Scheme Costs	5
Scheme Boundaries	12
Planning processes	17
Market readiness	25

Inclusion Australia

Inclusion Australia, (formerly the National Council on Intellectual Disability), appreciates the opportunity to provide a response to the Productivity Commission Issues Paper, February 2017, on National Disability Insurance Scheme (NDIS) Costs.

Inclusion Australia was created in 1971 by parents and friends in an endeavour to improve the quality of life of people with intellectual disability and to fill the need for national unity and information.

Inclusion Australia is the recognised national peak body with a single focus on intellectual disability.

Our mission is to work to make the Australian community one in which people with intellectual disability are involved and accepted as equal participating members. Our actions and priorities centre on issues that affect the lives of people with intellectual disability and their families.

Inclusion Australia has over 5,000 members representing all states and territories. In addition to having people with intellectual disability on our Board, Inclusion Australia receives policy advice from *Our Voice*. *Our Voice* is a committee of the Board, the membership of which is exclusively people with intellectual disability representing all states and territories.

Introduction

Our view on the meaning of costs and its relationship with need, support, and benefit.

People with intellectual disability invariably require ongoing specialist support to enable their development and participation in typical life activities and typical settings.

The human right and equal citizenship of people with intellectual disability entitles this group to participate in our communities without discrimination or disadvantage. This will often require supports to achieve this substantive equality of opportunity.

The provision of support is to ensure people with intellectual disability can meet their common human needs — whether this be personal care, physical or mental health, making a home, going to school, getting and keeping a job, or participating in community activities.

Supports, and the costs of supports, are a means to an end.

Supports are only *of value* if they meet a need, a goal, or achieve an outcome. The critical determinant for individuals and families is not — the quantum of support funding — but whether funded support meets their needs.

According to Jean, eighty-eight year old mother of Andrew, from the ABC Four Corners program, “Fighting the System”;

“It seems to be, it’s always ‘lack of funding, lack of funding’ — just put the funding in the right place and we’ll get it done.”

Inclusion Australia agrees wholeheartedly with Jean.

A discussion about support costs cannot be separated from support quality and support effectiveness for people with intellectual disability and their families. There is a direct relationship between costs, support practices, and outcomes for people with intellectual disability and their families.

The value of costs, or the effectiveness of paid support, can only be understood in terms of meeting the needs and goals of, and achieving outcomes for, people with intellectual disability and their families.

It is within this framework of ‘benefit’ that Inclusion Australia responds to the Productivity Commission’s discussion paper.

Our intention is to ensure that the NDIS is successful, for if not, the cost of spending \$22 billion will not just be about poor *value for money*, but a failure to support people with intellectual disability to have a *good life* equal to that of Australians without disability — which is a far greater cost in terms of consequences for the very people the NDIS is meant to serve.

Our response is deliberately candid. Yet it is important that as a national association on behalf of people with intellectual disability and their families that we speak plainly and directly to the issue of cost to ensure that the significant budget allocation by Commonwealth, State, and Territory governments returns a benefit to people with intellectual disability and their families and achieves the objectives set out in the NDIS Act.

Scheme Costs

Are there any cost drivers not identified above that should be considered in this study? If so:

- how do they impact costs in the short and long term?*
- how, and to what extent, can government influence them?*

Access to quality support for people with intellectual disability and their families is critical in the short and long term. Access to information about the performance outcomes of providers enables participants to make an informed choice. An informed choice can drive market performance, increase the value of costs, and limit future costs.

The *actuarial modelling* section of the Productivity Commission Inquiry Report, *Disability Care and Support*¹, explains how estimating future costs of

¹ Disability Care and Support. Productivity Commission Inquiry Report. No. 54, 31 July 2011

groups of individuals over a lifetime, informs what level of Government expenditure is required to meet these costs in the future.

This modelling includes many of the cost drivers contained in the discussion paper, but also raises the notion of potential cost savings through timely supports at critical life moments.

An hypothetical example given in *Disability Care and Support* states;

“Interventions aimed at increasing the proportion of people able to participate in a TTW program (for example, specific support whilst at school) and increasing the rate at which people can exit to employment (for example, more targeted support within a TTW program) will reduce the liability to the NDIS (or NIIS) for school leavers and increase employment rates for people with disabilities.”

What this example is trying to convey is that if NDIS funding can provide timely and quality support from school to work for young people with disability, there will be less need for non-work day supports. Over a lifetime, this can provide substantial savings, increase employment participation, and provide savings, (i.e. from more expensive NDIS supports), and savings within other government programs, (i.e. Income Support, Disability Support Pension).

Well directed and timely support costs, together with quality practices linked to the achievement of outcomes, can return substantial value for costs, and limit future costs over a lifetime.

