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22 April 2011

Commissioners Scott, Kalisch and Walsh
Productivity Commission
GPO Box 1428
CANBERRA ACT 2601

Email: disability-support@pc.gov.au

Dear Commissioners

Productivity Commission Inquiry into Disability Care and Support – Response to Draft Report

As reflected in our initial submission of August 2010, Bedford welcomes this timely and most important Inquiry by the Productivity Commission into the development of a long-term disability care and support scheme in Australia. You would be aware that Bedford plays a key part in the lives of 3,500 people with disability or disadvantage in South Australia through its diverse vocational and non vocational services and opportunities.

Firstly, our congratulations on an insightful and comprehensive review of the status of the disability environment in Australia, an inquiry in which stakeholders have had an opportunity to voice their concerns and views for the future.

We believe that the overall thrust of the Commission's Draft Report is most appropriate and should facilitate the transformational change needed to Australia's disability arrangements. In many ways, the Report's findings regarding a new system are closely aligned with our views.

This submission outlines several enhancements that we consider would create an even more effective system, as well as addressing a number of issues on which the Commission is seeking comment and/or clarification. We trust you find our views of use in your deliberations.

We also hope that the Australian Government looks favourably on your Report and commits to the development of an enhanced system which will better meet the needs and goals of all stakeholders.

Should you wish or need to clarify any matter in our response, please do not hesitate to contact our Chief Executive, Max Dyason or me.

Yours sincerely

PHIL FARROW

General Manager Government and Sector Relations

cc: M Dyason

PRODUCTIVITY COMMISSION INQUIRY: DISABILITY CARE AND SUPPORT

BEDFORD RESPONSE TO DRAFT REPORT – APRIL 2011

BACKGROUND

BEDFORD

As stated in our first submission to the Inquiry, the Bedford Group is one of South Australia's leading and best known community service organisations, now providing a diverse range of vocational and non-vocational services to 3,500 people with disability or disadvantage.

Bedford's ultimate goal is to provide the best options and opportunities for people with disability or disadvantage, bringing the best out of people with diverse needs.

Bedford's services for people with disability cover a wide spectrum of activities, including supported and community based (open) employment and job search programmes, training, housing and accommodation, as well as day options services for those not able to undertake any form of employment. Services are provided in metropolitan and regional South Australia, and include both centre based and community activities.

Bedford's client profile is similarly diverse, including from the perspectives of types and differing levels of disability and age profiles.

Bedford has also contributed to the development of the submission re the Draft Report prepared by National Disability Services (NDS), the peak body for disability service providers in Australia, and would endorse the general content of that submission.

BEDFORD's INITIAL SUBMISSION and the DRAFT REPORT

We were pleased that Commission's Draft Report reflected the flavour of a number of matters and proposals in our original submission, namely:

- That the system needed to be underpinned by principles of rights, choice, self direction/self management of funding;
- Significant, transformational change was needed due to the level of unmet needs, resource constraints, inequity, in-kind contributions by carers, difficulties in navigating the system and similar;
- A social insurance model such as an NDIS (National Disability Insurance Scheme) was seen as the best vehicle to bring about systemic change – although we felt that the use of a levy to generate additional revenue to finance the scheme was necessary;
- An explicit legislative framework was needed to underpin the system, particularly with regard to eligibility and entitlement arrangements;
- Enhanced interaction across and between Government portfolios re various services was required eg mental health, aged care, education, transport, health;
- Improved portability of funding across jurisdictions and portfolios was necessary;
- Entitlement and eligibility under an NDIS should not impact on pension entitlements;
- Early intervention strategies were needed;

- Refinements to assessment processes would be beneficial, to reduce the extent of intrusion but catering for an individual's changing needs;
- There was a need to ensure suitable governance and accountability in the use of public funds, which would also safeguard the quality & standards of service; we also noted the important role of not-for-profits as opposed to "for profits" in our submission;
- The significant role that employment plays in one's life was highlighted in the Draft Report.

