

MAY 2011

VICTORIAN GOVERNMENT
SUBMISSION IN RESPONSE TO THE
PRODUCTIVITY COMMISSION'S
DRAFT REPORT ON DISABILITY
CARE AND SUPPORT

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FOREWORD

The Victorian Government welcomes the draft report of the Productivity Commission's Inquiry into Disability Care and Support as the basis for extensive reform of the disability service sector.

The draft report correctly identifies that 'the current disability support system is under funded, unfair, fragmented and inefficient'. The Victorian Government supports the Commission's call for major reform of the disability service sector across Australia.

The Victorian Government is committed to the national reform process

The Victorian Government is committed to driving the reform process towards establishing a National Disability Insurance Scheme (NDIS). This commitment is made in response to calls from people with disability for respect, to be acknowledged as experts in their own lives and to have the same opportunities as everyone else in our community to make choices and pursue good lives.

This commitment also arises from the Government's awareness of the depth and richness of the resource that is being lost to our community every time a person with disability, their family or their carer is excluded from participating in that community.

The Victorian Government is ready and able to host the first stage of implementation of an NDIS

Victoria is very well-placed to host the first stage of implementation of an NDIS, and is keen to do so.

Victoria has 15 years' experience in implementing a self-directed approach to disability services and in developing a market-based approach to their delivery, and has an excellent reputation for successfully managing lifetime care and support schemes through the Transport Accident Commission (TAC) and WorkSafe Victoria (WSV).

Victoria is already playing a key role in leading national work which will be important in establishing an NDIS, in particular the development of a common assessment tool (together with Queensland), and the development of a National Quality Framework, to apply to service providers in the market.

The Victorian Government is driving community participation for people with disability, their families and carers

The Victorian Government is already implementing a range of programs and initiatives across government to enhance the social, economic and cultural participation of people with disability, their families and carers. The Office for Disability within the Department of Human Services works across government and with the community to: increase the capacity of government departments and organisations to include people with disability; ensure equal access to services; improve community attitudes towards disability; and to end discrimination.

The Departments of Human Services, Health, and Education and Early Childhood Development are delivering service improvements to make sure that people with disability, their families and carers are able to access high quality specialist services. And, like other States and Territories, the Victorian Government is implementing changes to make it easier for people with disability to access community infrastructure and resources, including change to public transport and the building code.

The Victorian Government considers it is crucial that an NDIS supports and reinforces this effort to enhance social inclusion for people with disability, their families and carers.

The Victorian Government is using a self-directed, market-based approach to the provision of disability services

In Victoria, the Department of Human Services is leading work to map out future issues for disability service delivery and how we should address them.

This important work is consistent with themes discussed in the Commission's draft report, and focuses on: enabling improved choice and control for people with disability in accessing disability services in ways consistent with a self-directed approach; shifting power to the disability service user; developing more flexible options in housing and support for people with disability; improving our methods of funding disability services; building the capacity of people with disability, their families and carers, as well as specialist and universal service providers, to put the client at the centre of the service sector; supporting the development of an agile and sustainable industry; developing quality improvements based on an outcomes framework; and becoming proactive in addressing future workforce challenges.

The Victorian Government remains committed to continuing this work as we actively participate in and influence national disability reform. In order to extend the benefits of the work we have piloted to the rest of the State and nationally, significant additional investment by the Commonwealth Government will be required, as part of a national scheme, to develop and embed new education and training strategies, business processes and systems.

The Victorian Government strongly believes that the benefits of a self-directed approach will only be fully realised when there is sufficient funding to meet the support needs of people with disability in a timely fashion.

The Victorian Government considers that we can do better as a nation in supporting people with disability, their families and carers

The Victorian Government considers that the Commission's proposals for an NDIS and NIIS provide the basis for transformational reform of the disability service sector, which will ensure that people with disability, their families and carers are at the centre, directing the supports and services they need for full participation in the economic and social life of the community. This sector should deliver high quality, flexible, responsive and easy-to-access specialist services that complement accessible and responsive universal services, such as health, education and transport.

The Victorian Government agrees that an NDIS and a National Injury Insurance Scheme (NIIS) have the potential to significantly improve the lives of people with disability, their families and carers. Victoria strongly supports the core elements of the proposed NDIS, namely:

- > a person-centred approach to the provision of services, including individually-tailored supports and self-directed funding;
- > an efficient, market-based approach generating more options for people with disability, and more innovative approaches to service delivery, supported by fully accessible and responsive mainstream services; and
- > a significant injection of Commonwealth funds into disability services under a sustainable funding model.

An NDIS should be based on the core principles of certainty, simplicity, fairness and choice

This submission is informed by the Victorian Government's view that a 21st century disability service sector should be based around four core principles: certainty, simplicity, fairness and choice.

It draws on lessons from Victoria's experience in managing a progressive disability service sector, as well as the recognised best practice no-fault insurance schemes managed by the Transport Accident Commission and WorkSafe Victoria, to ensure that national disability reform delivers the best possible outcomes for people with disability, their families and carers.

The Victorian Government is listening to the community

The Victorian Government's submission also draws on the breadth of expertise and experience represented on the Victorian NDIS Implementation Taskforce. The Taskforce comprises people with lived experience of disability; families or carers of people with disability; disability service providers; people with experience in business, finance, insurance and taxation; and experts in law, mental health and human rights. The membership of the Taskforce and its terms of reference are attached at Appendices A and B, respectively.

Our submission also draws on the expertise of the Victorian Disability Advisory Council, and the experience of people with disability, their families and carers, and service providers consulted at a roundtable with the Victorian Minister for Community Services, Mary Wooldridge MP, in April 2011.

With the benefit of this community expertise and experience, the Victorian Government's submission seeks to make a constructive contribution to the Commission's final report.

I commend this submission to you.

A handwritten signature in black ink, appearing to be 'Ted Baillieu', written in a cursive style.

Ted Baillieu MLA
Premier of Victoria
May 2011

EXECUTIVE SUMMARY

Victoria strongly supports an NDIS

The Victorian Government strongly supports the development of an NDIS based on a self-directed, flexible approach to the provision of disability services that delivers certainty, simplicity, fairness and choice for people with disability, their families and carers.

Victoria has significant experience in developing and implementing individualised approaches to support people with disability to exercise the maximum degree of choice and control in their lives.

The Victorian Government agrees with the Commission's view that the provision of disability services in Australia is 'underfunded, unfair, fragmented and inefficient'. The Victorian Government considers that we can do better as a nation, and that we can deliver major reform to the disability service sector now through an NDIS.

An NDIS should be built on the core principles of certainty, simplicity, fairness and choice

The development of an NDIS should be informed by the interlinked core principles of certainty, simplicity, fairness and choice:

- > **Certainty** of funding, to provide life-time supports to people with disability, their families and carers;
- > **Simplicity** in gaining access to specialist disability and universal services;
- > **Fairness** in the application of eligibility criteria, assessment and support to people irrespective of where they live or their disability; and
- > **Choice** to give people with disability, their families and carers control over their supports.

Victoria stands ready to host the first stage of implementation of an NDIS

Victoria is very well placed to host the first stage of implementation of an NDIS:

- > Victoria has 15 years' experience in implementing a self-directed approach to disability services and in developing a market-based approach to their delivery;
- > Victoria has experience in managing lifetime care and support schemes through the Transport Accident Commission (TAC) and WorkSafe Victoria (WSV); and
- > Under the auspices of the Community and Disability Services Ministers' Conference (CDSMC), Victoria is currently leading national work on the building blocks of an NDIS, namely the development of a common assessment tool (together with Queensland), and the development of a National Quality Framework, to apply to service providers in the market.

The disability service sector needs transformational reform

Victoria has made substantial progress in strengthening the capacity of people with disability, their families and carers over the last 15 years, through the introduction of a self-directed approach to disability services.

While this shift in choice and control has improved outcomes for many people with disability, the increasing numbers and needs of Victorians with disability has meant that available funding continues to fall short of demand, and that the benefits of many pilot programs cannot be extended beyond the initial pilot phase.

Although Victoria's work in shifting choice and control to people with disability is well underway, the full benefits of the approach cannot be realised without additional funding support from the Commonwealth, as part of a national scheme. In the absence of such a funding boost, the disability service sector will continue to respond to crises, rather than focusing on early intervention approaches and people's long term goals and aspirations.

Early intervention is critical for delivering positive outcomes

The Victorian Government recognises that the disability service sector needs to get better at intervening early, whether this is done through early childhood supports or as soon as a need for support is acquired. Early intervention can deliver significant long term scheme benefits by avoiding the need for later, more costly and often more intrusive interventions.

An NDIS based on a 'social insurance' model has the capacity to deliver transformational change

By focusing on early intervention, an NDIS will support people with disability to achieve better health outcomes, educational attainment and labour force participation, while also providing more opportunities for families and carers to participate in the workforce and the community. In these ways, an NDIS is not just an investment in the wellbeing of people with disability, but an investment in the future welfare of Australian society.

Services need to move beyond a person-centred approach to a self directed approach

Over the last 15 years, Victoria has implemented a person-centred approach to the provision of disability services, and endorses the Commission's recommendations favouring this approach.

In Victoria, the person-centred approach has resulted in:

- > improved satisfaction for people with disability, their families and carers¹;
- > a more enjoyable and less stressful workplace for disability support workers²;
- > the purchase of a broader range of services by people with disability and their families³; and
- > more creative support responses by service providers.

The Victorian Government considers that the Commission's recommendations for a person-centred approach should be expanded to include support for a self-directed approach to disability services.

The Commission's recommendation for a person-centred approach to disability services does not fully capture the extent of the shift in choice and control required, nor does it clarify the extent of service sector reform required. For example, for a person living in supported accommodation, a person-centred approach may improve their experience within that one service setting. But it will not provide the imperative to achieve goals beyond this, such as living in the community, which depend on a range of factors beyond the control of the accommodation service provider.

The self-directed approach, by contrast, underlines the fundamental requirement for the disability service sector to create innovative and tailored service responses that leverage the capacity of the sector as a whole. For the person living in shared supported accommodation, this may include working with the person to achieve their goal of living in the community through the development of a tailored support response. This approach also calls on Government to build the capacity of people with disability, their families and carers to manage their own supports as well as working in partnership with the disability service sector to strengthen its capacity to deliver flexible and tailored services.

1 Department of Human Services (DHS) survey of Direct Payments Phase II participants (see Part 4 for further details).

2 DHS, *Evaluation: Person Centred Active Support in rural Victoria*, January 2008, pp 25-26.

3 DHS, Survey of Direct Payments Phase II participants.

The Victorian Government recommends that the Commission take this opportunity to draw together the different strands of reform work already underway into a single reform agenda that, guided by a self-directed approach, focuses on the common goal of improving the lives of people with disability, their families and carers.

The Commission should recommend a spectrum of funding administration arrangements

The Commission has indicated that a person-centred approach could be implemented by providing people with disability with vouchers to buy services. However, the use of vouchers inhibits the ability of people with disability to purchase universal services, an important part of developing a market-based approach.

The Victorian Government considers that the implementation of a self-directed approach should be supported by a spectrum of funding administration arrangements, such as direct payments and a financial intermediary service, as well a direct transfer of funding to disability service providers. People with disability and their families should be able to combine the different options, or move between options, as it suits them. Vouchers are not the only way of administering self-directed funding.