A real example may help to explain this further.

The NSW government has been operating the Transition to Work (TTW) program since 2004. This pioneering and innovative support is currently being moved into the NDIS as the scheme rolls out across the nation.

The NSW government has published outcomes for 2004 - 2012 school leavers by provider. The Sydney metropolitan results show that there is great variance in the *open employment outcomes* achieved by providers for school leavers with disability (0% to 66%), and in the *cost per outcome* by provider (\$63,773 to \$1,050,000). The top two providers are responsible for more than

half of all open employment outcomes (55%), and also deliver significant efficiencies in cost per outcome. In contrast, many providers are responsible for few outcomes, (some zero), at very high costs per outcome.

This information allows participants to make an informed choice to give them the greatest chance of getting a job. If participants choose high performing providers, this will increase the value of expenditure, achieve higher outcomes overall, and limit future costs for those who are employed.

NSW -Transition To Work, Metropolitan Providers, 2004-2012, Open Employment Outcomes				
Provider	Outcome	School Leavers	Outcome Rate	Cost Per Outcome (\$42K per participant)
Jobsupport	299	454	65.9%	\$ 63,773
NOVA	101	217	46.5%	\$ 90,238
Disability Services Australia	55	176	31.3%	\$ 134,400
Cerebral Palsy Alliance	47	140	33.6%	\$ 125,106
Break Thru People Solutions	43	218	19.7%	\$ 212,930
The Northcott Society	41	165	24.8%	\$ 169,024
CatholicCare / Centacare	21	102	20.6%	\$ 204,000
Macarthur Disability Services	19	140	13.6%	\$ 309,474
Ability Options	13	87	14.9%	\$ 281,077
Job Centre Australia	13	48	27.1%	\$ 155,077
AFFORD	12	143	8.4%	\$ 500,500
Northside Enterprises	11	49	22.4%	\$ 187,091
Essential Personnel	6	36	16.7%	\$ 252,000
The Housing Connection	6	41	14.6%	\$ 287,000
North West Disability Services	6	59	10.2%	\$ 413,000
Studio ARTES	6	49	12.2%	\$ 343,000
Flintwood Disability Services	4	23	17.4%	\$ 241,500
Achieve Australia	3	41	7.3%	\$ 574,000
Hawkesbury Transition to Work	3	10	30.0%	\$ 140,000
The Junction Works	3	42	7.1%	\$ 588,000
Sunnyfield	3	73	4.1%	\$ 1,022,000
Uniting Church (Ella Community Centre)	3	27	11.1%	\$ 378,000
Community First Step	2	11	18.2%	\$ 231,000
The Creativity Centre	1	15	6.7%	\$ 630,000
Inala	1	14	7.1%	\$ 588,000
Lifestyle Solutions	1	2	50.0%	\$ 84,000
Peckys	1	10	10.0%	\$ 420,000
The Disability Trust	1	4	25.0%	\$ 168,000
Blue Mountains Disability Services	0	8	0.0%	\$ 336,000
Civic Industries	0	6	0.0%	\$ 252,000
Eurella Community Services Group	0	3	0.0%	\$ 126,000
House With No Steps	0	13	0.0%	\$ 546,000
Interaction Disability Services	0	1	0.0%	\$ 42,000
Lorna Hodgkinson (Sunshine)	0	4	0.0%	\$ 168,000
St George & Sutherland Community College	0	22	0.0%	\$ 924,000
Sylvanvale Disability Services	0	5	0.0%	\$ 210,000
Vision Australia (Royal Blind Society)	0	2	0.0%	\$ 84,000
Warrah Society	0	2	0.0%	\$ 84,000
Wesley Life Skills	0	8	0.0%	\$ 336,000
Windgap Foundation	0	25	0.0%	\$ 1,050,000
Woodville Community Services	0	25	0.0%	\$ 1,050,000
Total	725	2520	28.8%	\$ 145,986
Without Jobsupport	426	2066	20.6%	\$ 203,690
Without Jobsupport & Nova	325	1849	17.6%	\$ 238,948

The support area of *transition to work* is highlighted as a *particular* example of the relationship between costs, support practice, and benefit to people with disability, yet this relationship can be applied to all NDIS support areas.

An analysis of NDIS costs should include a value factor in terms of achieving outcomes or benefits for people with disability. An NDIS cost strategy should include a consideration of ‘what works’ (i.e. effective support) in its framework of what drives cost to achieve the NDIS object “to support the independence and social and economic participation of people with disability.”

It is critical that the NDIA publish provider outcomes as a critical strategy to ensure informed participant choice of providers based on performance results. This provides a strategy to drive market quality and value for money through informed participant choice. Publishing results also ensures that poor provider performance incurs a consequence through an increasing number of participants choosing higher performing providers.