However, we feel greater clarity is required regarding the scope of employment services under a new system, as well as the need to address policy constraints which inhibit people with disability participating in employment of their choice eg moving from supported to open employment;

- More and improved information was needed about the nature and scope of disability services and programmes;
- There was a need for increased public awareness of disability issues;
- The importance of improved data collection, analysis and research activities to enhance decision making and programme design;
- A more unified approach was needed, with a national authority (National Disability Insurance Agency, NDIA) assuming responsibility for the system.

RESPONSE TO THE DRAFT REPORT

EXECUTIVE SUMMARY

Bedford congratulates the Productivity Commission on its Draft Report (the 'Report') which would bring about much needed, transformational change to Australia's disability service system; this would complement various other Government reform initiatives, in particular the National Disability Strategy.

As reflected in the preceding section, we are pleased that a number of the Report's findings are closely aligned with our views.

Bedford believes that the following key matters may either need clarification or expansion within the Report, and/or are pivotal to an even more effective system:

- Consideration may need to be given to expanding the proposed 2014 trial, to ensure the diversity of the disability sector is appropriately covered;
- An explicit legislative framework needs to underpin a new system;
- The establishment of a National Authority to co-ordinate and oversight the system is welcomed, but needs to be complemented by local resources and decision making capability; a national agency must be proactive, a catalyst for change and not overly bureaucratic/hierarchical lest the system reverts to its former 'self';
- The development of an NDIS may need to include some form of a "social insurance" levy, not only to assist with revenue generation but also to signal a change in policy direction;
- There is a need for a community awareness programme about disability, as well as enhanced information about disability resources and services, in both web based and hard copy formats;

- Eligibility for the system should focus on needs rather than disability;
- While we agree with the thrust of the proposed assessment regime, it appears to be more complex than desired; we would maintain a simpler initial assessment might be established with supplementary assessments as necessary, to address specific situations;
- The use of the International Classification of Functioning, Disability and Health to shape the framework of needs identification is seen as appropriate.

We are wary of too many tools being included in the suggested “suite of tools”, as this may lead to inconsistency and inequity.

There should be minimal intrusions and re-assessments of people with clearly defined, long term needs which are unlikely to change over time;

- The Commission's recommendations regarding coverage of a full range of supports, “reasonable” needs and co-contributions are considered appropriate; entitlements should only cover additional supports resultant from disability, not “discretionary” expenditure;
- It is important cost shifting does not occur between mainstream and disability portfolios;
- There would be value in having a schedule which reflects the nature and quantum of services;
- Increased control over or self management of funding is seen as an appropriate and necessary mechanism; further consideration should be given to implications ex safety and industrial relations frameworks, as well as ensuring due regard is given to required accountability and governance in the use of public moneys;
- The proposal to adopt Memoranda of Understanding will enhance the interfaces with aged, mental health and palliative care sectors; Memoranda should be established with other areas with which the disability sector interacts significantly;
- Specialist disability employment services, such as ADEs (Australian Disability Enterprises), DES (Disability Employment Services) and specialist providers under the JSA (Job Services Australia) programme should be included in an NDIS. There is a need to ensure Government Policy does not constrain or inhibit the right of people with disability to choose and move between employment options, in the same way as do other members of the labour market;
- The present Federal Government approach to funding of disability employment services could either be translated to or modified for a new system;
- There is a need to ensure that robust compliance and quality standards apply to all providers in the market; further, while diversity/additional options and competition have potential benefits to the sector, this needs to be balanced against any shareholder or profit motives of organisations and desired outcomes for service users;
- There should be some form of accreditation to ensure suitable competencies are held by those delivering services.

GENERAL COMMENTS RE IMPLEMENTATION OF A NATIONAL DISABILITY INSURANCE SCHEME (NDIS)

As reflected in the Commission's Draft Report, adoption of an NDIS will represent a fundamental shift in the way that the Disability system will operate and be managed in Australia.

The focus will change from a system which is predominantly based on welfare and charity, of being reactive, and with a short term costs and regulatory approach to one with a longer term focus on investment and infrastructure to meet the needs, desired outcomes and rights of people with disability, a system that is proactive and responsive.

We believe that it is important that this message is again reinforced in the Commission's final report.