Victoria currently offers three funding administration arrangements providing different levels of control, that a person with disability may select or combine, depending on the level of control and responsibility they feel comfortable managing.

A new approach to disability service provision requires capacity-building of the sector and its workforce

The Victorian Government has worked in partnership with disability service providers and peak bodies to identify opportunities to invest in learning and development opportunities for management and staff of disability service providers, as well as research partnerships and the development of communities of practice, that leverage the entire sector's growing expertise and creativity.

The Victorian Government recommends that workforce strategies be developed to support the significant expansion of the sector that will occur under an NDIS.

There remains significant room to improve access to universal services for people with disability

While Victoria has made significant progress in implementing a self-directed approach to disability services, there are still areas for improvement. These include, for example, continuing to improve access to universal services such as education, housing and employment.

The Victorian Government supports the Commission's recommendation that an NDIS operate within a market-based framework

As well as strengthening the choice and control people with disability and their families have over their supports, the self-directed approach also directly encourages the development of a market-based disability sector that responds to people's increased service expectations.

Victoria's experience supports the Commission's proposition that a market-based approach will lead to innovations in service delivery and improved access to universal services, providing more options for people with disability, their families and carers.

This is supported by the finding of a survey of participants in the Department of Human Services' Direct Payments trial, which found that 60 per cent of participants had been able to purchase more supports, and 48 per cent had purchased different kinds of support.

A market-based approach requires robust mechanisms to drive quality improvement and resolve complaints

In developing a market-based approach to disability services, clear attention must be paid to quality and complaints mechanisms that help protect and empower some of our most vulnerable and disadvantaged citizens. Victoria has already put in place a range of mechanisms to achieve this end.

Eligibility under an NDIS should be based on capacity, not diagnosis

The Victorian Government agrees with the Commission that eligibility for Tier 3 should be based on a person's assessed physical and cognitive functional capacities, and the impact these have on people's lives, and not solely on a person's diagnosis.

Accordingly, in response to the Commission's recommendation that a diagnosis of intellectual disability should automatically make a person eligible to access NDIS services, **the Victorian Government recommends that a person's need for services be determined by the impact of their intellectual disability and not a diagnosis alone.** This may mean that some people with an intellectual disability who do not have significant limitations in communicating, mobility or self-care are not eligible for Tier 3 services under an NDIS. However the Victorian Government also recommends that the definition of 'significant limitations' include cognitive limitations, which will ensure eligibility for many people with intellectual disability.

In addition, in response to the Commission's request for advice on whether the daily support needs of people with a disability arising from long lasting mental health conditions should be met by the mental health service system or an NDIS, **the Victorian Government recommends that these be met through an NDIS.** The person's clinical mental health needs would continue to be met through specialist mental health services.

The Victorian Government recognises that shifting to an assessment of the functional impact of intellectual disability and the inclusion of people with support needs arising from severe and enduring psychiatric disability may affect the anticipated size of the target group intended to receive Tier 3 services. The Commission should take this into account in its final recommendations.

People who have suffered catastrophic injuries should be able to access lifetime support and care

The Victorian Government supports the Commission's objective of providing appropriate care and support for all people suffering catastrophic injuries. Victoria is keen to ensure that what it has learnt from the successful operation of its no-fault insurance schemes informs the Commission's further consideration of an NIIS in its final report.

The Victorian Government notes that about half of all catastrophic injuries (spinal and severe acquired brain injury) are incurred in motor vehicle and workplace accidents. More recent data derived from the Victorian State Trauma Outcomes Registry (VSTORM) indicate this may be underestimated, with transport-related cases alone accounting for about 55-60 per cent of all major trauma cases admitted to Victorian hospitals.⁴ The Commission's proposal for two separate schemes is one means of addressing the complexities relating to the interaction of an insurance model with common law rights.

The Commission should consider further the case for developing separate NIIS and NDIS schemes

The Victorian Government recommends that the Commission elaborate further in its final report on the case for separate NIIS and NDIS schemes, noting that other structural options are available. These options include:

- > a model under which an NDIS (rather than an NIIS) covers catastrophic injury arising where there is no entitlement under no-fault benefit schemes, for example, acquired brain injury due to a fall from height; and
- > an NIIS providing no-fault, lifetime care and support benefits for people with catastrophic injuries arising out of motor vehicle and work-related accidents only. Under this model, the care and support needs of people suffering catastrophic injuries through other circumstances, for example, general accidents or violence, would be met by the NDIS.

The Commission is also invited to consider several outstanding issues in developing an NIIS, which are identified in the Victoria Government's submission. These include potential boundary issues regarding the issue of 'causation', and boundary issues which may arise in the equitable provision of benefits under an NDIS/NIIS regime.

Importantly, the Victorian Government is concerned to ensure that people with disability are not left without any support or care pending the determination of which scheme (NDIS or NIIS) should properly cover them.

The goal should be to eventually achieve equity in the provision of lifetime care and support under an NDIS/NIIS model for people with disability, whatever the circumstances and nature of the injury.

Clarifying the roles and responsibilities of governments

The Victorian Government calls on the Commission to explore a range of models for balancing Commonwealth and State Government responsibilities in an NDIS.

In developing a model for an NDIS, the Commission should take account of core principles, as outlined in Victoria's submission, and should leverage each jurisdiction's particular strengths, including the States' and Territories' extensive expertise in delivering disability services. The allocation of responsibilities between governments for an NDIS must:

- > support the achievement of positive outcomes for people with disability, their families and carers;
- > support the inclusion of people with disability in the life of their communities, including through ensuring that universal services are accessible;
- > promote continuous reform and improvement in the sector, including the capacity for innovation at a local level;
- > deliver certainty, simplicity, fairness and choice; and
- > be viable in the long term and supported by a sustainable funding model.

Review of decisions under an NDIS

The Victorian Government supports the development of a robust, transparent, decision-making and review process under an NDIS. The Victorian Government calls on the Commission to consider in its final report different options for review of the National Disability Insurance Agency's (NDIA) decisions, both internal and external, and the relative merits of these options.

In doing so, the Commission may wish to explore more closely the review processes relied upon by the WSV and the TAC no-fault statutory schemes. These processes have proved to be robust and transparent, and contribute to the sustainability of fully-funded no-fault statutory schemes.

Implementation issues needing further consideration

The Victorian Government recognises that there are a number of implementation issues to be addressed to ensure a smooth transition to an NDIS. These are outlined at the end of the submission and in Part 2 where Victoria's proposal for hosting the first stage of implementation of an NDIS is discussed.

The Victorian Government regards the establishment of an NDIS as a rare opportunity to deliver genuine, national reform for some of the most vulnerable people in our community, their families and carers. An NDIS also presents an opportunity for the disability sector to demonstrate its capacity to be innovative, client-focused and forward-thinking.

The Victorian Government acknowledges that this sector is constrained in what it can achieve in the absence of new funding to drive innovation, research and development.

The Victorian Government is fully committed to improving outcomes for people with disability through ongoing reform of the Victorian disability service sector, and stands ready to play a key and influential role in the implementation of a national vision for people with disability, their families and carers.

1. CORE PRINCIPLES FOR A NATIONAL DISABILITY INSURANCE SCHEME

The establishment of an NDIS is a once-in-a-generation opportunity to provide certainty, simplicity, fairness and choice of support to one of the most vulnerable and traditionally disadvantaged groups of Australians, and by doing so, to strengthen Australia's social and economic fabric.

The Victorian Government considers that, in order to reach its full potential, an NDIS should be designed, implemented and managed with the ultimate goal of delivering the best possible outcomes for people with disability, their families and carers.

The Victorian Government considers that the following interlinked principles should be at the core of an NDIS.

Certainty

Sustainable funding that delivers reform and improvement

An NDIS must be built on a funding mechanism that will deliver adequate, sustainable and guaranteed support for people with disability, their families and carers while providing ongoing incentives to create innovative and cost-effective service delivery options as part of continuous improvement in disability services.

A lifetime approach that includes early intervention

A lifetime approach to disability supports allows people with disability, their families and carers to make long-term plans based on the person's reasonable needs and goals, and provides them with tailored supports to achieve this. It recognises that the needs of a person with disability or their family needs may change over time, and assists people to navigate key transition points.

Service providers must be able to identify and respond to circumstances where a person and their family would benefit from an early intervention approach that may alleviate or avoid additional hardship, including deteriorating health or personal circumstances, family stress or breakdown.

Consistency

People with disability, their families and carers seeking information, advice and support must receive a consistent response regardless of the nature of their disability or their geographic location, and any supports received must be portable across Australia.

Boundary issues, whether between different levels of government, government departments, services or service providers, should be managed behind the scenes and not passed on to people with disability, their families and carers.

Simplicity

Community and universal services

The Australian community has a responsibility to remove barriers and support the inclusion of people with disability by ensuring that universal and community services are accessible to them. This requires a coordinated whole-of-community approach.

Accessibility

Disability services should be easy to access and navigate. Supports, including information and advice, should be provided in a timely fashion and, wherever possible, in a person's local community. Disability services must take into account people's different cognitive, communication and cultural needs, including through the provision of information in languages other than English and in alternative formats.

Fairness

Transparency and accountability

An NDIS must develop and implement a transparent assessment and resource allocation approach that can be used to equitably determine a person's reasonable support needs, based on their personal circumstances, needs and goals.

Citizenship and participation

The establishment of a high quality disability service sector is an investment in people with disability, their families and carers. Enabling them to participate in the social, economic and cultural life of their communities strengthens the broader Australian community, socially and economically.

Role of families and carers

An NDIS must not only acknowledge and support the critical role that families and carers play in caring for people with disability, especially children with disability, helping them to realise their physical, social, emotional and intellectual capacities; it must also recognise that many people with disability are parents or carers themselves.

Choice

Increasing choice and control through a self-directed approach

Disability supports, resources and advice should be provided within a self-directed framework that enables all people with disability and their families to make choices based on individual need and to self-direct their own supports as much as possible.

Exercising choice

People with disability have a capacity to express their own opinions and preferences, make decisions, and learn from experience, and should be supported to do so. In recognising people with disability as the experts in their own lives, disability supports should enable people with disability, their families and carers to build on existing strengths while further developing capacity and fostering resilience and independence.

An NDIS must consider how the particular needs of vulnerable and marginalised people with disability can be supported and protected in order for them to exercise choice and control.

A skilled and responsive sector

A dynamic and innovative disability service sector must be able to work with service users to provide them with a choice of support options that respond to individuals' changing needs and circumstances. This depends on an engaged and skilled workforce.

2. STAGED IMPLEMENTATION OF AN NDIS IN VICTORIA

The Commission recommends the staged implementation of an NDIS. It proposes that a particular region of Australia be selected, containing 'around 10,000' likely clients for implementation of an NDIS (and NDIS) in January 2014. This region would be used as the 'test bed' for the scheme, where early problems could be identified and ironed out, the efficacy of a common assessment toolbox tested and refined, and more precise estimates of likely scheme costs determined.⁵

The Baillieu Government's commitment to piloting an NDIS is longstanding. The then Leader of the Opposition made this commitment in October 2010, and reaffirmed it when elected.⁶

In light of Victoria's experience in person-centred and self-directed approaches to service delivery (including individual support packages), its demonstrated expertise in managing viable no-fault injury insurance schemes, and its commitment to playing a key and influential role in the delivery of an NDIS, Victoria believes it is well-placed to host the first stage of implementation of an NDIS.