An informed choice strategy based on published provider outcome results offers the NDIS a significant strategy to increase value for costs, to achieve significant future savings, and most importantly, maximise benefits for participants.

The Centre for International Economics² has noted that;

“The importance of information and expectation in driving market outcomes are a widely recognised feature of all markets. For example, the recent Harper review of competition policy noted:

‘The Panel believes that markets work best when consumers are informed and engaged, empowering them to make good decisions. Empowering consumers requires that they have access to accurate, easily understood information about products and services on offer.’

Inclusion Australia recommends that the NDIA/S, as a critical strategy to support participant choice and control, publish provider outcomes to

² The Centre For International Economics. March 2017. Securing savings from open employment. The case of persons with moderate intellectual disability

empower participants to make informed decisions to drive provider performance and achieve value for money and future savings.

Why are utilisation rates for plans so low? Are the supports not available for participants to purchase (or are there local or systemic gaps in markets)?

There are some systemic gaps in the provider market. Whereas this may cause low utilisation of allocated funding, it is more worrisome in terms of the availability of relevant and quality support to meet the needs of NDIS participants.

The current rate of NDIS roll out does not match the demand for both quantity and quality of support.

For example, Inclusion Australia has partnered with the NDIA to help participants be informed about School Leaver Employment Supports (SLES). SLES is a *wonderful* opportunity for NDIS participants to get support on a pathway to employment in the open labour market.

Inclusion Australia is an enthusiastic supporter of SLES as it is a direct response to the research that shows that with the right support, many young people with intellectual disability can be assisted to successfully participate in the open workforce.³

SLES provides funded support to school leavers with disability to build their confidence, skill, and experience to learn about work and ultimately get a job. This meets a core object of the NDIS to increase the employment participation of people with disability.

It has become increasingly apparent, however, that there are few providers with the specialist skill sets and competencies required to support participants with significant disability move from school to work in the open labour market (i.e. *thin market*).

³ Evaluation of Disability Employment Services, Chapter 7 - Intellectual Disability.

Whereas there are many providers in terms of the number registered to provide this type of support, few show evidence of competence or a past track record of achieving open employment outcomes for this group.

A major risk is that allocated funding may be expended with a provider with little competence to be able to achieve outcomes. This puts the value of costs at risk, fails to achieve the object of the NDIS, and sets up vulnerable participants and their families for failure.

It is our view that this cost risk could be mitigated if only providers with demonstrated competence were permitted to register to deliver SLES. This would maximise value, benefit, and long term savings. A 'vetting' strategy could be universally applied to all NDIS support areas to ensure the market includes proper staff training, qualification, accreditation, and evidence of implementation of evidence based practices through actual positive outcome results.

In the example above, restricting provider registration to organisations that demonstrate high rates of benefit to participants offers value of cost (i.e. getting people into work), and future long term value, (i.e. savings from more expensive alternative day program or supported employment support, plus reduced income support and potential tax benefits). An analysis of the potential savings for the NDIS through effective *transition to work* support has been published by the Centre for International Economics.⁴

There needs to be a strategy to develop the provider market through expanding providers with competence, and offering training and technical assistance to providers who want to gain competence. This protects the value of the costs, ensures that the market offers quality support linked to evidence based practice, and heightens the chance of success and benefit while decreasing the chance of detriment to participants.

It should be recalled from the Government's Competition Policy Review that;

⁴ The Centre For International Economics. August, 2015. *DES and the NDIS: opportunities for portfolio wide savings*. This document can be sourced at <http://www.wecanwork.info/documents>

“ . . in putting user choice at the heart of service delivery, governments should: . . recognise that access to quality services will be a prerequisite for effective choice and that accessibility will be particularly important in remote and regional areas; . .”⁵

Without access to quality services, the NDIS principle of ‘choice and control’ becomes a hollow message and leads to underutilisation, or poor utilisation, of allocated funding to participants.

Inclusion Australia recommends that:

- **Cost must be understood in terms of quality support and benefits to participants. The relationship between cost, support, and benefit, is key to ensuring value for money, driving quality, and long term savings.**
- **Access to quality supports is critical if current cost expenditure is to be value for money, and provide savings in the future. The registration of providers should be restricted to organisations that demonstrate competence and capacity to deliver benefits to people with disability.**

⁵ <http://competitionpolicyreview.gov.au/final-report/>

Scheme Boundaries

To what extent have the differences in the eligibility criteria in the NDIS and what was proposed by the Productivity Commission affected participant numbers and/or costs in the NDIS?

The eligibility criteria used for people with intellectual disability is not accurate and will not ensure integrity and coherence with the NDIS Act.

