VCOSS submission to the Productivity Commission's Position Paper on NDIS Costs

12 July 2017

Introduction

VCOSS welcomes the opportunity to provide a response to the Productivity Commission's position paper on National Disability Insurance Scheme (NDIS) costs (Position Paper).

Victoria's community services sector work to support and connect people, strengthen communities and advocate for a fair and just society. They also make a significant economic contribution to the state, forming an $11 billion industry that employs more than 135,000 people[1]. In regional centres, community organisations often act as the key employer as well as the primary service provider.

As the peak body of the social and community sector in Victoria, VCOSS represents more than 300 members across the sector including large charities, peak organisations, small community services, advocacy groups, and individuals interested in social policy. In addition to supporting the sector, VCOSS also represents the interests of vulnerable and disadvantaged Victorians in policy debates and advocates for the development of a sustainable, fair and equitable society.

VCOSS are pleased the Position Paper identifies many issues and solutions which align with key concerns and recommendations VCOSS raised in our response to the Productivity Commission's NDIS Issues Paper. In particular, we support the Position Paper's recommendations to: provide pre-planning support; improve the planning process and skills of planners; and to increase government transparency and accountability about service continuity for people ineligible for individual packages.

This submission focuses on identifying key issues we do not believe are adequately captured in the Position Paper, and responding to the Productivity Commission's recommendations and information requests most relevant to VCOSS members.

Participant readiness

We are pleased the Position Paper reflects VCOSS's key concerns regarding inadequate pre-planning assistance, leaving many participants unprepared for their NDIS planning session.[2] We support recommendation 4.1, for Local Area Coordinators (LACs) to be in place six months in advance, specifically to assist participants with pre-planning in relation to readiness to transition to the NDIS.[3]

[1] VCOSS More than charity: Victoria's community sector charities, 2016.
[2] Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs*, Position Paper, Canberra, 2017, pp. 2, 27.
[3] Ibid.

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The Position Paper also states that "*some scheme participants are finding it difficult to understand and interact with the scheme, and to exercise choice and control over their supports*"[4]. People who have psychosocial disability, and people who struggle to navigate the scheme, are most at risk of poor outcomes.[5] This reaffirms VCOSS' member reports that many people with disability face difficulties understanding and accessing the NDIS.

As detailed in our earlier submission, VCOSS believe dedicated funding allocated for assertive outreach would assist the NDIS to locate and connect marginalised, or hard to reach people, with the services they need. While the Local Area Coordinators (LACs) can perform this function, VCOSS members report they have limited capacity to engage in outreach at this stage of the transition process, as they are currently all-consumed by planning for the rollout of NDIS.

VCOSS also believe funding independent disability advocacy would assist people with disability, and their families and carers, to successfully navigate the NDIS system and obtain the right support through their plans. Funding a diverse range of advocacy organisations with expertise in different types of disability (for example: acquired brain injury, psychosocial disability, autism, complex communication needs) and specialising in assisting different demographics (for example: women, young people, Aboriginal and Torres Strait Island peoples, and people from culturally and linguistically diverse communities) would both tailor these supports, and make them accessible to everyone who requires assistance through the NDIS.

Planning

The Position Paper recognises the wide range of planning issues raised by VCOSS members, such as: a reliance on phone planning; a lack of forewarning of the planning conversation; rushed conversations; and variability in planner skills, experience and training.[6]

VCOSS supports recommendation 4.1, to improve the planning process and provide more in-depth planning conversations. This includes reviewing NDIS protocols for how phone planning is used; allowing minor amendments to plans without triggering a plan review; and improving the transparency and clarity around planning processes.[7] VCOSS believe the planning process must be adequately resourced to enable face-to-face meetings and sufficient time to develop plans.

We also support recommendation 4.2, for NDIS planners to have an understanding of different types of disability and to implement specialised planning teams and/or use industry expertise for disabilities which require specialist knowledge, such as psychosocial disability.[8] Further detail about this recommendation is provided under the section titled "Access and support for people with psychosocial disability".