The Victorian Government is committed to the staged implementation of an NDIS

Victoria is committed to hosting the first stage of implementation of an NDIS. This said, it is acknowledged that, in order to comprehensively identify and iron out early problems in an NDIS, there may be a case for phased implementation in a number of different regions of Australia from 2014.

Victoria understands that a great deal of preparation and planning will need to be undertaken in advance of the first stage of implementation to ensure that it properly tests an NDIS. In particular, capacity building work will need to be undertaken to ensure that people with disability, their families and carers are able to exercise choice over services and providers and to strengthen links with universal services.

Victoria is implementing person-centred approaches to disability services provision

As noted in Part 4 of this submission, Victoria has nearly 15 years' experience in implementing and delivering a person-centred, self-directed approach to disability services. This approach has helped drive the transformation of Victoria's disability service sector by identifying a demand for flexible and tailored services. This has allowed new ways of providing services and supports to be developed and tested.

Victoria is leading national policy debates on disability service issues

The Victorian Government has played a leading role in the national policy debate on disability services. In order to support these efforts, in early 2011 the Victorian Premier, Ted Baillieu MLA, established an NDIS Secretariat within the Department of Premier and Cabinet, to lead planning for implementation of an NDIS in Victoria.

At the February 2011 meeting of COAG, the Victoria Government led the discussion and obtained a commitment to put an NDIS on the COAG agenda once the Commission's final report is released, as part of Victoria's commitment to driving the delivery of an NDIS.

⁵ Productivity Commission draft report, p17.10.

⁶ Ted Baillieu, 'Coalition to lead on disability reform', 20 October 2010, <http://vic.liberal.org.au/webData/policies/COALITION%20TO%20LEAD%20ON%20DISABILITY%20FUNDING%20REFORM.pdf>, accessed 16 May 2011.

In December 2010, the Victorian Minister for Community Services, Mary Wooldridge MP, initiated a meeting of Commonwealth, State and Territory Community and Disability Services Ministers to discuss an NDIS. At this meeting, which took place in April 2011, Victoria led discussions on an NDIS.

Victoria is leading the development of national approaches to disability service provision through the Community and Disability Services Ministers' Conference

Victoria is playing a leadership role in the development of practical tools to support the implementation of an NDIS, under the auspices of the Community and Disability Services Ministers' Conference (CDSMC). This work includes development of:

- > a National Quality Framework including the review of the National Standards for Disability Services; and
- > a Common Assessment Tool as part of an overarching resource allocation framework (as recommended by the Commission), co-leading with Queensland.

Victoria is leading the development of a National Quality Framework and revised National Standards

The Community and Disability Services Ministers' Advisory Council (CDSMAC) has endorsed the adoption of a single set of National Standards for Disability Services and agreed that jurisdictions will retain operational autonomy for how the National Standards will be implemented, and will continue to individually tailor quality systems to effectively respond to local contexts, ensure consistency with jurisdictional policy and streamline quality assurance processes.

The development of National Standards will build on existing research. The Standards will be clear in their purpose and objectives and will be described in a manner that is relevant to both service providers and service users, and supported by resources.

Victoria has been leading the development of a consistent approach to National Standards as part of an overarching Quality Framework. Victoria believes that a common set of Standards will reduce complexity and assist consumers' understanding of the requirements placed on service providers. It could also assist with setting expectations of service quality for both service users and providers.

Victoria is leading the development of a Common Assessment Tool

A robust assessment tool will be a cornerstone of an NDIS, for a number of reasons:

- > It will determine whether or not a particular individual is eligible for Tier 3 supports by assessing the functional impact of their disability.
- > It will determine what Tier 3 support are required to address an individual's 'reasonable and necessary' care and support needs.
- > By determining eligibility and support needs, the tool will be critical to maintaining the overall integrity and financial viability of an NDIS.
- > The tool will be critical for achieving the twin objectives of reflecting every individual's unique circumstances while maintaining equity in assessment across States and different individual circumstances (for example, disability type, ethnicity, availability of informal supports, geographic location relative to services, etc).

Currently, each State and Territory uses different tools and approaches to assess the impact of a person's disability and to determine an appropriate service response. In recognition of the importance of this issue, most States are already engaged in separate projects to develop more equitable and accurate assessment processes.

At the CDSMC meeting in April 2011, Ministers agreed to pursue a common assessment tool for consideration across State, Territory and Commonwealth programs and services.

A common assessment tool will provide a fairer and more consistent assessment process for people with disability, their families and carers. It will also generate a consistent national data set on the impact of disability that will support fine-tuning of an NDIS, and help shape policy development.

This work will be led by Victoria, in conjunction with Queensland, and will be informed by the Victorian Government's current project with the University of Sydney to develop a resource allocation framework. This work specifically looks at a person's support needs in the context of their unique circumstances and how these needs can be met through an individualised funding response.

Victoria is actively participating in the development of a consistent approach to the provision of disability aids and equipment

The Victorian Government has been an active participant in discussions focused on achieving greater national consistency in the provision of disability aids and equipment to people with disability with a particular focus on simplifying access and improving consistency between Commonwealth Government and State-based schemes, for example, in relation to continence assistance.

Victoria has many of the systems and the infrastructure in place already

Victoria is well positioned to implement key recommendations in the draft report (for example self-directed approaches — including individual support packages, facilitation and planning — and an Aids and Equipment Scheme which is already located within the Disability portfolio).

Just as importantly, Victoria has existing infrastructure through which to host the first stage of implementation of an NDIS.

The Victorian Transport Accident Commission (TAC) manages a viable, sustainable, fully-funded no-fault motor vehicle accident scheme in Victoria. In 2009-10, for example, the TAC provided \$909.3 million in support services and benefits for 42,948 clients, whilst at the same time achieving a performance from insurance operations (PFIO) result of \$200 million, an actuarial release of \$40 million and the lowest number of motor vehicle fatalities in Victoria's history (290).⁷

The TAC already has well-established metropolitan and regional offices managing catastrophic injury claims arising from motor vehicle and workplace accidents, which will allow the trialling of elements of an NDIS as well as an NDIS, if necessary.

In relation to disability services specifically, Victoria has established state-wide contracts for the delivery of a financial intermediary service to disability clients and, unlike other jurisdictions, its aids and equipment scheme is already located within the Disability portfolio.

The Victorian Government has established an NDIS Implementation Taskforce to engage with the disability sector and the broader community

Underpinning Victoria's national leadership in operational and policy development for disability services, early in 2011 the Victorian Government announced the appointment of an NDIS Implementation Taskforce, chaired by Bryan Woodford OAM.

The Taskforce, made up of leading Victorians with a passion for disability reform and relevant expertise, is helping the Victorian Government to plan for the successful implementation of an NDIS in Victoria. The Taskforce will continue to meet regularly during the implementation period to inform the development of the Victorian Government's approach to implementing an NDIS and implementation options for an NDIS, and to assist in developing a broad community consensus on an NDIS and its implementation (see Appendix A for Taskforce membership and Appendix B for Taskforce Terms of Reference).

⁷ *Transport Accident Commission, Annual Report, 2009-10.*

Victoria is developing innovative protections for people with disability, their families and carers

Victoria has produced a number of excellent examples of innovative approaches to disability service provision and funding that could be used to build on, or enhance, future arrangements for disability services nationally. These are complemented by a number of innovative 'protections' for people with disability, their families and carers:

- > A **Disability Services Commissioner**, to improve services for people with disability in Victoria and to provide free, confidential and supportive complaints resolution processes;
- > An **Office of the Senior Practitioner**, responsible for ensuring that the rights of people with disability who are subject to restrictive interventions and compulsory treatment are protected, and that appropriate standards are complied with in relation to restrictive interventions and compulsory treatment;
- > '**Residential rights**' mandated under the *Disability Act 2006*, which, for example, require disability service providers to provide a 'residential statement' to a person with disability when they start living at a residential service. The residential statement must include the type and cost of the service and other information such as a person's right to make a complaint; and
- > A **Community Visitor Program**, independent of the Department of Human Services (DHS). Under this program, Community Visitors visit the premises of registered disability service providers and Government-managed disability services where residential services are being provided. Community Visitors report on the quality and standard of care and support provided to residents through the Office of the Public Advocate, an independent statutory body.

Victoria hosts a fully-fledged disability professionals' association

Disability Professionals Victoria (DPV) is a professional association that promotes excellence, leadership and quality practice by providing disability professionals with opportunities for recognition, learning and connection. DPV aims to support individuals who commit themselves to the profession and its vital work.

The Victorian Government has, historically, worked well with organisations such as DPV and other peak and representative bodies. These relationships will enhance Victoria's ability to engage sector stakeholders in the host region and to successfully deliver the first stage of implementation of an NDIS.

Proposal for the first stage of implementation of an NDIS

The following is a high level work plan for the first stage of implementation of an NDIS in Victoria. The Government will work with the Commission and other jurisdictions to identify a region in Victoria which best meets the Commission's criteria for a 'test bed' for an NDIS, mindful of the tight timeframe proposed by the Commission for the delivery and evaluation of this first stage.

1. Key assumptions in developing this work plan

The Victorian Government is proposing to host the first stage of implementation of the new scheme on the understanding that it proceeds on a funding basis agreed by COAG, and that State and Commonwealth legislative protections will remain in force for the duration of the first stage of implementation.

The Victorian Government's intention in hosting the first stage of implementation will be to test all elements of the scheme, whilst ensuring that people with disability who participate in the first stage of implementation will not be disadvantaged by their involvement.

2. Selecting a location for the first stage of implementation of an NDIS

At present Victoria's specialist disability services are organised through eight DHS regions (three metropolitan and five rural regions).

In identifying an appropriate region in Victoria to host the first stage of implementation, it is not intended to nominate any of the current DHS regions within Victoria, but to identify a broad geographic area as a 'host region', taking into account a number of factors.

These factors will include ensuring that the selected region is broad enough in demographic scope to provide an adequate client base and to give the best chance of success as a test bed. Victoria estimates a population base of between 600,000 and 1,000,000 would be required to ensure an eligible population of 10,000 people as recommended by the Commission.

The Victorian Government also believes it important that the host region has critical client diversity, including demographic mix, that all possible specialist and universal services which clients could be linked into are available in the region, and that existing infrastructure or systems can be leveraged to reduce implementation costs. The host region will have the capacity to cope with potential disruption to existing services and to maintain business continuity. The host region will also have well-established, strong relationships between DHS and community service organisations.

In order to properly benchmark and therefore evaluate the first stage of implementation, base line data for the host region will be available.

3. Testing and evaluating key elements in the first stage of implementation in victoria of an NDIS

In undertaking the first stage of implementation of an NDIS ('implementation'), Victoria will test and evaluate implementation and workability issues arising out of key elements of an NDIS as endorsed by COAG.

Victoria's work plan for implementation in the host region takes into account the following potential implementation issues and their workability.

Eligibility and assessment

Testing the workability of new concepts

Implementation in the host region will test whether new eligibility and assessment criteria and new concepts such as 'reasonable and necessary' are workable and produce intended outcomes, including the appropriate delivery of early interventions, across the range of people and circumstances an NDIS is intended to cover.