Failure to get the eligibility right for people with 'intellectual disability' will mean that the NDIS is at risk of;

- not correctly identifying this population,
- making the process more complicated than it should be, and,
- increasing the chance of people without a significant limitation in functional capacity entering the scheme.

Inclusion Australia has previously written extensively on this issue. There is an international consensus on the definition and assessment of *intellectual disability*. The American Association on Intellectual and Developmental Disabilities, an international authority on the definition of intellectual disability states that;

“Intellectual disability is characterized by significant limitations both in intellectual functioning and in adaptive behavior as expressed in conceptual, social, and practical adaptive skills. This disability originates before 18.”⁶

This definition contains three assessment parts;

1. An assessment of intellectual function — commonly known as the IQ test — of approximately 2 deviations less than the mean (i.e. IQ <70),

⁶ American Association on Intellectual and Developmental Disabilities - Note: Definition is similar to the APA definition.

2. An assessment of adaptive behaviour of conceptual, social and practical adaptive skills — of approximately 2 deviations less than the mean (i.e. AB <70),
3. The disability originates before adulthood (i.e. before age 18).

The assessment and diagnosis is conducted by a registered psychologist. A diagnosis of *intellectual disability* is an indication of significant limitations in both intellectual function, and conceptual, social and practical skills.

A strict adherence to this definition, assessment and diagnosis ensures that that there can be no concern about the legitimate eligibility to the NDIS on the basis on ‘intellectual impairment’, ‘permanent disability’ and substantially reduced functional capacity’.⁷

The current NDIS eligibility policy misunderstands the definition and diagnosis of intellectual disability. The severity classification of intellectual disability of ‘mild’, ‘moderate’, ‘severe’ and ‘profound’ **does not correlate** with general disability classifications of ‘severe’ and ‘profound’ impairment. Every person with the diagnosis of ‘intellectual disability’, via standardised assessment, has been found to have a ‘significant limitation’ in functional capacity for up to three domains including academic, social and practical adaptive skills.

To ensure accuracy of NDIS eligibility, and to ensure costs are based on a correct and accurate measure of intellectual disability, Inclusion Australia recommends that;

- **The NDIA review and reform its disability requirements policy to be in line with the international definition of intellectual disability so that an *intellectual disability* diagnosis by a registered psychologist be sufficient to meet the disability and functional capacity requirements to be eligible for the NDIS.**

⁷ NDIS Act, s. 24 - Disability Requirements.

This will ensure that NDIS costs are properly targeted to the population listed in the NDIS Act, and prevent misinterpretation or misuse of the definition of intellectual disability.

Is the current split between the services agreed to be provided by the NDIS and those provided by mainstream services efficient and sufficiently clear? If not, how can arrangements be improved?

How has the interface between the NDIS and mainstream services been working? Can the way the NDIS interacts with mainstream services be improved?

There are significant problems with the intersection between the NDIS and mainstream services.

This is having a detrimental impact on the needs and goals of participants who need a combination of support to meet their needs and goals, and on providers who support participants across different support systems.

For example, NDIS participants with intellectual disability with NDIS-SLES funding in their plans must be able to move seamlessly from this support to Disability Employment Services (DES). DES is administered by the Commonwealth Department of Social Services (DSS) and operates outside of the NDIS.

The two most successful NSW metropolitan transition to work providers, (based on published results noted above), assist people with significant disability move from school to a job in the open workforce, by providing transition support activities (i.e. funded by NDIS-SLES) to build the confidence, skill, and readiness of young people to enter DES (i.e. funded by DSS) to get a paid job and long term ongoing support.

A key to the success of this *best practice* is the ability to provide transition support for NDIS participants and *when ready* to concurrently register participants with DES to get a paid job and provide ongoing support. Participants typically exit NDIS-SLES at the time of a paid job placement.

This seamless transition from NDIS transition support to DES support has been the basis of demonstrated success for over a decade by a limited number of highly competent and successful providers. The benefits to young people with significant disability are substantial. Many young people in this group have low expectations about their capacity to work. Transition to work support gives them the opportunity to learn about work and challenge their expectations about what is possible. It provides enormous value for money, and long term savings over a lifetime from more costly alternative day support, and savings in other government portfolios (i.e. income support, health, mental health).

The NDIA and the Department of Social Services have not been able to develop effective policy to ensure that young people with significant disability can easily move between NDIS and DES. The Minister and DSS, however, are aware of this issue and have committed to develop policy so that there is a smooth transition from the NDIS funded transition supports (SLES) to DES support. Yet we are still waiting for this policy during a time when young people with significant disability have already started their NDIS plans and support.