Significantly, the NDIS would help to facilitate the changes necessary to realise Government's National Disability Strategy, principles espoused in the UN Convention on the Rights of People with Disability, as well as complementing other reforms that may eventuate through reviews of the Commonwealth State Territory Disability Agreement and Carers' arrangements, as well as Aged Care, Mental Health and the Vision for Australian Disability Enterprises (ADEs).

We note the Commission's recommendation (17.1) that a pilot be undertaken in 2014.

While we concur with the need for such a trial and the timeframe envisaged, we trust the scope and nature of a pilot is representative of the diversity found in the sector eg of the varying needs, levels and types of disability, of service models and providers, metropolitan and regional settings, and similar; if this is not the case, we would suggest that more than one trial region be contemplated.

We would also reinforce the need for the new framework to be enshrined in an explicit legislative framework, with supporting policies, to ensure that the various roles, scope of services and activities, commitments and similar are clearly understood by and are binding on all parties, and operate in the public interest.

NATIONAL CO-ORDINATION

We applaud the proposal to consolidate various functions under the one national authority which should assist with greater consistency, equity and streamlining of services. As indicated in our original submission, a number of our constituents and their carers/family members have expressed dismay over the fragmentation of and difficulty in navigating the present disability system.

It is, nonetheless, important to ensure there is an appropriate level of decision making capability and resourcing at a local level, for people who wish to access or are seeking information about services and if necessary, raising complaints.

Establishing a national authority is also likely to focus Government and community attention on the nature and quantum of services and sector funding, arguably leading to additional scrutiny in terms of value for money for services offered. We welcome such an outcome, believing that this should lead to improvements in service quality and standards.

Any process associated with such scrutiny must be fair, open and transparent, and not be unduly influenced by any particular group within the sector. It is important that relevant information is shared with stakeholders who need access to same, so informed decision making may take place.

Further, while the need to ensure compliance and standards of service delivery are met, we would urge the Commission to note that the process must not be overly burdensome on services. In recent years, costs associated with reporting and accountability have increased exponentially; it is critical that undue attention is not devoted to administration to the detriment of service delivery.

We would, however, offer a cautionary note with regard to the establishment of a national agency, in that over the years, disability service provision has evolved and/or largely been premised on what is seen to be good for the individual and the sector but at times, with minimal involvement and consultation with these key stakeholders. Arguably, developments have occurred through a view of the system as being underpinned by the use of a charity model, reliance on informal care, scarce resources, a single minded philosophy of moving people into smaller community settings, limited choices, and having risk averse and compliance cultures.

As reflected in the Commission's Report, and notwithstanding the importance of NDIA's oversighting and coordination functions, it is critical that such an agency is proactive, not overly bureaucratic/hierarchical, engages with stakeholders and acts as catalyst for change - or we will find we have inherited a system largely replicating the current situation.

FUNDING THE SYSTEM

Without doubt, the potential doubling of funding is most welcome and will address many of the shortfalls and gaps in required service provision. Importantly, it will drive the development of more choices and afford people with disability even greater control over their lives, a right to which all Australians would aspire.

While noting the Commission's view that revenue for the system could be best obtained per consolidated revenue, we believe that it may still be necessary, indeed desirable, to adopt some form of levy under the new approach. In effect, an additional \$6.3B equates to an average investment of ~\$300 per annum per Australian, a modest impost on most members of the Australian community.

We do, however, appreciate the sensitivities associated with any such form of revenue generation ("levy", potentially interpreted as "tax") in the present political, community and socio-economic climates. It may be that "investment" could be used in some way in any promotional material to help overcome typical perceptions relating to terms such as "tax" and "insurance".

Notwithstanding same, we consider that a "social insurance" style levy is justified, as disability poses a risk to the population at large, in a number of ways, and at any time.

Relying exclusively on the redirection of general or consolidated revenue, as proposed in the Commission's Draft Report, does not signal a fundamental shift in policy direction or break from the budget cycle, nor necessarily guarantee that revenue would not be re-directed to another Government priority at a point in time.

Through Medicare, the health system allows for and provides comfort that necessary levels of medical need will be met; an NDIS would provide a similar means and assurance (or "insurance") that a person's fundamental needs ex some condition or onset of disability will be met.