The operation and outcomes of a new common assessment tool will be tested, as well as, potentially, a new resource allocation framework for new and existing clients, including the training of assessors (see discussion of development work for this tool by the University of Sydney in Part 9). Crucially, the evaluation of this element of implementation will consider how successfully the role of the person with disability and their family has been incorporated in directing the assessment process.

Testing the workability of new assessor training packages

Implementation will include testing the workability of new assessor training packages as well as processes for the monitoring, evaluation and refinement of assessment tools and processes.

Person-centred, self-directed service delivery

Identifying potential refinements to service delivery

On the basis that the Commission's recommendations supporting a person-centred, self-directed approach to service delivery are accepted by COAG, implementation in the host region will consider potential refinements to the service delivery model. This will take into account learnings such as whether the provision of supported accommodation (and related issues around capital contributions and private contributions) are in practice capable of being managed under an individualised support model (and if not, how they could be).

The impact of up-front fees and co-payments

Implementation will explore the impact of up-front fees and/or co-payments on scheme viability, quality of service and access to services for people with disability, their families and carers.

Protecting the vulnerable

Implementation will test whether an NDIS has appropriate protections in place for vulnerable clients, and will include evaluating the ability of these clients to access independent advocacy, complaints and dispute resolution processes and the effectiveness of these processes. Implementation will also test whether access to universal services (such as health, housing, transport, education and employment services) is enhanced for people with disability covered by an NDIS and, if not, what measures might be put in place to remove barriers to access.

The importance of capacity-building under a new scheme

The Victorian Government considers that a key element in self-directed service delivery under an NDIS should be building the capacity of people with disability and their families. Implementation will provide an opportunity to test the effectiveness of initiatives designed to build the skills, confidence and capability of people with disability and their families to plan and self-direct within a market-based framework.

Assessing the impact of community education materials

It will be important, in establishing a new market for disability service provision, to develop community education materials to raise awareness of disability issues and processes under an NDIS. Implementation will provide Victoria with the ability to assess whether community education materials are 'fit for purpose' and accessible to all stakeholders in the disability sector.

Learnings from this part of the work plan will inform development of other community education material, to ensure that, over time, knowledge of the new scheme and how to access its benefits grows.

Market design issues

The effectiveness of new pricing mechanisms

Implementation will include testing the workability and effectiveness of new pricing mechanisms, as well as the market's capacity to respond to changing sector conditions.

On a similar theme, as this new market is established, it will be important to ensure that people with disability in a person-centred, self-directed service provision framework are protected from excessive prices and are assured of receiving a quality service. Equally, service providers are entitled to expect fair remuneration for their services. Implementation will be an opportunity to test the effectiveness of new pricing mechanisms in setting fair service prices in this new market, which at the same time promote excellence and innovation in disability service provision over time.

Tools to address market design shortcomings

Implementation will assess the need for and development of tools to redress 'market design' shortcomings. Implementation will test how Disability Service Organisations (DSOs) are operating and evaluate the outcomes they achieve under an NDIS.

Protections from market failure and market design shortcomings

A key challenge of market design for the sector will be to ensure there are workable measures in place to protect people with disability, for example in the event a disability service provider fails. Implementation will be an opportunity to test, in a 'safe' environment, whether protections provided under an NDIS for people with disability, their families and carers will work in practice.

Identifying and addressing interface issues

Implementation will identify and address interface issues between an NDIS and other services, in particular Home and Community Care (HACC), health, mental health (including psychiatric disability rehabilitation and support services (PDRSS)), housing, supported residential services (SRS), aged care and specialist children's services.

Implementation will also allow Victoria to test the strength and workability of memoranda of understanding (MOUs) as a tool to address sector interface issues.

Testing workforce capacity and capability issues

Implementation will test workforce capacity issues, such as supply, workforce readiness to adapt to a new service model, and whether there are likely to be sufficient service providers, DSOs and workers with appropriate training and skills to respond to the service requirements of people with disability, their families and carers.

Implementation will also test the potential for workforce displacement between the disability support sector and related sectors such as aged care, and how an NDIS can support capacity-building and innovation in universal services.

Payment systems under an NDIS

Implementation will assess the workability of payment systems under an NDIS, including the extent to which these systems expedite service payments with resulting improvements in service delivery to people with disability.

National Injury Insurance Scheme (NIIS) implementation

Implementation will assess the effectiveness of measures put in place to resolve boundary issues which may potentially arise between an NDIS and an NIIS.

Decision-making under an NDIS

Transparent and accessible decision-making processes

The Commission's recommendation for a 'social insurance' model of disability service provision demands that transparent and effective decision-making processes are well-established and well-understood by people with disability, their families and carers, and service providers.

Implementation will test the workability and enforceability of decision-making and dispute resolution processes.

Infrastructure to support an NDIS

Comprehensively testing IT infrastructure for an NDIS

The development of appropriate and secure IT infrastructure for an NDIS will be vital to ensuring scheme viability over time. Implementation will provide an opportunity to comprehensively test IT systems which support an NDIS, to ensure they are working as intended, that they promote transferability of data and information across borders, and that they have been developed to meet the needs of small (as well as large and medium) disability service providers in reporting and data-sharing.

3. THE CASE FOR TRANSFORMATIONAL REFORM OF DISABILITY SERVICES

The Victorian Government agrees with the Commission's conclusion that Australia's current disability support sector is 'inequitable, underfunded, fragmented and inefficient, and gives people with a disability little choice'. While Victoria has made considerable progress towards the objectives identified in the Commission's draft report within the constraints of current resources, such as taking a person-centred approach to service delivery, we acknowledge that there is a long way to go to make adequately funded, person-centred support available on a sustainable basis for all Victorians with disability who require it.

Victoria believes there are two fundamental problems that result in people with disability, their families and carers not receiving the support they need: too few supports for people with disability and, for some people with disability receiving services, a lack of choice and control over the supports provided. Both these problems are driven by resource constraints, which result in rationing of services. The need for support is only intensified by the fact that people with disability are often unable to take advantage of the universal and community services and resources that other members of the community take for granted. As the Australian Federation of Disability Organisations observes:

People with disability want, and expect, the resources they need to participate as fully functioning members of their communities to be available and accessible, as and when they are needed.⁸

Victoria has made strong progress towards choice, control and social inclusion for people with disability

The last forty years have seen a fundamental shift in how services are provided to people with disability, their families and carers as Victoria has moved from a segregated, institutionalised model of care, to a principle-based, self-directed approach to disability services and supports that includes people with disability in their communities. More strongly than ever before, the rights of people with disability are protected through a number of different mechanisms including the *Disability Act 2006*, robust quality standards set out in the Quality Framework for Disability Services, and complaints resolution bodies such as the Office of the Senior Practitioner and the Office of the Disability Services Commissioner, which also promote best practice.

In Victoria today, the needs of people with disability are met through a combination of formal and informal responses. The provision of formal services and supports is governed by the *Disability Act 2006* and operates in the context of the National Disability Agreement. The Department of Human Services (DHS) provides direct care and support services, particularly accommodation services, and also funds a range of non-government service providers. In 2011-2012, the DHS Disability Services budget is \$1.445 billion. Approximately 20 per cent of this funding is provided by the Commonwealth under the National Disability Agreement. Residential supported accommodation accounts for the largest share of total funding at 46 per cent (\$657.7 million), followed by Individual Support (individual support packages, day activities and respite) at 42 per cent (\$611.6 million), Information, Planning and Capacity Building (case management services) at 6 per cent (\$89.5 million), and Targeted Services (aids and equipment and specialist services) at 6 per cent (\$86.6 million).

8 Australian Federation of Disability Organisations, *National consultation with people with a disability about disability services (CSTDA)*, 2006: <http://www.afdo.org.au/node/95>.

Other government departments, including the Department of Education and Early Childhood Development (DEECD) and the Department of Health (DH), as well as local government, also provide a range of targeted services and supports. In 2011-2012, the overall budget for Early Childhood Intervention Services ECIS for children with disability or developmental delay is \$69.1 million and \$605.3 million for the Program for Students with Disabilities. The budget for the Home and Community Care (HACC) Program is estimated at \$604.6 million (including Commonwealth funding), with services for people under the age of 65 accounting for approximately 27 per cent of the total HACC budget. Total State funding for Psychiatric Disability Rehabilitation and Support Services PDRSS is \$95.1 million.

The disability service sector, as currently funded, is also heavily reliant on the informal support provided by family and carers of people with disability. DHS estimates that 77 per cent of all care for people with disability is met informally.

Over the last 15 years, Victoria has been working to implement policy innovations that aim to transform the disability service sector and improve outcomes for people with disability. In the context of a national scheme, however, a significant Commonwealth funding boost is necessary, to accelerate the pace of change and expand the scale so that more people with disability, their families and carers can see these innovations in action on the ground.

The supply of services is tightly rationed

According to the 2011 Report on Government Services, 52,861 Victorians used State-delivered specialist disability services in 2008-09.⁹ The Australian Institute of Health and Welfare (AIHW) reports that 77,079 Victorians received disability support in 2008-09 when service eligibility is expanded to include recipients of ECIS and PDRSS. A further 28,863 Victorians received Commonwealth-funded disability employment services. In 2009-10, 75,455 people aged under 65 years received HACC services in Victoria.

Even so, in December 2010, there were over 3,000 people in Victoria waiting for disability supports, including accommodation supports (1,244), supports to live in the community (1,563), or daytime supports (216). These figures represent those people on the Disability Support Register (DSR), who are assessed as having a current recognised need for ongoing specialist disability support services, but who are not currently receiving sufficient funded supports to meet their needs. The number of people waiting for specialist disability supports has increased by almost 11 per cent since December 2009.¹⁰

The DSR does not include people requiring aids and equipment or episodic supports, such as respite and case management services,¹¹ or people with disability who are not engaged with the disability service sector. Available data is insufficient to draw accurate conclusions about unmet demand or need for support among people with disability. However, it is likely that the level of expressed demand (people who are either accessing a service or are waiting to have access) is far lower than the level of need. As one indication of unmet need, the 2011 Report on Government Services, found that only 28.8 per cent of the potential population (people with profound or severe core activity limitation under the age of 65 years) in Victoria used State-delivered specialist disability services in 2008-09 (noting that some people may not require funded services, for example due to informal care arrangements, and/or may be accessing education, mental health and employment services as reported by the AIHW above).¹²

At present, only about 70 per cent of people catastrophically injured in a non-compensable incident receive any funded support from specialist disability services or HACC. Further, the available disability funding is typically less than half the average of needs-based funding systems, such as that provided by the Transport Accident Commission (TAC).¹³

9 2011 *Report on Government Services*, Table 14A.15.

10 Victorian Department of Human Services (DHS), Disability Support Register, as at 31 December 2010.

11 Wait lists for aids and equipment, respite and case management are managed at service provider level.

12 2011 *Report on Government Services*, Table 14A.15. The national figure is 20.8 per cent.

13 John Walsh et al, *Long term care: Actuarial analysis on long term care for the catastrophically injured*, PricewaterhouseCoopers, 2005.