There needs to be a forum and capacity to make policy decisions about the intersection between NDIS and mainstream services in a much more strategic and timely manner. Young people with significant disability, and high performing specialist providers, need to be able to make critical support decisions that will determine the future careers and lives of participants. And specialist providers need to know if models of support are viable. At the moment, the policy process is cumbersome and ineffective.

Failure to achieve sensible policy between the NDIS, mainstream, or other disability support, in the interests of people with intellectual disability and their families, will undermine the objects of the NDIS (e.g. greater employment participation), and the value of costs both in the short term and long term. The *big idea* for the intersection of the NDIS with mainstream services, or other

disability supports, is to ensure that this intersection supports the needs, goals, and benefits of the participant.

Inclusion Australia recommends that,

- **Commonwealth, State and Territory government immediately develop clear guidelines in consultation with Inclusion Australia on the intersection of NDIS funded support, with support that is provided outside the NDIS.**
- **The intersection between NDIS and Disability Employment Services requires immediate policy direction. The policy must be consistent with best practice transition to work support for people with intellectual disability that demonstrates high rates of outcomes.**

Planning processes

*Is the planning process valid, cost effective, reliable, clear and accessible?
If not, how could it be improved?*

How should the performance of planners be monitored and evaluated?

The planning process is not working well and is in need of major reform.

The notion of participant driven planning is to ensure support is based on individual need. This concept has deteriorated into a bureaucratic driven process interested *primarily* in the speed and numbers of participant plans completed.

It is critical that the planning process meets *primarily* the needs of participants — first and foremost. There is emerging evidence that plans are not based on NDIS Act objects of supporting *independence, economic participation, or promote high quality and innovative supports to maximise independent lifestyles and full inclusion* in the community.

Planning processes such as assessment by phone, reference packages, and *first plan* strategies are not consistent with the dreams, hopes, objects and principles of the NDIS. The process is moving further and further away from being person-centred and shifting to the needs of the agency to meet its objectives of participant numbers, numbers of plan, and strategies to control variation in plans.

Whereas Inclusion Australia understands that the size of the NDIS roll out presents difficult operational challenges, solutions to these challenges have come at the price of imposing a disadvantage on people with intellectual disability and their families.

Here are several excerpts of one family's experience shared with Inclusion Australia about the NDIS planning process.

- *Sitting through the planning episode being told all the preparation we had done was not relevant*

- *Being told future goals were not relevant as this was a 'first plan' that at best will sustain the current level of funding*
- *Being told key areas of funding are not within the NDIS guidelines*
- *Hearing responses that were very familiar and part of our historical trauma [with the previous system]*
- *Following the planning meeting, my eldest daughter was distressed at the way I had been treated*
- *The NDIS scheme appears to lack clarity as it largely depends [on] who you are talking to that depends [on] what advice is given*
- *He is definitely not better off than he was under [state funding]*

The above experience is not unusual and reflects a lack of planning that is not respectful of participants, and an inability to be flexible in design to meet individual needs.

Inclusion Australia has received multiple numbers of complaints from families and providers about the NDIS planning process in relation to School Leaver Employment Supports.

These complaints have included;

- *NDIS Plans without funded support:* A number of participants eligible for SLES did not get, or still do not have SLES funding included in their plans. This includes both participants transitioning from state programs, and new school leavers.
- *NDIS Plans with the wrong funding amount:* A number of participants eligible for SLES got funding included in their plans, but the amount of funding was incorrect.
- *NDIS participants waiting for a plan review to access funding.* NDIS participants who already had a plan before becoming eligible for SLES funding, were unable to add SLES to their plan and experienced long delays to update their plan and begin using their SLES.

- *NDIS participants and their families are surprised that a phone call can be deemed to be a planning meeting.* Inclusion Australia has met a number of families that are concerned that the NDIA consider that effective planning can be done over the phone.

Problems and errors with plans are difficult to get fixed quickly. Providers have reported to Inclusion Australia that they are having to spend considerable staff hours ensuring that plans are in order so supports can be delivered.

How can this be improved?

First, the reporting performance of the NDIA and NDIS based on the number of plans completed in a specific time period should be scrapped. This is driving poor quality planning.

Second, there should be a return to quality planning processes by quality planners. This requires;

- a *person centred* approach which takes the time to get to know the participant and family to determine needs and goals on a more human and individual level
- careful consideration of the capacity of the participant and their family to lead and understand a discussion of needs and goals
- awareness of the significant impact of low expectations
- depthful knowledge of knowing what is possible with effective support
- identify;
 - what needs participants have that require support
 - which of those needs are most pressing
 - which are those needs are most relevant to age and setting

- which of those needs can be addressed by the provider market and what assistance will be required to help the participant and the family connect to the market
- which needs require provider market development
- which needs are consistent with the NDIS purview and objectives
- which needs will require linkages between NDIS and mainstream or other disability service support
- what level of protection and advocacy participants will require
- what exceptional medical and behavioural support needs require support

Third, there should be an accredited training and quality assurance program to ensure planners and the planning process meets the needs and expectations of participants and families. The process should be developmental with deep respect for participants and their families.