[4] Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs*, Position Paper, Canberra, 2017, p.281.
[5] Ibid., p.54.
[6] Ibid., p.147.
[7] Ibid., p.56.
[8] Ibid., p.56.

Streamlined access to early intervention

The National Disability Insurance Agency (NDIA) has developed a list of around 130 conditions outlined in 'List D', which provides children under 7 years of age with streamlined access to the NDIS.[9] Where a child has been diagnosed with a condition in List D, the NDIA will be satisfied they meet the early intervention eligibility requirements without further assessment.[10]

As highlighted by the Position Paper, there are both risks and benefits associated with maintaining such a list.[11] VCOSS supports Early Childhood Intervention Australia Victoria / Tasmania's position on this issue - that the advantages of establishing conditions in list D outweighs any disadvantages.[12]

VCOSS members advise many children are now receiving an early diagnosis through early childhood intervention services and subjecting these children and their families to further assessment would create unnecessary stress. Timely and easy access to the NDIS will deliver the best outcomes for these young children and their families.

Access and support for people with psychosocial disability

VCOSS believe recommendation 4.2, to implement specialised planning teams or using organisations with expertise in psychosocial disability, will help planners to effectively engage people with psychosocial disability and develop meaningful plans. Planners that have both the skills and knowledge of psychosocial disability and the recovery approach, will better understand the impact of psychosocial disability on the participant's everyday functioning, and in turn be better placed to provide the supports required to assist participants to meet their needs and achieve their goals.

Other improvements to pre-planning and planning, as recommended by the Position Paper, could assist people with psychosocial disability to successfully access and benefit from the NDIS. VCOSS believe the option of a specialised psychosocial gateway has potential to improve people's access to the scheme.[13]

Thin markets and people facing multiple disadvantage

Some people and communities, particularly those facing multiple disadvantage and those with complex needs, remain at greater risk of receiving inadequate services. We are pleased the Position Paper acknowledges the "intersection between disability and other social issues, such as homelessness, family violence, and alcohol and other drug use" and recognises the scheme is not "accessible, inclusive, and sufficiently flexible to accommodate the needs of different scheme participants."[14]

VCOSS also welcomes the acknowledgement in the Position Paper of the risk of limited, inadequate and 'thin markets' for NDIS participants, especially those:

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[9] NDIA, *Operational Guidelines, Access to the NDIS*, https://www.ndis.gov.au/operational-guideline/access/list-d.html, accessed 30 June 2017.
[10] NDIA, *Access to the NDIS*, https://www.ndis.gov.au/operational-guideline/access/early-intervention-requirements, accessed 30 June 2017.
[11] Productivity Commission, op. cit, pp.138-139.
[12] Early Childhood Intervention Australia Victoria / Tasmania, Response to the Productivity Commission position paper on NDIS Costs, July 2017.
[13] Ibid. pp.125, 144-145.
[14] Productivity Commission, *op. cit.*, p.70.

- living in outer regional, remote and very remote areas
- with complex, specialised or high intensity needs, or very challenging behaviours
- from culturally and linguistically diverse backgrounds
- who are Aboriginal and Torres Strait Islander Australians
- who have an acute and immediate need (crisis care and accommodation).[15]

VCOSS believes a combination of measures are required to actively and effectively engage these communities, provide adequate service coverage and deliver high quality services.[16] At a minimum this involves providing culturally safe and gender responsive information, effective planning and quality service delivery, including practices which are sensitive to the needs of people who identify as lesbian, gay, bisexual, transgender, intersex, queer and/or gender neutral (LGBTIQA+).

Adequate funding and capacity to work collaboratively with existing services, particularly those that have established rapport with local communities such as Aboriginal Community Controlled Organisations and culturally specific service providers, could help provide trusted entry points into the NDIS from the outset. This in turn would assist to identify and address existing and emerging gaps in service delivery. Providing ongoing access to qualitied interpreters who have a sound working knowledge and understanding of the NDIS is also crucial, as this will assist people to understand, access and use services through the NDIS.