A specific challenge for governments in implementing an NDIS will be fostering creative approaches to address significant unmet demand for accommodation support, particularly – given the current lack of alternatives – shared supported accommodation (SSA). Currently in Victoria, where more supported accommodation is provided than in other jurisdictions:¹⁴

- > 1,244 Victorians have been assessed as in immediate need of supported accommodation, but cannot be housed due to lack of places;¹⁵
- > 128 Victorians with a disability under the age of 50 years remain accommodated in residential aged care facilities, along with a further 1,394 people aged 50-64 years (March 2011);¹⁶
- > 174 Victorians are housed across three residential institutions;¹⁷ and
- > research suggests that one of the main reasons that prisoners with an intellectual disability are denied or are less likely to receive parole in comparison to non-intellectually disabled prisoners is the lack of suitable accommodation in the community.¹⁸

It is expected that the number of Victorians with a severe or profound core activity limitation who need support will increase over time, due to a range of social and demographic changes. Demand for specialist disability services will also increase as large numbers of informal carers age, resulting in a higher need for formal support services, and as people with disability themselves age, making it likely that their need for support services will increase and become more complex. Demand is also exacerbated by long-term dependency of clients once they enter the disability service sector, the weighting of current service responses towards more intensive, accommodation-based options and day services, and the crisis-driven nature of access to services.

The challenge for long-term sustainability of disability services is to manage and respond to the rate of growth in demand by providing people with disability with the support they need to achieve their life goals through an improved range of support and accommodation options that is better aligned with individual needs, provides better value for money, and reduces dependence on one-size-fits-all, facility-based services. Victoria is developing and implementing innovative support and accommodation options for people with disability. However, as the Commission recommends, significant and sustained Commonwealth investment will be required, as part of a national scheme, to meet strong and growing demand for disability support and accommodation.

Choices for people with disability are limited

While Victoria has been reorienting its disability service sector towards person-centred service delivery over the past 15 years, significant challenges remain to ensure that all people with disability are able to exercise true choice and control over their lives. The Victorian Government agrees with the Commission that significant Commonwealth investment is needed, as part of a national scheme, if we are to make this opportunity available to all people with disability, families and carers who need support. As Victorian disability service provider Karingal notes:

...the most aspirational and detailed plans are of little value without the resources necessary to implement them. Terms like 'support' and 'choice' can be very misleading. This initiative [individualised support packages] promised much, but packages have been limited and not large enough to meet the needs of recipients.¹⁹

People with disability, their families and carers continue to raise concerns with the Victorian Disability Services Commissioner regarding decision-making or choices made by service providers, including in relation to decisions about access to services or activities for service users, changes in the way services are provided (such as changing the location of residents using accommodation services) and lack of explanation for decisions and changes.²⁰

14 Family and Community Development Committee of the Parliament of Victoria, *Report on the Inquiry into Supported Accommodation for Victorians with a Disability and/or Mental Illness*, December 2009, p xvi.

15 DHS, Disability Support Register, as at 31 December 2010.

16 2011 *Report on Government Services*, Table 14A.65.

17 DHS data.

18 Victorian Department of Justice, *Intellectual Disability in the Victorian Prison System: Characteristics of prisoners with an intellectual disability released from prison in 2003-2006*, Corrections Research Paper Series, No 2, September 2007.

19 Family and Community Development Committee of the Parliament of Victoria, *Inquiry into Supported Accommodation for Victorians with a Disability and/or Mental Illness*, Committee Transcript, 23 October 2008, p 7 (Karingal).

20 Disability Services Commissioner, *Annual Report*, 2009-10, p 26. The Disability Services Commissioner does not disaggregate thematic data according to whether a person is currently receiving an individualised support package.

One significant challenge for governments in providing adequate choice for people with disability is finding the right balance between provision of shared supported accommodation (SSA) and support to live in the community. SSA provides limited capacity for people with disability to control their own living arrangements. However, in a resource-limited environment, SSA is a cost-effective way to provide high levels of support to complex clients. It is also important to recognise that, consistent with a person-centred approach, people may exercise genuine choice in choosing to live in SSA, for example where they are able to choose their co-residents.

In Victoria, 160 people have been assisted to exit SSA since 2003-04, but with adequate alternative accommodation options linked with the right support, Victoria believes more people could live independently. A greater shift towards individualised accommodation supports also has the potential to result in significant cost savings to government, for example by shifting away from a 24 hour live-in support model, for those who do not require this level of support, to more flexible, individually-tailored supports.

The continuing focus on supported accommodation limits the resources available to offer real alternatives to residential care, which in turn leads to increasing pressure to invest in residential service models. As Victorian disability service provider Yooralla comments:

We cannot disregard the fact that such 'individual packages' average a far lower level of funding than the average funding provided for accommodation. For many people, these packages are far from sufficient and rely substantially on informal supports such as family and carers that may not be available into the future, further fuelling current and future demand for shared supported accommodation.²¹

Alternative accommodation options for people with disability are also limited by the lack of affordable and accessible housing options. Opportunities for affordable private rental and home purchase are declining, and there is continuing strong demand for social housing.

While Victoria has made significant progress towards the provision of more person-centred accommodation support options for people with disability, greater Commonwealth investment is needed as part of a national scheme to increase the range of accommodation support options available.

Services are fragmented and can be difficult to navigate

Services for people with disability are often fragmented and can be difficult to navigate for people with disability, their families and carers. Issues raised with the Victorian Disability Services Commissioner in relation to access to services in 2009-10 included uncertainty about where to access help or how to apply for services, and lack of information about available service options (including the range of options available and information about specific support options).²²

People with disability often experience barriers to accessing supports, including the need to undergo frequent assessments to prove and reprove their disability and need for support as they move across specialist and universal services. Boundary issues can arise due to difficulty in agreeing on the underlying cause of the person's need (for example, whether the increase in supports needed by an ageing person with a disability is a result of their disability, or the result of the ageing process) and can be complicated by unclear or conflicting access criteria intended to manage rationed services.

Key services that people with disability need to access include health, mental health, housing and aged care services. We know, for example, that people with disability have more complex and significant health needs than the general population. They have twice the risk of hospitalisation, are twenty five times more likely to have epilepsy, three to six times more likely to have a mental health disorder, seven times more likely to have dental disease and three times more likely to be obese. The life expectancy for those with severe disability is 20 years less than the general population.²³

21 Submission by Yooralla to the Family and Community Development Committee, *Inquiry into Supported Accommodation for Victorians with a Disability and/ or Mental Illness*.

22 Disability Services Commissioner, *Annual Report*, 2009-10, pp 26-27.

23 National Council of Intellectual Disability and Australian Association of Developmental Disability Medicine, *Submission to National Health and Hospitals Reform Commission Inquiry into A Healthier Future for all Australians*, 2009.

Most disability support workers have little or no training in healthcare, while GPs, who usually have primary responsibility for coordinating primary care and referrals for adults with disability, often have little or no training, support or resources to meet the complex health needs of people with disability. In addition, people with disability may encounter boundaries between health service providers, for example between general practice, mental health and dental health providers. This can lead to particular difficulties when a person with disability is unable to identify or communicate his or her particular health needs. And while services are in place for people with dual and multiple disabilities, demand outstrips supply and barriers for people in these circumstances persist.

As Karingal and Gateways Support Services observe, for example:

Gaining access to the mental health system for people with disability may take months or even years and access to behaviour services is also a lengthy process. It is very likely that in the meantime the person's living situation will break down.²⁴

We cannot expect people with disability to understand or negotiate the boundaries between services. It is Government's task to create a simple model, where people with disability, their families and carers get the information and support they need in a single package. This includes providing integrated support for people with disability at key transition points in their lives, for example upon entering and leaving school, to ensure that every person with a disability is able to develop their full potential. Through active referral to, and integration with, other services, an NDIS has the potential to overcome these boundary issues and ensure that people with disability, their families and carers have access to the full range of supports they need.

Access to services is inequitable

Not only does inequity arise in the current disability service sector from a shortage of available services to meet the needs of people with disability; further inequities arise due to differences in service level depending on the cause of a person's disability, their geographic location and their demographic characteristics.

In relation to causation of disability, separate service systems have developed in Victoria for those with disability, and particularly those with acquired brain injuries (ABI), according to whether individuals are 'compensable' (those who have acquired their disability as a result of a road traffic or work-related accident and are therefore eligible to receive funding from the TAC or WorkSafe Victoria (WSV) or 'non-compensable' (those whose disability was the result of some other trauma or condition and who are not eligible for the TAC or WSV benefits).

Compensable individuals tend to have access to a greater range of accommodation and support choices. Compensable individuals receive income replacement and coverage for medical costs, legislative requirements determine the allocation of funding to each individual recipient, rather than to a service operator, and compensating bodies must meet the lifetime care and support needs of the person.

For example, there is currently a \$4,400 lifetime cap on subsidies for home modifications for non-compensable individuals in Victoria. By contrast, under the TAC scheme, modifications of homes and vehicles and the provision of specialised equipment are not treated materially differently from any medical or support service. The TAC is obliged to pay the reasonable costs of these expenses. Where the contribution exceeds \$10,000 for equipment and cars, or \$25,000 for home modifications, the TAC and the client enter into an agreement through which the client commits to retain the property and not request further modification or contribution from the TAC for a defined period.

In relation to geographic location, people with disability in regional areas of Victoria have more limited choice of service and are less able to access the services most appropriate to their needs. The location and dispersal of services in regional areas can also lead to some areas being un-serviced or under-serviced, requiring people with disability to travel to larger towns to obtain services, which can be costly and difficult.

24 Karingal and Gateways Support Services submission to the Family and Community Development Committee, *Inquiry into Supported Accommodation for Victorians with a Disability and/ or Mental Illness*.

The lack and inaccessibility of services leads to greater reliance on informal care, yet respite options for families caring for people with disability in rural and regional areas are often limited. Some people with disability in rural and regional areas may be forced to seek supported accommodation in another town, meaning that they are separated from their families and communities, which are important aspects of their social support networks.

Aboriginal people with disability also face significant barriers in accessing disability services. This contributes to a significant degree of unmet need for people with disability from Aboriginal backgrounds. In DHS' experience, the factors contributing to Aboriginal use or non-use of disability support services are complex and include fear, racism, stereotyping, misinformation, shame, attitudes towards Aboriginal clients among service providers and the interpretation of the meaning of disability within the Aboriginal community. Due to the lack of assessment and appropriate support, many families and extended kinship networks experience stress in providing support to their family member with disability, who often has complex needs. Other Aboriginal people with disability end up living in residential aged care facilities, at home with ageing carers or no carer, in transition care, or homeless.

People with disability from culturally and linguistically diverse (CALD) communities and their families are often similarly under-served. People from CALD communities are often unaware of the supports available or are unable to obtain culturally relevant and accessible information. Action on Disability within Ethnic Communities (ADEC) comments:

We sometimes find carers who have been caring for their children for 20 to 30 years and not being even aware of simple benefits like the carers allowance. You can appreciate the inability to tap into the system... [if a person does] not know about the system. The navigation of the processes is also quite a big problem for someone who does not know the welfare field.²⁵

The current focus on early intervention and rehabilitation is limited

The Victorian Government agrees that we need to increase sector capacity to intervene early, whether this is through early childhood supports or as soon as a need for support is acquired or recognised later in life. Research shows that effective early interventions can significantly enhance the long term capacity and independence of people with disability.²⁶ For people with disability acquired through injury, rehabilitation can enable people to re-engage in the social and economic life of the community more quickly.