Do NDIA assessment tools meet these criteria? What measures or evidence are available for evaluating the performance of assessment tools used by the NDIA?

What are the likely challenges for monitoring and refining the assessment process and tools over time? What implications do these have for scheme costs?

The assessment tools being used by the NDIA (i.e. PEDAC, WHODAS, SLES Functional Assessment) are valid, reliable, accurate and efficient.

We do however caution that these assessments need to be administered by quality assessors who have had the necessary training, subject to quality assurance checks, to ensure that assessments are conducted properly.

Inclusion Australia has noticed some unusual assessment results that suggest that some assessments are not being administered properly.

One of the common risks that people with intellectual disability encounter through assessment is low expectations about what is possible when provided with the right type and level of support.

People with intellectual disability will invariably be assessed with a low capacity or function on assessments. This baseline score, however, bears little relationship to the potential capacity or function following effective training and support. It is important that assessments are the basis for designing effective developmental support to achieve needs and goals.

Are the criteria for participant supports clear and effective? Is there sufficient guidance for assessors about how these criteria should be applied? Are there any improvements that can be made, including where modifications to plans are required?

To what extent does the NDIA's budget-based approach to planning create clear and effective criteria for determining participant supports? To what extent does it lead to equitable outcomes for participants? What improvements could be made?

What implications do the criteria and processes for determining supports have for the sustainability of scheme costs?

There are major problems with the capacity of the NDIA to meet the criteria for participant supports. The *first plan* and reference package planning processes do not appropriately address these criteria.

The Chair of the *Our Voice* committee of Inclusion National, a committee of national leaders with intellectual disability, has reported that many people with intellectual disability with NDIS plans are failing to improve their independence, social and economic participation.⁸

This report found that NDIS plans are actually creating a detriment by creating dependence on paid workers for support and failing to offer developmental strategies to increase the skill and capacity of participants.

⁸ *There is such a thing as too much support* – Judy Huett. Member of the NDIS Intellectual Disability Reference Group, 2016

There is a poor understanding by the planning process, and the provider market, of what actually facilitates social and economic participation, what represents good value for money, and what support practice will be effective and beneficial for participants with intellectual disability.

Inclusion Australia is frequently witnessing low expectation and low quality supports typical of the “old system” contrary to the NDIS object; to *“promote the provision of high quality and innovative supports that enable people with disability to maximise independent lifestyles and full inclusion in the community”*.

Whereas the criteria for participant supports is clear, the implementation of the criteria by assessors and planners needs major reform if this planning and funding process is to lead to participant benefit.

Assessors should be ensuring that supports can be tracked in terms of goal achievement, are developmental, and maximise the opportunity for people with intellectual disability to have full inclusion in their community and society.

There is an urgent need for training for all staff of the NDIA and LACs about what “inclusion” actually means in terms of support practices for people with intellectual disability.

“Inclusion” is about assisting people with disability to be active participants in activities and settings based on their interests and goals. “Inclusion” is about “development” — to help participants learn skills and strategies so that they can be active participants of their community.

Funding support which groups people with disability in programs and settings should be seriously questioned for not meeting objects of independence, social and economic participation, and full inclusion.

Unfortunately, many in our society still believe that people with intellectual disability —due to their impairment — are unable to achieve many tasks or activities of life, and revert back to old historical habits of grouping people with disability in separate settings. Yet the research and demonstration has

shown that effective training and support can enable people with intellectual disability achieve many tasks to maximise independence and inclusion in typical activities and settings.

NDIA assessors, planners, coordinators, and other staff need to have a deep knowledge about evidence based support if NDIS plans and costs are going to result in benefit and achieve the objects of the NDIS Act. *Support* for support sake is not *support*. Offering “*choice*” without relevant and effective support is *not choice*. Completing a *plan* for having a plan is not a *plan*.

Are the avenues for resolving disagreements about participant supports appropriate? How could they be improved?

There are two issues about plan or support disagreements that Inclusion Australia would like to address.

First, the recent Federal Court decision in *McGarrigle v National Disability Insurance Agency [2017] FCA 308* indicates that there are conflicting objectives with the NDIS planning and funding processes.

On the one hand, there is the requirement for the NDIA to determine supports that are reasonable and necessary, and ensure sufficient funding to meet these needs within the criteria of the NDIS Act. On the other hand, the NDIA needs to ensure that the NDIS scheme is financially sustainable within current and future budget restraints.