It may be that a compromise position, utilising a levy of a lesser rate than originally proposed in early iterations of the model, coupled with a re-direction of certain consolidated revenue, may be the most appropriate option to adopt.

We commend the Commission for its position on no income or asset testing (Recommendation 4.2), and accept that contributions might be required as per Recommendations 4.3 (modest upfront requirements) and 4.4 (full costs for services where there is insufficient/inconclusive evidence).

We would also reinforce the importance of an appropriate community education programme, ensuring clear and easily understood information is available to the community, to avoid any "misinformation" about the scheme, its impact and implications to enhance the likelihood of acceptance of an NDIS.

ELIGIBILITY

As indicated in our earlier submission, there is a need to ensure that eligibility criteria are simple, clear, fair, transparent and equitable; and predicated on a whole of life perspective, with strategies to encourage as early intervention as possible.

We are pleased the Commission highlighted the need to separate income support (pension) matters from NDIS eligibility considerations.

We believe that the scheme should focus on needs, rather than disability per se.

People should not be excluded from coverage simply because they do not fall within the umbrella of a disability definition. People with a mild to moderate intellectual disability may face barriers to fully participating in the community/society due to factors additional to any core limitation.

There are also other forms of impairment/disability that have tended to be excluded from certain programmes and services which should form part of the cohort covered by the scheme.

Similarly, the system needs to take account of the varying nature of some disabilities and associated needs over one's life journey eg episodic conditions, increased early intervention requirements for those acquiring a disability, greater needs in the later stages of degenerative conditions, and similar.

The assessment mechanism needs to be sufficiently robust to cater for the above circumstances.

There is also the need to recognise that there are certain conditions or syndromes which may lead to "premature ageing"; the interface between aged and disability systems needs to provide sufficient scope and flexibility for people to access either or both programmes, dependent on their particular circumstances.

We agree with the Commission's view that people with disability should be afforded the choice of accessing either the disability or aged care programme once they have reached 65 years of age (Recommendation 3.5). We are not of the view that an age criterion should necessarily dictate eligibility for an NDIS, as it is important that an individual's functional needs are met regardless of age.

ASSESSMENT

We agree with the general thrust of the new assessment regime which embraces an independent, forward looking process ... covering a broad range of life activities ... with scope for periodic re-assessments ... applied from a national perspective.

However, we would request the Commission reviews the specific means by which people are likely to enter the system, as it does appear to be somewhat more complex than needed.

We are wary of the dangers of an excessive assessment regime and in this regard, would advocate for a relatively simple process which may be supplemented by additional assessments as necessary eg for more complex needs, for a specific diagnosis, to access additional funding supports for specified activities eg as reflected later in this paper, employment.

While we appreciate the Commission's comments regarding the use of a suite of tools, we are cautious that such a strategy might lead to too many variations in outcomes, which would be counter-productive to the intent behind a new system the fewer tools, the better.

Ideally, one tool should be adopted or developed as the base mechanism, so there is a greater likelihood of consistency and equity.

The assessment process represented at Page 5.26 of the Report seems cumbersome eg it would seem possible to collapse the first 4 sections (“boxes”) into a more general step which covers the person approaching the scheme by completing a self assessment, including the “short set of questions”, then submitting that for review by an assessor who would advise “next steps”.

We endorse the need for people with disability to be suitably engaged in the assessment process (Report, Page 5.20). While the Commission expresses reservations about the use of self assessment, we would make the point that self assessment of certain needs, limitations and the like, might help inform or complement an independent (3rd party) assessment; it would have a valid role in the early stages of assessment, as reflected above.

The proposal (Recommendation 5.1) to use the International Classification of Functioning, Disability and Health seems appropriate.

Any assessment has to be objective and focus on functional supports – including such areas as personal needs, decision making, social supports, employment, lifestyle/community participation, and cover intellectual, physical and behavioural domains.

We would maintain that people who have a patent right to long term care and support through the severity of their disability and associated needs should receive services with minimal intrusion and any requirement for frequent ongoing assessment. In a sense, their entitlement will be largely pre-determined as a result of their needs ex diagnosis.