We believe multiple funding arrangements may be required to address 'thin markets'. Depending on the circumstances different approaches outlined in the Position Paper, such as block funding, retaining a provider of last resort and leveraging off established community organisations, may be most appropriate.[17]

Carer support and respite care

The Position Paper identifies emerging gaps for “respite services both within and outside the NDIS as the scheme transition occurs”[18] which aligns with VCOSS member reports and feedback from carer surveys.[19,20] Specifically, the Position Paper states “the shift towards participant-driven demand means that there are few avenues for informal carers to be assured of respite care”.[21]

VCOSS recommends actively engaging carers in the planning process to help identify their needs and support their wellbeing, as well as those people that they support. This could involve informing carers of the options to submit a carer statement, arranging an individual planning meeting and understanding the potential support available through NDIS packages to help them in their caring capacity.[22]

[15] Ibid., p.227.
[16] VCOSS, *Funding the NDIS in full, op. cit.,* pp.9-10.
[17] Productivity Commission, Ibid., p.236.
[18] Productivity Commission, Ibid., p. 270.
[19] Carers Australia and Mental Health Australia, *Mental Health Carers and the National Disability Insurance Scheme, Issues Paper*, January 2016, p.11.
[20] B Kemp, S King, Z Paleologos, J Bellamy and J Mollenhauer, *Carers: Doing it Tough, Doing it Well*, Anglicare Diocese of Sydney, Social Policy and Research Unit, December 2016, p.40.
[21] Productivity Commission, op. cit., p. 270.
[22] Carers Australia and Mental Health Australia, op. cit..

VCOSS supports Carers Australia's position that carer's should have access to respite and carer specific support in their own right and the quantity and price of respite should not be capped in NDIS plans.[23]

It is also crucial carer specific respite and support remains available to the majority of carers of people with disability who will not be eligible to access the NDIS. All carers must be able to access support when and where they need it, irrespective of whether the person they care for is eligible for an individual funding package through NDIS or not. It is unclear if the new Integrated Carer Support Service (ICSS) system will be adequately funded to meet the needs of carers on this basis.

There are several advantages and disadvantages associated with recommendation 7.3, to relax the rules to pay informal carers who live with the NDIS participants. In principle VCOSS support this as a temporary measure in cases where no formal care is available, to help alleviate the financial costs and impacts of caring for a person with disability. However, further consideration and consultation with the sector is required to ensure risks associated with this recommendation are identified and effectively managed now and into the future.

Carers Australia explore some of the key risks to carers in more detail in their submission. For example, there is a possibility carers will become more entrenched in their caring role or be financially worse off if they lose access to their entitlements such as the Carer Payments. There is also a risk paying informal carers will limit participant control and could lead to exploitation by family members and friends, such as in cases where participants are experiencing family violence. Adequate protections for participants and carers would need to be established, monitored and managed to address this issue. If carers are being paid, we believe they should receive the same remuneration as other paid workers to address issues of inequity and/or cost shifting.

Interface between NDIS and mainstream services

We are pleased the Position Paper reflects VCOSS member concerns about gaps in disability supports "because of unclear boundaries about the responsibilities of the different levels of government"[24] and emerging issues in several areas including: justice, emergency, transport and mental health services.[25]

The Position Paper also identifies "uncertainty around continuity of support arrangements" with "varying detail on what disability support services will continue after the full rollout of the NDIS, and who will fund them."[26]

VCOSS members remain highly concerned inadequate services will be available for people with disability who are ineligible for the NDIS, leaving a substantial shortfall in services. Our members are particularly concerned about service gaps for mental health consumers requiring psychosocial disability support services, and people aged over 65 who require support for their disability, but will be assisted through the aged care system.

[23] Carers Australia, *Submission on National Disability Insurance Scheme Costs: Productivity Commission Position Paper, June 2017,* July 2017.
[24] Productivity Commission, op cit., 2017, p. 2.
[25] Ibid., p.181.
[26] Ibid, p.193.