Whereas these objectives are not entirely incompatible, it does raise the possibility that the NDIS planning and funding process is at risk of making decisions that are not balanced, and may cause a detriment to participants and their families, particularly when participants with intellectual disability and their families are vulnerable within support systems.

This may be further exacerbated by other disadvantages due to cultural or language barriers that will heighten the vulnerability of participants and their families.

Second, Inclusion Australia has found that the capacity of the NDIA to quickly resolve planning and funding errors to be inadequate. There have been numerous errors in what is recorded in plans. Participants, families and providers have described to Inclusion Australia the time and resources that they have had to put into getting the most simple errors fixed so they can get on with accessing or delivering supports.

It is not acceptable to perceive these planning errors or experiences as something due to the roll out of the NDIS with the idea that over time we will not see these kinds of problems.

Inclusion Australia recommends that the NDIA need to consider an agile response with competence and authority to address obvious errors in the planning and funding processes of the NDIA. This would save participants and providers considerable time, resource and frustration.

Market readiness

What factors affect the supply and demand for disability care and support workers, including allied health professionals? How do these factors vary by type of disability, jurisdiction, and occupation? How will competition from other sectors affect demand (and wages) for carers? What evidence is there from the NDIS trial sites about these issues?

How will an ageing population affect the supply and demand for disability carers (including informal carers)?

Is increasing the NDIS workforce by 60 000-70 000 full time equivalent positions by 2019-20 feasible under present policy settings? If not, what policy settings would be necessary to achieve this goal, and what ramifications would that have for scheme costs?

How might assistance for informal carers affect the need for formal carers supplied by the NDIS and affect scheme costs?

To what extent is the supply of disability care and support services lessened by the perception that caring jobs are poorly valued? If such a perception does exist, how might it best be overcome?

What scope is there to expand the disability care and support workforce by transitioning part-time or casual workers to full-time positions? What scope is there to improve the flexibility of working hours and payments to better provide services when participants may desire them?

What role might technological improvements play in making care provision by the workforce more efficient?

What are the advantages and disadvantages of making greater use of skilled migration to meet workforce targets? Are there particular roles where skilled migration would be more effective than others to meet such targets?

Access to quality and effective support is critical for people with intellectual disability to achieve their needs and goals. Without access to quality support, participants will not achieve their goals or meet their needs, the NDIS will not meet its objectives, and money will be spent for little if any benefit.

The ABC Four Corners program, “Fighting the System”, illustrates the harm that can be done to people with intellectual disability and their families when

the service system is incompetent or focused on its own needs. This can be at best wasteful of generous tax payer dollars, and at worst abusive and destructive of vulnerable people and their families.

To be blunt, if the NDIA/S is not able to provide an effective and efficient market of service provision, it is best that we stop and think seriously about developing quality and effective support rather than putting participants at risk.

Inclusion Australia is very concerned about poor staff recruitment and training practices, casualisation of the workforce, lack of professional expertise and, in some agencies, poor management. We are also very concerned about the capacity of the service system to provide quality services that are safe and reliable.

Inclusion Australia is also concerned that the registration of providers is failing to check the competency and past record of providers to deliver positive outcomes for people with intellectual disability.

As noted earlier in our submission, the Government's Competition Policy Review⁹ noted that; "access to quality services will be a prerequisite for effective choice."

For example, we see a major gap in the market of providers and staff who have the specialist skill sets and competencies required to support participants with intellectual disability to move from school to work, and to develop independent skills and strategies to increase independence, and community inclusion and participation.

It is vital that the quality of staff and provider organisations — who are permitted to operate in the NDIS market — have evidence of skill and demonstration of outcome required to meet the needs and goals of participants.

⁹ <http://competitionpolicyreview.gov.au/final-report/>

We are very concerned that the increase in support demand will diminish the attention of the NDIS from the quality of support required.

Inclusion Australia believes that we urgently need to set up a national training and accreditation system for disability support staff as a minimum entry level into the market. We also need nuanced training and accreditation around specific areas of support (e.g. personal care, home support, school leaver employment support, behaviour development, community participation, early childhood), to ensure that specific sets of skills are being developed to meet different areas of need.

Participant *choice and control* cannot on its own drive market quality. We cannot expect the old service system to simply change its competence and quality without a specific workforce and provider development strategy.

Are prices set by the NDIA at an efficient level? How ready is the disability sector for market prices?

How do 'in-kind' services affect the transition to the full scheme and ultimately scheme costs?

What is the capacity of providers to move to the full scheme? Does provider readiness and the quality of services vary across disabilities, jurisdictions, areas, participant age and types/range of supports?

How ready are providers for the shift from block-funding to fee-for-service?