The system needs to be sufficiently intuitive to minimise the requirement for people with lifelong, profound disability to continually lodge notifications and be subjected to problematic re-assessments; such processes are likely to be stressful and inconvenient for both the individual and/or the person’s carer/family.

We would request the Commission takes this into account in their deliberations re reassessment and transition points (Recommendation 5.5).

People with what may be arguably considered a lesser level of disability but with necessary ongoing needs and supports could have a more regular assessment regime, as needs are likely to change more frequently over time. Once again, the frequency and depth of such assessments need to be aligned with the individual’s circumstances, as reflected in the Commission’s Report, and linked with realisation of certain life stages by an individual.

We are also wary of excessive case management activities in the process, as these tend to be resource intensive and do not always represent value-for-money (cost benefit return) in terms of outcomes.

ENTITLEMENT and USE OF FUNDING

We concur with the Commission’s view that the NDIS should cover the full range of disability supports (Recommendation 4.1) and the scope of services that a person might access would include personal care, therapy, aids, equipment, accommodation, support and services to facilitate employment and community participation. The Commission’s views regarding meeting “reasonable” needs and that co-contributions may be appropriate in certain instances is acknowledged and seems a fair approach.

In general terms, entitlements should not embrace what might best be described as “discretionary” expenditure ie for items generally considered in excess of ordinary living or functioning requirements and/or community expectations eg while purchasing a car for personal use would likely be excluded, necessary vehicle adaptations to address a functional limitation should be covered.

Notwithstanding same, a degree of flexibility needs to be incorporated into the scheme design to allow for extraordinary circumstances which would otherwise not fit within set guidelines.

This may be of particular significance in regional or remote settings. Some form of indexation or loading to assist defray any additional costs incurred in regional locations would seem warranted.

It is also important that “cost shifting” does not occur between and across mainstream and disability portfolios – if this does take place, then the scope and boundaries of the new scheme will become blurred and its *raison d’être* compromised. Accordingly, eligibility and scheme criteria must be clearly articulated and observed.

In our initial submission, we noted the desirability of promoting understanding, transparency and minimising tensions regarding entitlements by publishing some form of schedule - reflecting the nature and quantum of services and how various factors might impact on the determination of entitlement.

Already, a similar approach is utilised by the Federal Government re the Medicare system, and in the calculation of support levels/funding for disability employment programmes, whereby a range of assessed factors that contribute to the calculation of the level and consequential amount of funding associated with an individual's' circumstances, are made available.

SELF MANAGED FUNDING AND ACCOUNTABILITY

In our original submission, we supported a view that it was important that an individual was able to exercise choice as to how funding should be used to purchase individually tailored support to meet the person's needs viz there was merit in the principles underpinning a “self managed” or “individualised” approach that afforded greater control to the individual.

However, we also noted that there may be obligations imposed on some people with disability (and/or their carers) through the use of such arrangements with regard to potential Occupational Health and Safety and Industrial Relations responsibilities.

We would recommend that expert advice be sought as to any implications that might emerge through Government's new model Work Health and Safety (WHS) legislation, or the present Industrial Relations framework, with regard to the above scenarios.

We are mindful of the need to ensure a necessary level of accountability and governance in the use of public moneys - including with regard to self managed funding as there may be some parties with problematic levels of the financial capability and/or maturity required to administer and manage funding and associated service delivery performance.

In this regard, while we acknowledge the potential benefits of a “cashing out” provision, the process needs to be carefully managed to ensure that provision is set aside for essential services, living expenses and the like.

It would therefore be prudent to ensure there is a form of intermediary for situations where an individual has a marginal capacity for decision making.

We would reinforce the point that greater control of funding may take many forms, it does not rely exclusively on the direction of funds to an individual.

Apart from the direct payment option (to the individual, the person's carer or significant other person, it may include payment to an intermediary or trust arrangement; or through a negotiated agreement with a provider, along similar lines to the way that people with disability might presently choose to work in Australian Disability Enterprises (ADEs, or supported employment) or in open employment under programmes offered through the Department of Education, Employment and Workplace Relations (DEEWR).

We note the Commission has reflected this view within Recommendation 6.1.