Early intervention also has the potential to deliver significant cost savings to government by reducing the need for specialist and universal supports and interventions over time. For as long as the disability service sector remains focused on costly crisis-based interventions, the resources available for early intervention and diversion will be diminished, thus reinforcing the need for crisis-based interventions.

At the same time, Victoria recognises that the longitudinal evidence regarding which specific interventions are most effective is underdeveloped. There is also limited evidence regarding the impact of early intervention on lifetime circumstances for people with disability.

Early Childhood Intervention Services (ECIS) support children with a disability or significant developmental delay and their families from birth to school entry. ECIS provides special education, therapy, counselling, service planning and coordination, assistance and support to access services such as kindergarten and child care. ECIS takes a child-and-family-centred approach based on a partnership between parents and professionals.

Demand for these services continues to grow. In 2009-10, approximately 12,650 children and their families received ECIS services. The Department of Education and Early Childhood Services estimates that a further 6000 children could potentially benefit from these services. In addition, nearly 50 per cent of children and families wait more than three months for a service following referral, while 22 per cent wait more than six months.²⁷

25 Action on Disability within Ethnic Communities (ADEC) submission to the Family and Community Development Committee, *Inquiry into Supported Accommodation for Victorians with a Disability and/ or Mental Illness*.

26 See, for example, Centre for Community Child Health, Department of Education and Early Childhood Development (DEECD). *Early Childhood Intervention Reform Project: Revised Literature Review*, December 2010: <http://www.eduweb.vic.gov.au/edulibrary/public/earlychildhood/intervention/ecislitreview.pdf>.

27 DEECD data. Note that there is large regional variation in wait lists and wait times, which are calculated differently in different regions.

The ABI Slow to Recover (STR) program provides case management, therapy and attendant care to enable people to purchase a flexible range of supports and rehabilitation, irrespective of their living arrangements. By providing 'portable' rehabilitation services, the ABI STR program has enabled individuals to move from intensive acute care services to less restrictive environments. This has been reported as being a positive initiative to assist young people who are not eligible for services funded through the TAC or WSV to have the opportunity of rehabilitation. However, there is a waiting list for this program due to high demand, and the intensive support provided by the program is often time-limited to two years.²⁸

Even those people assessed as having a current recognised need for ongoing specialist disability support services often face long waits to receive services. This can lead to deterioration in a person's condition, as well as frustration and social exclusion, incapacity to plan ahead, and deterioration of family relationships. In addition, because placement on a wait list is based on current need at the time of registration, an individual's need for support is likely to have changed by the time the necessary supports become available. This leads to additional costs for reassessment and re-planning.

Support for carers and family members is inadequate

The Victorian Government acknowledges that families and carers deserve recognition for the support they provide and that the disability service sector needs to shift away from its reliance on the unpaid work of families and carers. Victoria also recognises that many carers, particularly older carers, are concerned for the future of their family member with disability. Many people in these situations are fearful and uncertain about what will happen when they can no longer continue in their caring role. Having access to guaranteed disability supports, which promote community inclusion, will go a long way towards addressing these concerns.

Based on preliminary need and supply modelling, DHS estimates that around 77 per cent of all care for people with disability in Victoria is met informally. However, the availability of informal carers is declining due to ageing of carers and socio-economic changes. The 2011 *Report on Government Services* shows that more than 50 per cent of current informal carers who are the primary carer for a person with a disability are over the age of 45, and more than 18 per cent are over the age of 65.²⁹ Older carers are less likely to be able to provide informal care and more likely to experience a disability themselves.

Feedback from Victorian carers on the range of government and non-government respite services available shows that while carers are generally satisfied with the quality of respite services provided, including respite staff and respite houses, they are less satisfied with other factors such as respite availability, complaint procedures and the range of respite options available.³⁰ Their concerns reflect a number of the shortcomings of the current sector which have previously been identified, such as rationing of services and lack of service choice.

28 Inability Possability submission cited in Victorian Coalition of ABI Service Providers (VCASP), *Final Report of Accommodation Project*, December 2007 p 47, cited in Family and Community Development Committee, *Report on the Inquiry into Supported Accommodation for Victorians with a Disability and/ or Mental Illness*, December 2009, p 175.

29 2011 *Report on Government Services*, Table 14A.3.

30 DHS data.

An NDIS would deliver extensive social and economic benefits

An NDIS has the potential to deliver substantial social and economic benefits, both for individuals and for society as a whole.

An NDIS which provides timely, 'reasonable and necessary' care and support for eligible people with disability has strong potential to improve the outcomes of people with disability across a range of social and economic indicators such as health status, educational attainment, labour force participation and contact with the justice system. This would significantly improve their capacity to participate in, and contribute to, the social and economic life of the community. Greater economic participation by people with disability, their families and carers would also produce significant economic benefits for the broader community in terms of productivity gains.

By contrast with the existing crisis-based model, a social insurance model which encourages intervening early and at key life transition points has the potential to lead to significant cost savings over time by building capacity and independence among people with disability, their families and carers, and reducing the costs associated with poor outcomes, such as more and intensive use of both specialist and universal services.

In costing an NDIS and NIIS, Victoria considers that the Commission should take account of the substantial long-term social and economic benefits that would arise from transforming a sector which is currently focused on crisis response into a sector that provides timely, 'reasonable and necessary' care and support for eligible people with disability.

4. BEYOND PERSON-CENTRED: THE SELF-DIRECTED APPROACH IN A MARKET-BASED DISABILITY SERVICE SECTOR

The Victorian Government agrees with the Commission's recommendation to adopt a person-centred approach to increase choice and control that people with disability have over their supports. Based on Victoria's experience, we recommend extending the person-centred approach to a self-directed approach, which, in further increasing choice and control also supports the Commission's recommendation that an NDIS operate in a market-based service sector.

The two approaches are in fact inextricably linked as a self-directed approach is meaningless without a choice of quality services, something that will not develop unless people are able to indicate what sort of supports and services they need.

The self-directed approach to disability services

Victoria's experience shows how, by placing the person with disability and their family in control of their support response, the self-directed approach to disability services achieves better personal outcomes and more cost-effective support solutions.

Victoria has nearly 15 years' experience in implementing and delivering a self-directed approach to disability services. By focusing on the individual needs of a person with a disability and their family through a person-centred planning process that explores a range of support options, this has approach helped drive the transformation of Victoria's disability service sector by identifying a demand for flexible and tailored services. This has allowed new ways of providing services and supports to be developed and tested.

The self-directed approach has helped broaden the focus from the individual's planning and support needs to include the sector changes needed to drive and sustain the delivery of flexible and tailored disability services. These have included building the capacity of the disability services sector to provide a choice of high quality services, and building the capacity and confidence of people with disability to take control of their supports. In 2011-12, Individual Support accounted for 42 per cent of Disability Services' budget.³¹

The self-directed approach has three key elements; planning, supports and funding.

Using self-directed planning to identify needs and goals

Self-directed planning is a flexible process, in which the person with a disability is supported to direct their own planning process to the greatest extent possible. It includes their circle of support, made up of family members, carers, friends, support providers and if needed, a planner. In the case of a child with disability, the planning process is family-centred. This process identifies the person's goals and needs, and explores how these may be met through a combination of informal, generic and/or specialist supports. A planning episode may happen for a range of reasons, from whole-of-life or transition planning, to helping put new supports into place, or addressing a change of circumstances. The number of people involved may change depending on the focus of the planning process, but the underpinning principles remain the same.

31 Department of Human Services (DHS).

This case study demonstrates how a holistic planning process that includes family and friends can develop a support response that suits the person's own identified needs and goals, and lead to other opportunities.

Ainsley, a 29 year-old woman with Down's Syndrome who lives with her parents in a small rural town, was becoming bored and losing interest in attending a Day Service program which was organised along very traditional lines.

Ainsley and her family wanted to be able to use her funding, which had previously been allocated to the Day Service, to create a daily life for Ainsley in which she could reach her potential. They then enlisted the support of a planner to help develop a plan for Ainsley. Ainsley chose the friends and family she wanted to be involved. In the past Ainsley and her family often felt they were just 'on the receiving end of being told how it was going to be, or how it was not going to be'. This experience, as they began to help Ainsley to map out what she needed, was entirely different.

Two years later, Ainsley has a flexible range of activities that she greatly enjoys. Some she can do with minimal support, such as attending tai-chi and cooking classes, or she may visit the library where she is helped to research some of her interests such as the customs and cultures of the countries of the world.

Ainsley's activities haven't all depended on funding from DHS as many exciting new ideas have grown naturally through community contacts. For example, Ainsley has completed some volunteer work as a kindergarten assistant. This came about when a member of Ainsley tai-chi class, who coincidentally worked at the kinder, became aware of Ainsley's interest in working with children. Ainsley now enjoys helping out at the kinder with morning tea and is making plans for a holiday in Europe.³²

Using self-directed supports to improve choice for people with disability and their families

In order to meet the support needs identified through a self-directed planning process, there must be a range of high quality supports and services for people to choose from. These should range from accessible universal and place-based services, through to specialist disability supports provided by registered providers.

Over and above the systemic issue of ensuring a meaningful choice of providers, which is discussed later in this part, the concept of self-directed supports requires disability providers to ensure their services are flexible and responsive to the needs of their service users, acknowledging that even in less flexible settings, such as shared supported accommodation, people with disability should be supported to direct their own support responses as much as possible.

This case study demonstrates how a service provider can deliver a service that takes into account the different interests and preferences of their service users.

Paul, Peter and Tom are all over the age of 55 and have been taking part in day services or 'group activities' for a combined total of well over 100 years. A committed community service organisation ensured that these men were given every opportunity to think differently about what they wanted to do and pursue things that really made sense to them.

The men had some good times during their years attending 'groups', but having someone take the time to get to know them and understand their goals and aspirations has laid the foundation for connection to a life that is richer and full of choices.

Paul now attends Italian clubs two days a week, speaking Italian, taking part in all the activities and not having, or needing, any specialised staff with him. Paul now prefers to go by his Italian name of Paolo. Paolo is also currently applying to a local institute for a paid part-time job.

Peter has a part-time job at a local pub cleaning the tables and collecting the glasses. While there he is surrounded by the things he loves, ocker blokes, bad language, footy talk and beer.

Tom, who loves flowers, is currently getting to know a local florist who is creating an opportunity for him to go and work there a few times a week helping them sort flowers. He won't need us [the service provider] there.³³

³² DHS.

³³ Milparinka Disability Services.