What are the barriers to entry for new providers, how significant are they, and what can be done about them?

What are the best mechanisms for supplying thin markets, particularly rural/remote areas and scheme participants with costly, complex, specialised or high intensity needs? Will providers also be able to deliver supports that meet the culturally and linguistically diverse needs of scheme participants, and Aboriginal and Torres Strait Islander Australians?

How will the changed market design affect the degree of collaboration or co-operation between providers? How will the full scheme rollout affect their

fundraising and volunteering activities? How might this affect the costs of the scheme?

Pricing

There are significant problems with pricing, or at least how pricing is transacted.

The “fee for service” model can easily promote “sharp practices” as services can provide support, be paid fees, but achieve little benefit or outcome for the participant.

For example, we are particularly concerned with how pricing, payment and provider registration has been designed for School Leaver Employment Supports.

Best transition to work support (as published in research and evaluation¹⁰) is support focused on achieving an employment outcome through building confidence and skill primarily through unpaid work experience in regular work settings. The effectiveness of transition-to-work support is primarily measured by whether it actually achieves an open employment outcome.

Yet best practice providers will get less “service fees” if they achieve employment for a participant as fees stop as soon as the person achieves a job outcome.

In contrast, providers that provide training programs or courses without a focus on achieving an open employment may keep a young person with a disability in a program or course for two years and bill the NDIA for tens of thousands of dollars.

The pricing arrangements disincentivise the very objective and outcome of the NDIS. It is financially better for a provider to be of poor quality and not achieve an outcome than it is for a provider to be of good quality and achieve an outcome.

¹⁰ An Evaluation of the Transition to Work Program Ageing, Disability and Home Care Department of Family and Community Services NSW November 2009

This is an example of the NDIA/S not understanding “what works” and what “doesn’t work” in terms of best practice. If such policies were permitted to continue, it will drive high quality providers out of the market, and grow more poor quality providers in the market. The result will be a lot of “busy support” that is funded for significant amounts of funding for little benefit to the participant or the objectives of the NDIS.

Inclusion Australia recommends that there should be an urgent review of pricing on the basis of effective practice and benefit to NDIS participants. The pricing should ensure that effective practice is viable as an underlying principle of a pricing and funding system.

Market Capacity

There are some strategies that the NDIA/S should consider to expand market capacity.

First, where high quality provision is identified — through demonstration of high rates of quality outcomes — resources should be made available to incentivise provider organisations to expand to new support areas.

Second, where there are market gaps, resources could be made for high performing providers to mentor, train, and provide technical assistance to other organisations who wish to replicate high quality support services for particular areas of need.

It is our view that resources being spent on “readiness” for providers should be measured in improved support practices that produce better quality outcomes for people with disability. Otherwise, generous sector development funds benefit the provider “market” without any benefit to the people the support market is meant to serve.

Inclusion Australia recommends that the Sector Development fund should shift its focus to the development of quality support practice to meet the goals of participants and the objectives of the NDIS Act.

How well-equipped are NDIS-eligible individuals (and their families and carers) to understand and interact with the scheme, negotiate plans, and find and negotiate supports with providers?

Our experience is that NDIS eligible participants and their families are not well equipped to understand and interact with the scheme, negotiate plans and find and negotiate supports with providers.

Many participants and families are not well informed, and still unclear about how the “high order” principles of the NDIS (i.e. choice and control, reasonable and necessary) relate to what they should or can do, and how they may approach this new system of support.

In many instances, participants and families feel isolated and burdened by the process. In many cases, the realisation that “choice and control” requires a greater degree of “research and planning” and active participation in the new system is overwhelming for many participants. Many simply don’t have the time, energy, information or independent support to ensure the scheme works in their best interests.

Whereas there are a range of participant planning supports, these appear to be inadequate in terms of capacity to keep up with the rate at which participants and families are joining the scheme, and responsive to the diversity of the challenge (i.e. spoken language, comprehension, literacy, and capacity).

This is exacerbated by the impersonal nature of planning being done over the phone, and the lack of information and support for participants and families to make an informed choice based about quality support.

Participant *choice and control* is meant to drive market quality. Yet this strategy will be unsuccessful unless participants are informed and empowered about evidence based support and the actual past performance of market providers. This will require an investment in independent information strategies to empower participants and families about what is

possible and what are the critical success factors they should be considering in choosing a provider to meet particular needs and goals.

The risk is that participants and families will be subject to provider marketing strategies which *sing the praises* of their support without any indication of quality practices or past performance of achieving benefit to people with disability.

Inclusion Australia advises that an ongoing investment to inform, support, and prepare participants with intellectual disability and their families to understand and interact with the scheme and negotiate and implement plans, is critical the success of the NDIS.