Importantly, it will be critical that a robust, transparent and effective regime is put in place, lest the system is open to abuse/manipulation and falls into disrepute.

A basic yet adequate acquittal process needs to be constructed with a statement of benefit acquitted against the nature and cost of services provided. Independent (3rd party) audits would provide further comfort to ensuring that moneys were appropriately spent and services were meeting a defined quality standard.

EFFECTIVE AND EFFICIENT INTERACTION ACROSS PORTFOLIOS

We believe that when considering eligibility, it is critical that attention is afforded the interface (including eligibility criteria) between a new disability system and other programmes and portfolios which have a disability connection, in particular, mental health and ageing, as well as employment, health and education.

It is important that people are not precluded from required support nor “fall through the cracks” due to programme design which does not take into account “whole of life” circumstances, nor due to overly prescriptive policy guidelines. As an example of the latter, we are aware of an instance in a rural setting where transport used for education purposes was not available for a person with disability even though the vehicle passed the individual’s residence and had spare capacity - because it was to be used exclusively for school based activity.

There also needs to be a strong linkage with Government agencies responsible for capital programmes and policies regarding social housing. It is important that people with disability have access to, and a range of choices in housing design and configurations, not rely exclusively on a “one size fits all, community based” model. We would envisage the NDIA might work closely with both Federal and State authorities, and relevant stakeholders, to enhance housing choices and options for people with disability, to complement support funding packages and meet individual needs.

We would endorse the Commission’s Recommendation 3.4 for Memoranda of Understanding to be established with health, aged and palliative care sectors but also reinforce that similar arrangements should be negotiated with other sectors with whom the disability sector might interact significantly eg education - to facilitate partnerships relating to transition; housing, to address demand as outlined above; and health, to clarify potential anomalies regarding responsibility for the provision of various aids and equipment.

Employment Services

We are pleased that the Commission noted the important role that employment plays in the overall disability care and support framework, “a route to financial and social independence, as well as a contributor to the community as a whole” (Report, Page 4.12).

We also note comments in the original submission by National Disability Services (NDS) to the Commission (Submission 454, Page 3), which highlighted the significant and positive impacts of having people move from disability pension support to employment. We are aware, through our diverse service offerings, that employment is often integral to social inclusion and participation in community life, as well as enhancing the self esteem and status of people with disability.

However, we do not believe the Draft Report adequately addresses if, how and to what extent disability employment services should be part of an NDIS.

In order to provide some further context to our views, I have included the following section from our previous submission, which highlights the importance of employment policy interfaces and connectivity.

Restrictive Employment Policies for People with Disability

We would maintain that any policy framework which inhibits the right of people with disability to participate in employment needs to be addressed as part of a new system

As a case in point, people with disability are not able to enjoy and move between employment options in the same way as other Australian workers. Currently, people with disability who are in a supported employment service (Australian Disability Enterprise, ADE) are significantly constrained in their ability to pursue open employment due to the policy construct which arguably means the person may need to leave that service and register to seek open employment.

This is a barrier to those who may wish to progress into an open employment option or career of their choice, and arguably, denies the right to be able to occupy two part-time roles – one in an ADE (where they are engaged in meaningful work and training, and may have a range of social and personal networks), the other in open employment where they can enjoy the opportunity to fully partake in the mainstream Australian workforce. This restriction needs to be resolved.

ADEs are also constrained by a Government policy which “caps” the numbers who are able to access supported employment programmes.

A number of supported employment providers have people on wait lists who are keen to be employed yet cannot do so due to the prevailing policy; there are also ADEs who operate above their funded capacity in order to provide opportunities for people with disability seeking work, as well as to meet workload demands.

We would hope that a new system might address such inequities, thereby allowing people with disability the potential to choose between service providers and transition between service types.

People with significant support needs should be covered within an NDIS – it would be used by the individual to access Australian Disability Enterprises (ADE) or Disability Employment Services (DES), as currently defined, as well as any disability specialist arrangements embraced under other DEEWR programmes eg Job Services Australia (JSA).