Using self-directed funding to improve control for people with disability and their families

There are currently three different funding administration arrangements available in Victoria for people receiving individually-attached funding through Individual Support Packages (ISPs) through DHS. The three arrangements are:

- > **direct payments:** funding is transferred to the person with disability (or their nominated representative) on a monthly basis, who spends it in accordance with an agreed support plan; direct payments provides the greatest level of control but also the highest level of accountability and responsibility for the person with disability;³⁴
- > **statewide financial intermediary service:** funding is held by the financial intermediary service, who, at the direction of the person with disability, uses it to pay for services chosen and used by the person with disability in accordance with an agreed support plan; the financial intermediary service provides a lesser degree of flexibility for the person with disability but places the accountability and reporting requirements with the financial intermediary;³⁵
- > **direct transfer to a nominated disability service provider:** the funding is transferred directly to a service provider; this option provides least flexibility but also the least level of responsibility for the person with disability; or
- > a combination of the above options.³⁶

The Transport Accident Commission (TAC) has also supported a small cohort of people to manage their own services through individual funding agreements. As with people using direct payments, these clients arrange their own services within agreed overall service limits and receive funding into a dedicated bank account on a monthly basis to manage their services. They are required to account for expenditures. The 15 people involved in the program report much higher levels of satisfaction under these individual funding arrangements. The program is highly regarded for the success achieved in promoting independence, stabilising cost and increasing satisfaction among the claimants involved, although IT capacity is a constraint on expanding the program.

The Victorian Government considers that a voucher system would create unnecessary administrative burdens

The Commission proposes to offer service users some control over the use of their funding under two options: the purchase of supports through the use of vouchers, either by the person or a Disability Support Organisation (DSO) on their behalf, or 'cashing out' the person's individualised package of support, which the person would then manage themselves.

The Victorian Government considers that the use of vouchers would create unnecessary administrative processes both for people attempting to use one to negotiate better value or more tailored services, and for disability service providers, who would be required to collect, record and submit vouchers for payment from the NDIA. The use of vouchers may also limit or prevent the ability of people with disability to choose non-disability or universal service providers, who should have a role in any market-based approach to disability services.

34 Direct payments have been available statewide since February 2010. Since then the number of users has grown from 100 participants (participants in the Phase I & II trials prior to statewide rollout) to 279. Numbers are expected to grow as people become more familiar with the option and the flexibility it offers.

36 A statewide financial intermediary service was rolled out on 1 July 2010 and is currently used by 2,157 people.

36 For example, a person may choose to attend a day service for two days a week, and request that that portion of their funding be transferred directly to the service provider, while retaining greater control over the rest of their funding by choosing to use either the statewide financial intermediary service or direct payments.

The Victorian Government supports development of a spectrum of funding administrative arrangements

The funding model proposed by the Commission does not appear to allow people with disability to combine funding options, or move easily between them. The Victorian experience has shown that while some people with disability are keen to self-manage through direct payments, others take time to build up their confidence and capacity to do so as they gradually become accustomed to exercising a choice and control previously denied them. The ability to move easily between funding options also allows people with disability and their families to test the use of direct payments without risk, or to revert to the use of the financial intermediary service should they no longer be able to manage direct payments.

Victoria recommends instead the development and use of a spectrum of funding administration arrangements that people with disability are able to combine, or move between, as a fundamental component of enabling people to exercise choice and control over their supports. At the same time, this helps build the capacity of people with disability to self-manage and improve their personal outcomes and drive the development of a market-based approach to the delivery of disability services.

Victoria recommends that any funding be provided as a direct financial transaction and not through the use of vouchers.

Learning from experience

The 15 year implementation of the self-directed approach to disability services has given Victoria a large body of experience and evidence which demonstrates the strengths and benefits of the approach while providing a solid basis for planning future development work.

The implementation of the self-directed approach to disability services in Victoria has been characterised by the use of an incremental approach to policy development through pilot programs or initiatives designed to test key assumptions or stimulate innovative solutions. This process has allowed Victoria to build productive and collaborative relationships between stakeholders during the development, implementation and evaluation phases of the various trials, while benefiting from a wealth of personal, sector, community and government expertise. This breadth of engagement has in turn strengthened the credibility of any evaluation outcomes and recommendations, allowing, where appropriate, for further, more considered implementation across Victoria.

In addition to the evaluation of individual trial or pilot programs, DHS has recently commissioned a long term evaluation of the move to individualised funding and self-directed approaches. This evaluation will run over the next three years, and will provide interim findings, as they become available, across a range of areas that will help shape further implementation of the self-directed approach.

The Victorian Auditor General's Office is auditing the performance of individualised funding

In 2010, the Victorian Auditor General's Office chose the implementation of individualised funding in disability services as the subject of one of its regular performance audits. This audit will determine the effectiveness of individualised funding for disability services, such as whether it meets client needs, including choice and control, supports the provision of high quality services and supports sector sustainability and capacity.

The report is expected to be tabled in the Victorian Parliament by the end of September 2011. Its findings will be taken into account in improving Victoria's disability service sector, as well as informing the development of a robust work plan for the first stage of implementation of an NDIS.

Strengths of the approach: improving personal outcomes through choice and control

The shift to individually attached funding was informed by the recommendations of a range of program evaluations that found that people with disability and their families were looking for greater flexibility, including the ability to combine different funding sources and to manage their total funding allocation under a single set of guidelines.³⁷ The consolidation of a range of funding sources into a single ISP has allowed people with disability and their families to take a more holistic approach to the planning and implementation of their supports, and to determine for themselves how best to meet their own needs and goals.

With access to planners and facilitators, and supported by a spectrum of flexible funding administration arrangements, the self-directed approach has helped people with disability with a range of different support needs to take control of their supports and improve their outcomes.

This case study shows how empowering people with disability and their families through direct funding achieves better personal and economic outcomes.

Lauren is 25 years old and has an intellectual disability as well as a mild physical disability. In 2007, Lauren was allocated an Individual Support Package and, with her family's support, chose to use Direct Payments as a way of administering her funding.

Lauren's mother Maureen says, 'In consultation with DHS we opened a new bank account and the department put our daughter's funds into that account on a monthly basis. We have two cards to access and pay the bills and Lauren can pay for things as she needs to. An example of this would be her community hydrotherapy class or gym program. She attends the class, pays the account with her card and just puts the receipt in a file. This has been a very empowering shift for her as she, with some support, is not only becoming aware of her funding but controlling it.

'Given her intellectual disability, this was something we thought would never be possible. It also reduces the accounts we need to pay. From our perspective it has not been a time consuming or difficult process and although we have increased direct accountability and responsibility, by acquitting funds we can see exactly to the cent how much money is being spent supporting our daughter. She can spend every cent of her funds on achieving her lifestyle goals in the community that we set out in her plan.

With Direct Payments people hold the funds and this makes a big difference when talking to service providers about the kinds of services you want. You can approach service providers more specifically, ensuring that the service they offer is exactly what you need for good support.'³⁸

Evaluation of a phased trial of direct payments has been positive

The introduction of direct payments through a phased trial approach over several years allowed Victoria to gain a very clear understanding of the benefits of placing greater levels of choice and control in the hands of service users. Participants in Phase II of the Direct Payments trial were asked to rate their happiness across a number of dimensions prior to and since using direct payments.³⁹ Thirty-three people who had been using direct payments for longer than three months responded to the survey. The responses are summarised below:

- > 97 per cent were quite happy or very happy with the **control over their supports** since starting direct payments, as compared to 47 per cent prior to direct payments.
- > 90 per cent were quite happy or very happy with the **quality of their supports** since starting direct payments, as compared to 52 per cent prior to direct payments.
- > 91 per cent were quite happy or very happy with the **involvement in the lives of family and friends** since starting direct payments, as compared to 70 per cent prior to direct payments.

37 For example, a person may have received funding through two or more programs to address different needs, with each program managed under a different set of guidelines and processes. This was frustrating for the person and created an administrative burden for the sector as a whole.

38 'Thinking about...Individualised funding', *Periodical of Personalised Lifestyle Assistance*, Issue 1, June 2009.

39 Direct Payments Phase II consisted of 100 direct payments users across three Victorian regions. Out of a possible 51 direct payments users who met the criteria of three months experience, 33 surveys were returned, a response rate of 63 per cent. The average length of time respondents had used direct payments was 7.7 months.

- > 84 per cent were quite happy or very happy with the **involvement in their local community** since starting direct payments, as compared to 62 per cent prior to direct payments.

By tapping into people's expertise and creativity, as well as that of their circles of support and service providers, new and innovative support options are developed that provide better and frequently more cost-effective outcomes for people with disability and their families, as well as encouraging the use of generic or universal supports that may not have been considered previously.

This case study shows how an innovative solution was able to provide the person with disability with the outcome they wanted at a lower cost than the traditional alternative, through a well-supported response that also strengthens her ties to her local community.

Mary was supported by someone who knew her well to explore her perspective and ideas on how and where she could live. Even though Mary had some significant support needs, she wanted to live in a home that made sense to her; a home of her own, with people she chose to live with.

Mary didn't want to live in a group home or be looked after by support staff. After much exploration and decision-making, the first step was to develop an advertisement to attract a flat mate.

We are looking for a young woman to share a house in Hawthorn. You will be sharing with another young 26 year old woman who has a disability, is very social, loves being with people and loves all types of music, doing pottery, gym etc.

We are looking for someone who:

- > is fun to be around
- > can help her to make her flat a happy and fun place
- > enjoys having friends over to visit and hang out
- > is a confident person with a good sense of humour
- > is an excellent communicator.

In exchange for **free rent** we would like you to:

- > help her to cook dinner 3-4 nights per week and enjoy the meal together
- > be able to spend the majority of weekday evenings at home, including sleeping overnight. This can be flexible
- > **most importantly**, help turn her house into a home.

Other things you should know:

The young lady's support needs are met by a range of people in her life. You will not be responsible for these. She has a very supportive and loving family and group of people to help her in the smooth running of her life. We are hoping that the flat mate will feel included in her circle of friends. Apart from the times when you commit to being around (for some dinners and week nights) you are free to do whatever you normally do.

At first Mary struggled to attract people, but she and her support circle persisted and finally found a suitable person. Mary now shares her house with Carmel, a university student. Mary's choices about where and how she now lives reflect what she wanted, and exploring different ideas with people helped make Mary's dreams become a reality.⁴⁰

These improved outcomes are not limited to service users. In 2007, an evaluation of the implementation of the Person-Centred Active Support (PCAS) program in Disability Accommodation Services revealed that 85 per cent of staff found the workplace was more enjoyable, less stressful and that PCAS had improved the relationship between staff and residents.⁴¹ A staff member noted,

⁴⁰ DHS.

⁴¹ The Person-Centred Active Support program was designed to embed person-centred practice in DHS-managed Disability Accommodation Services (DAS).

Work is far more rewarding, positive—it has re-skilled support staff, given clients the opportunity to live their own life, be the main person in their life, given them the rights they supposedly should have had years ago.⁴²

In supporting the person with disability to self-direct their support response, the self-directed approach is able to respond flexibly to an individual's unique circumstances in ways that previously would have been difficult or impossible. By exploring what it means to the person with disability to be a parent or carer themselves, or a young person leaving school, or a member of a close-knit cultural community, individually tailored support responses can provide tangible benefits to the person's family, support networks and broader community as well.

This case study shows how the self-directed approach can improve outcomes for people with complex needs through support from both family and skilled service providers.

Alan is a young adult who lives at home with his parents and younger sister. He has a severe intellectual disability with little expressive language, relying on a mixture of sign and gesture to get his messages across. He experiences problems with motor planning and sequencing, making some physical activities challenging for him.

Due to the nature of his disability, Alan requires assistance with managing his daily activities and with personal hygiene. He is unable to be left alone for any period of time as he is at risk of injuring himself from attempting to cook, or of causing property damage due to his difficulties with comprehending the consequences of his actions.