The 2017 Federal budget included $80m over three years for community mental health to support people with severe mental illness who are ineligible for the NDIS.[27] However, the funding is "contingent upon states and territories contributing funding to the program to account for emerging (service) gaps... and their continuity of support obligations in relation to the NDIS rollout." [28] Recently the Victorian Government announced an additional $20m for clinical mental health services[29], which VCOSS welcomes, however, it is not yet clear how this funding will be distributed and implemented.

VCOSS supports recommendation 5.1, for ILC funding to be increased to the full scheme amount ($131m) for each year of the transition. However, we believe the amount of ILC funding should be increased as a percentage of the overall NDIS budget and indexed annually. As highlighted in our earlier submission, VCOSS members report $131m for ILC activities nationally is currently insufficient to fill service gaps for people ineligible for the NDIS packages and meet the goals of the ILC.[30]

VCOSS supports recommendation 5.2, for State Government and the Australian Governments to "make public their approach to providing continuity of support and the services they intend to provide to people (including the value of supports and number of people covered), beyond supports provided through the NDIS" and to report on boundary issues and actions taken at quarterly COAG meetings. [31]

We also support recommendation 5.3, for the National Agreements and National Partnership Agreements to "include specific commitments and reporting obligations consistent with the National Disability Strategy."[32] We believe these measures will help quantify emerging service gaps and potential cost-shifting between systems, and will increase government accountability to fund missing services and supports.

The Information Linkages and Capacity Building (ILC) element of the NDIS is intended to assist 4.3 million people with disability nationally[33] and their families and carers, regardless of their eligibility for individual packages. It aims to make the community and mainstream services more accessible and inclusive of people with disability and to build the capacity of individuals and their families so they can fully participate in social and economic life.

VCOSS endorse the Productivity Commission's view it is "a false economy to have too few resources for ILC activities, particularly during transition when it is critical to have structures in place to ensure people with disability are adequately connected with appropriate services".[34]

Workforce readiness

Over the next 15 years, social services along with healthcare is projected to be the fastest growing industry in Victoria. There is now an opportunity for the sector and government to

[27] Australian Government Department of Health, *Prioritising Mental Health – Psychosocial Support Services – funding* http://www.health.gov.au/internet/budget/publishing.nsf/Content/budget2017-factsheet28.htm, accessed 30 June 2017.
[28] Ibid.
[29] Victorian Government, Media release, *Greater Access to Mental Health Help – Sooner*, 29 June 2017.
[30] VCOSS, *Funding the NDIS in full,* op. cit., April 2017, p.24
[31] Productivity Commission, op. cit., p.57
[32] Ibid., p. 57
[33] ABS, Disability, *Ageing and Carers, Australia: Summary of Findings, 2015*, cat. No. 4430.0, October 2016.
[34] Productivity Commission, op. cit., p.181.

work together to create a service system for people with disability that both articulates and implements the vision for the future for the NDIS.

VCOSS are pleased the Position Paper recognises the projected growth of the disability care workforce as a "significant challenge" and identifies "present policy settings are unlikely to see enough providers and workers as the scheme rolls out".[35]

The NDIS evaluation found many NDIS participants experience difficulty accessing funded disability supports, primarily due to "lengthy waiting lists for some providers or types of support, lack of local providers, and lack of quality provision".[36] Without adequate growth of a qualified workforce, existing service gaps will increase as the NDIS rollouts out, and more participants seek support.

VCOSS supports recommendation 7.1, for different parties to clarify and make public their roles and responsibilities to develop the workforce. This will assist government to prioritise, plan and coordinate the required actions across state and federal governments, and hold government accountable to deliver on their actions to effectively implement the NDIS.

We support recommendation 7.2, for the Australian government to collect and publish detailed information on the workforce and for the NDIA to publish more detailed market position statements on NDIS participants, committed supports, existing providers and previous actual expenditure by local government area. This data can help identify skills gaps to inform a workforce development plan now and into the future.