Others with lesser levels of disability or support needs - who do not meet NDIS eligibility criteria - would be able to use mainstream employment services such as other DEEWR programmes, as reflected in the Draft Report. These may, however, need to be reviewed in light of a new approach – with linkages and suitable interaction with an NDIS eg in terms of Tier 2 options proposed by the Commission.

We believe that the principles underpinning the current Federal Government’s “user choice” approach to funding is sound, in that individuals may move between like employment services according to their preference and satisfaction with the service provided (viz it provide a level of self determination and choice) with funding directed to the designated/preferred provider (resulting in minimal legal and administrative imposts on the individual and sound governance practice).

With regard to the mechanics of the system under a new NDIS approach, we believe the present support determination arrangements might be easily adapted to suit.

Alternatively, a benchmark support amount could be set and used by the individual to register with either an ADE for employment/support or a DES provider for job search assistance, or both (specific figures should be set once Government’s ADE pricing review is completed).

This amount could be similar to the present Service Fee Level 2 for DES, a figure that is marginally higher than the commencement rate for an ADE and similar to the average of Levels 1 to 3 in an ADE. Use of such a unit price benchmark would enable an individual to choose how to use funding for employment support across both supported and open employment environments, facilitating greater choice (self management) and overcoming the present policy disconnects.

In effect, the system would be available (“uncapped”) for all job seekers, irrespective of whether they sought to work in an ADE or in the open labour market.

This benchmark figure would be used to determine other, related support and outcome fees. This might operate along the following lines, with annual indexation:

- ~ In the ADE environment, a service provider would lodge a DMI (Disability Maintenance Instrument) assessment along similar lines to the present procedure if support needs were seen to be in excess of what would be covered by the benchmark.

In essence, this would cover higher support need clients and might be an additional 75% of the unit price – which would, using present rates, be similar to the present Level 4 figure; additional funding would be paid directly to the service provider (of the person’s choice).

Such a process would significantly reduce the amount of administration currently undertaken within the sector, as it would only be necessary to keep support evidence for higher need clients. Basically, there would be 2 levels of support needs, the basic benchmark and a higher support figure - a simple and manageable system.

- ~ With regard to DES, Government would fund the support benchmark during job search.

When an individual secured employment, fees would be paid along the same lines as present, according to the 2 levels of identified ongoing support needs viz the provider would receive placement fees for outcomes at 13 and 26 weeks, at say 60% and 100% of the unit price for higher need clients; and 40% and 75% for lower need clients – using a figure as outlined above, this would result in fees similar to the present arrangement.

Annual ongoing support fees post the 26 week employment outcome would be set according to employment support needs, at percentages of the unit benchmark figure – again resulting in outcomes similar to the present arrangement.

The above approach would provide more of a policy continuum, enable individuals to have greater control over use of their funding and preferences regarding employment options and use of providers, establish appropriate and linked levels of funding support, provide a degree of certainty for providers regarding cash flows, and minimise the amount of administration and assessment.

The Draft Report also makes reference to job readiness or transition style programmes (Page 4.13). We would concur with the view that these should be embraced within an NDIS.

Mental Health

Through Bedford’s involvement with various Federal and State disability programmes, we have come to appreciate a number of matters which may impact on people with mental health issues.

We believe it is critical that strong and well articulated linkages are in place with the health system; a Memorandum of Understanding (MOU) as envisaged by the Commission would assist greatly in this regard.

We would suggest that people with mental health treatment needs are likely to have such needs best met through the mental health/health system, not the NDIS.

We would, however, maintain that people with mental health issues seeking employment would be best assisted by disability employment service providers, due to the nature of services and supports provided by such organisations.

Aged Care

Earlier (under “Eligibility”), reference was made to the desirability of allowing a person the choice to access either aged care or disability services upon reaching 65 years of age.

We support the need to ensure that there are suitable interfaces between aged care and disability, an approach that would be well served by MOUs as proposed by the Commission.

THE MARKET and SERVICE PROVIDERS

General Comments – The Market Environment

Whilst acknowledging that market forces should help shape the framework and level of competition, we would urge the Commission:

- Not to adopt the view that the market should be the sole mechanism to effect and drive change; the disability environment has unique nuances compared to other, more general industry sectors;
- To ensure there is a balanced and appropriate set of service (compliance) standards and charter (as per the Commission's Recommendations 7.10 and 8.3), that all providers must observe to ensure the welfare of disadvantaged Australians and the integrity of the system.

There is undoubtedly potential for significant change in the configuration of the market. Not only will existing providers continue to operate and/or expand in the market but arguably, new services from both not for profit and for profit backgrounds, as well as carers and family members, will become part of a new service delivery environment.

While increased diversity and options have potential benefits, there is a risk that profit and shareholder foci of some organisations may compromise the balance between individual, social and financial outcomes eg some for profits may engage in initial price gouging to secure market share.

We would therefore strongly encourage a greater focus on not for profit providers as eligible services under a new NDIS approach, not only due to their underlying standards of service delivery, roles and values, but also the value adding functions they provide through community capacity building and opportunities for volunteers.

We appreciate that there may be a downside for any service providers who are not providing what their stakeholders (employees, clients, carers, Government) want, including quality outcomes, pathways, choices, options, variety and effective training/skill development.

Without question, if the NDIS is adopted by Government, there will be a shift in the power base in the system, with people with disability assuming a far more influential role. Portability of funding would become the norm, with services not guaranteed ongoing funding if they did not perform.

This will require disability organisations, especially those of a more traditional nature, to be increasingly flexible and adapt, or they may fail.

Conversely, there may be a range of opportunities for service providers to fill any vacuums in the new “user choice” environment, including transition programmes, Disability Support Organisation (DSO) activities, case management and assessment processes.

We believe that providers should be allowed to take up such opportunities, as long as due regard is given to conflict of interest, accountability and governance arrangements.

This may create a period of structural adjustment which will need to be monitored; this matter needs to be addressed carefully, to ensure existing clients receive ongoing services, that there are adequate choices/options and there are effective and sensitive transition arrangements.

Given the above, a mechanism needs to be set in place to safeguard the quality of service and well being of service recipients. We believe all providers should be required to meet prescribed but not excessively onerous quality and service delivery standards.

Service Quality and Standards

We would advocate that any form of service provision should satisfy a predetermined accreditation standard and assume that Recommendations 7.10 and 8.3 will achieve same; however, we would note that such charters should cover all agencies and persons involved in service delivery.

It is equally important that while the system is robust, efficient and effective, it is not unduly burdensome from an administrative perspective. This has been a failing in the way that various well intentioned policies, programmes and initiatives have been translated in practice.

Compliance and Administration

Community service [disability] providers are confronted with a range of compliance regimes, which may not necessarily be the case with “new entrants” to service provision under a different care and support system.

Further, whilst recognising the need for accountability in the use of public moneys, current levels of compliance and administration have created what many describe as an excessive impost on providers, with attention and resources being diverted away from service delivery. There is a need for a better balance between governance and service delivery requirements.

To ensure a fair and equitable system, all providers should be expected to meet like and reasonable standards of compliance and administration.

WORKFORCE ISSUES and CAPACITY

Earlier, we highlighted the potential implications associated with legislative frameworks such as Safety and Industrial Relations, encouraging the Productivity Commission to ensure due regard is afforded such matters.

As an example, the definition of workplace under Governments’ national model Work Health and Safety (WHS) Act raises a range of issues regarding in-home services, while the Pay Equity case before Fair Work Australia is of significance in terms of longer term strategies to attract and retain workers in the sector, as well as the financial impacts should Government not meet the increased costs resultant from the claim.

There is also a need to ensure that staff providing support have necessary skill levels and/or experience. In this regard, we would advocate for some minimum level of national accreditation/competence for persons providing services to people with disability.

INFORMATION

We would concur with the Commission’s observations regarding the need for improved information and advice about services, their availability and related matters (Recommendation 8.1).

We are aware that the South Australian Government has developed a web based framework using a life cycle approach for certain disability material. While work is needed to enhance its ease of use and scope, it could serve as the base from which a more detailed system/portal might be developed, supported by hard copy resources for those not comfortable with (or unable to access) a technology based system.

It is also important that duplication of like resources is minimised, for ease of access/use, consistency and efficiency reasons.