VCOSS believes the disability workforce should not be considered in isolation from the broader community sector, particularly given the growth required in aged care and the family violence sector. A holistic industry and workforce plan for the entire social service sector is required to facilitate the rapid projected workforce growth and substantial service delivery changes occurring as a result of implementing the NDIS, as well as other major service reforms.[37] This plan could be jointly developed in partnership with the NDIA, State Governments and the community sector. VCOSS would welcome the opportunity to discuss this proposal further.

NDIS pricing

VCOSS retains the view NDIA pricing structures are inadequate to sustain a qualified workforce and cover the associated on costs and overheads required, as outlined in our initial submission to this inquiry38 and in our submission to the NDIS 2017 price controls review.39 If the NDIS pricing structures do not reflect the true costs of service delivery - such as supervision, administration, travel and professional development - service quality will be compromised.

Underpriced services risk creating service gaps, particularly for participants with complex or high support needs or psychosocial disability, as they require workers with specialist skills

[35] Productivity Commission, op. cit., 2017, p.2.
[36] K Mavromaras, M Moskos, S Mahuteau, *Evaluation of the NDIS, Intermediate Report*, National Institute of Labour Studies, Flinders University, Adelaide, September 2016, p.xi.
[37] VCOSS, *State budget submission 2017-18*, 2016, pp. 3, 9.
[38] VCOSS, *Funding the NDIS in full,* op. cit., pp.18-21
[39] VCOSS, *VCOSS submission to the NDIS 2017 Price Controls Review*, April 2017.

and are more likely to require additional support such as outreach or two workers attending support sessions.

VCOSS members report the current pricing constraints make it challenging to retain and recruit adequately qualified workers who can deliver effective support and therapeutic services, particularly for people with complex needs and people with psychosocial disability.[40] Amending NDIS pricing so it is commensurate with the skills and expertise required to deliver effective support can help support the retention and growth of the workforce.

While the Position Paper acknowledges some sector concerns about pricing, the Productivity Commission does not make any findings or recommendations about the adequacy of prices due to the recently concluded NDIA price review. The recent price review resulted in some minor increases for several supports[41] but does not address the concerns raised by VCOSS members. We hope the final report will take on board VCOSS recommendations that substantial pricing changes (increases) be adopted to support the employment of appropriately qualified workers and reflect the real costs of providing quality service delivery for the NDIS.

VCOSS supports recommendation 6.1 in principle, to transfer the NDIA's pricing powers to an independent price regulator. We believe this will provide a more fair and transparent process for price setting.

Governance and funding agreements

VCOSS supports recommendation 9.3, for the NDIA to publicly report on the number of unexpected plan reviews, reviews of decisions, review timeframes and the outcomes of reviews.[42]

We also support recommendation 9.4, to monitor and report on the performance of the NDIS and for NDIA to develop and expand on quality and outcomes measures.[43] We believe these measures will improve the transparency and accountability of the NDIA in delivering the scheme.

VCOSS supports recommendation 10.3, requiring in-kind funding agreements to be phased out by the end of the transition.[44] Currently state and territory governments can provide existing disability supports, such as residential disability housing, as 'in-kind' support in lieu of a financial contribution to the scheme. Under the *NDIS (Plan Management) Rules 2013* where in-kind support is available, the participant's plan must identify that the support will be provided by the relevant provider of that in-kind support.[45] VCOSS believes this undermines participant choice and control in selecting their provider, which is a key goal of the scheme.

[40] Ibid.
[41] NDIA, *Pricing and payment*, https://www.ndis.gov.au/providers/pricing-and-payment, accessed 3 July.
[42] Productivity Commission, op. cit., p.307.
[43] Ibid., p.317.
[44] Ibid.,, p.348.
[45] NDIS, *Planning*, https://www.ndis.gov.au/operational-guideline/planning/describing-supports-plan, accessed 4 July 2017.