Alan had attended an ATSS (Adult Training and Support Service) five days a week for three years, but was offered an opportunity to study for a Certificate 1 in Work Education, supported by a community service organisation. On two afternoons a week, Alan was supported in volunteer work at the local horse stables, a job he enjoys and one in which he has gained many skills. Initially supported by 1:1 staff from the ATSS, this has been a unique opportunity for Alan to make a realistic contribution to a working environment.

Once Alan began working on the Certificate 1 and volunteering at the stables, he became much less satisfied with attending the ATSS. His behaviour at home reflected this, and he made it clear that his goals were to:

1. increase his independent living skills,
2. keep looking for opportunities to participate in valid social roles that support his ongoing growth, development and fulfilment as an individual in the community, and
3. continue living in a community setting, either at home with his family or independently.

To help Alan achieve this, his family decided to support him from home and focus on his work experience as an individual rather than continue to send him to group activities at the ATSS, even though this has placed considerable strain on Alan's parents, who both work in their own businesses.

Alan and his parents are committed to working on a long-term plan for Alan to live independently in the community and providing him with local opportunities to create a meaningful life with the assistance of a circle of support and paid service providers. Alan's Individual Support Package of \$50,000 per annum will go towards achieving this goal by supporting him to participate in activities that increase his community involvement.

Initially Alan will continue to need 1:1 support to help him to achieve his life goals, but with closer community involvement and improved co-ordination of his supports, Alan and his family believe he will eventually be able to achieve some of these goals without support.⁴³

42 DHS Evaluation: *Person Centred Active Support in rural Victoria*, January 2008, pp25-26.

43 DHS.

Next steps: continuing the momentum

Although Victoria has made excellent progress in implementing a self-directed approach to disability services, we acknowledge that the journey is far from complete, and that we must continue to work on a range of issues that will consolidate and extend the gains made to date.

The Victorian Government is encouraging innovation in accommodation

To date, Victoria has focused on the development and implementation of the self-directed approach through the provision of individually-attached funding packages. In doing so, much has been learnt about the benefits of the approach and the enabling factors needed to implement and sustain it. The next challenge is to extend and embed the self-directed approach into areas such as block-funded accommodation and clients with complex needs.

The need for accommodation services is growing. While the self-directed approach has made progress in helping people who have identified a wish to move from shared supported accommodation into the community, or in beginning to open up alternative accommodation options, there is still a lot of work to be done to ensure that shared supported accommodation services are able to build on initiatives such as the Person Centred Active Support program, to provide a flexible and tailored support for those people with disability for whom it is the preferred option.

This case study shows how taking an interest in and supporting people to follow their own interests improves outcomes for the person as well as others, including support staff.

The staff supporting a man who sometimes inflicts harm on himself and others recently discovered something he truly likes—motorbikes. Since this discovery, staff have helped him purchase books and posters and arranged a Harley Davidson ride. The ride was a hit and has resulted in the man joining a local motorcycle club. His first meeting was earlier this year and he loved it. The interest in the bikes has provided a way for staff to better engage with him and has enabled greater community inclusion. The man is happier, looking forward to more bike meetings and is about to purchase his own leather bike jacket.⁴⁴

The Victorian Government is improving support for people with disability with complex support needs

Clients with complex needs may face a range of additional challenges including high needs for behaviour support services, multiple needs or criminal justice issues.

An example of cross-program cooperation and innovation is the reform work underway to improve outcomes for people with disability involved in the justice system. Working with Victoria Police and Corrections Victoria, DHS has established a Disability Forensic Assessment and Treatment Service Taskforce to develop and implement a service framework, a contemporary treatment model and operational policies and procedures. In addition to this, Victoria will develop a Disability Forensic Database and Monitoring Framework to build an evidence base to shape future policy development, and develop and strengthen policies and protocols with key criminal justice stakeholders, including Victoria Police and Corrections Victoria.

This case study shows the benefits of working with other program areas to identify and address the needs of joint clients and in developing innovative support responses.

The Supported Transitional Accommodation (STA) project started in July 2010 as a three year pilot, funded jointly by the Department of Justice and DHS. Corrections Victoria is working in a four-way partnership with the Disability Services Division, DHS; Yarra Community Housing Ltd and a community-based Transitional Services provider, the Stepping Up Consortium.

The STA provides a specialist 24 hour, seven day a week residential service for prisoners with an intellectual disability exiting prison who have been identified as being at risk of homelessness. It aims to reduce the risk of re-offending, and so reduce costs associated with crime. The model places emphasis on coordinating a range of holistic services for residents who need assistance reintegrating back into the community following exit from correctional facilities.

The STA Project won the IPAA Leadership in the Public Service: Innovation in Service Delivery Award in 2010.⁴⁵

Improving support responses requires strengthening links to other service sectors

Work is also underway in Victoria to improve linkages with other service sectors, including health, housing, education, and employment services and local government to ensure that people with disability are able to access universal and community services in the same way as any other member of the community, and that a person's service responses can be streamlined and integrated. This helps to ensure that disability funding is not used to duplicate any existing available service, and also fosters better social and economic inclusion outcomes. The interface with other services is discussed further in Part 6.

This case study shows the impact of a holistic planning response in linking a person with disability to a range of universal services and how this can avoid more intensive and disruptive future interventions.

Leanne is a 37 year old single mother with an intellectual disability. She was recommended as a participant in the Enhanced Planning Pilot (an initiative that explores the impact of an early, intensive planning process on participants' personal outcomes) due to concerns regarding Leanne's ability to maintain home cleanliness to a reasonable standard for herself and her young daughters.

Leanne talked about her goals and aspirations for the future with a planner. She acknowledged she needed assistance at home, but also identified other goals including community participation and educational pursuits. The planner supported Leanne to explore her interests and preferences, and provided her with several resources aligned to her goals. The outcomes included:

- > successful referral to Home and Community Care (HACC) services via the local council;
- > support to attend local neighbourhood house to explore programs offered;
- > support to enrol in a part-time course for 2011;
- > referral to financial advisor to devise a debt reduction plan;
- > support to amend Centrelink payments; and
- > referral to a community agency for supports.

Some of the key success factors of this planning episode were Leanne's willingness to engage in planning and acknowledge her support needs, as well as effective communication and collaboration between support services. These included collaborating with a Child Protection Unit Case Manager and their provision of ongoing support and monitoring, as well as establishing ongoing support and monitoring via the local primary school.⁴⁶

45 DHS.

46 DHS.

The self-directed approach depends on a transparent resource allocation process

One of the key features of a sector relying on models of individually-attached funding is the need to have a transparent means of allocating a funding amount to the person.

Work is underway to strengthen Victoria's resource allocation framework to support the equitable and transparent allocation of resources to people with disability. The resource allocation framework will provide a clear and rational way to calculate how much money a person is likely to need to arrange and receive support. The enhanced resource allocation framework will be piloted in Victoria in early 2012 and is an important part of Victoria's work plan for hosting the first stage of implementation of an NDIS (discussed in Part 2 of this submission).

Meeting the challenges of a self-directed approach

In addition to the issues outlined above, an NDIS must address broader, systemic issues if it is to implement a sustainable self-directed approach to disability supports.

Improving outcomes for people with disability, their families and carers means changing attitudes

While the self-directed approach provides people with disability and their families with a choice of flexible support options, a critical indication of its success will be how many people with disability and their families take up the opportunities available to them now and in the future.

There are many important factors in building the confidence needed for people with disability to do this, including a service sector that can provide guaranteed support, and processes that allow people with disability to experiment with new options without fear of losing services, or otherwise disadvantaging themselves if their circumstances change.

There must also be acknowledgement that people with disability should be allowed to make their own choices and that they, like any other member of the community, may well change their minds, or make mistakes in doing so. Victoria has supported a range of capacity-building projects for individuals and families, run by advocacy organisations that have helped develop support networks and enabled people to share their experiences. In addition to this, in response to a recommendation arising out of the evaluation of the Direct Payments Project, Victoria has begun work with service users to develop a peer support approach for people receiving an (ISP) that will help share personal experiences and build informal support networks.

This case study shows how the Shared Supported Accommodation (SSA)-Exit project has helped people who want to live in the community to move out of SSA and into an accommodation option that suits them, in turn freeing up a place in SSA for someone with more intensive needs. The SSA-Exit project uses a person-centred planning process to identify the person's own goals and support needs, and works with them to put in place the needed supports.

My name is Louise and I am 35 years old and I have a physical disability. I have been part of the SSA-Exit project for over three years. After finding out about the project, I made some enquiries and submitted an application, which was accepted. I met with Jane, a planner, to discuss what type of housing I was after, the type of support I would need and where I wanted to live. My transition to independent living started!

I was involved in the whole process. I had meetings with potential housemates, the Housing Resource & Support Service and community housing. A family meeting was arranged to discuss the transition and it was a chance for my family to talk about their concerns. I had spoken to my family earlier about my plans, and while they were apprehensive about me living on my own they supported my decision.

It was important for me to have this meeting because I wanted them to be reassured that everything had been thought about and I wasn't going into this with my eyes shut and that I knew what I was doing and that I had the supports there to help me live independently.

My family was most worried about my health issues and what would happen if I got sick. Since I have moved to independent living and they can see that I am coping well, they are a lot happier about it. They have met my carer, Sue, who comes in every second day to assist with cooking, cleaning and personal care. I am living in a fully modified 2 bedroom unit; it has low benches and a modified bathroom. I had to add some equipment to the bathroom to make it easier for me to access but apart from that not much else had to be done.

Having lived alone now for three years, I know I can do what I want without having to worry about anyone else. My goal now is to find a job and to live a long and happy life.⁴⁷

There is also the broader challenge of changing community attitudes to build the capacity of communities to be more welcoming and inclusive of people with disability, and to further empower people with disability to participate in the life of their local community. DHS's Community Building Program is a partnership between the Victorian Government and local government authorities that has been working with local communities to identify and develop opportunities to better include people with disability in the life of their local communities by working with councils, local businesses and other community organisations.

This case study shows the importance of being able to foster and develop good ideas, as a project initiated to assist and empower people with disability can have broader social and economic value.

The *Talking Taxis* project was initiated by a MetroAccess worker at the City of Maribyrnong (funded through the Community Building Program) and supported by the North West Regional Communication Service (ISIS Primary Care) and Scope, through the Non-electronic Communication Aid Scheme. The project aims to improve communication between taxi drivers and their passengers. A set of picture boards, personal journey cards and an alphabet board have been developed with the assistance of adults with communication difficulties. These tools are particularly beneficial for passengers who have communication difficulties. The tools aim to improve communication between drivers and passengers, reducing confusion about destinations, payments and routes.

In 2008, the Victorian Minister for Transport approved these tools for use in Victoria. An additional Tourism Communication Board was developed, and has symbols of popular tourist attractions, in Melbourne and around Victoria.

Positive outcomes have included:

- > people with a range of communication difficulties are now more confident to travel independently;
- > taxi drivers feel more confident communicating with their passengers who have communication difficulties;
- > families and staff are now more confident that the people they support will have a positive experience travelling in taxis; and
- > tourists with limited English can also communicate more easily about locations around Victoria.⁴⁸

Managing the transition to a market-based approach

Based on Victoria's experience, shifting from a traditional block-funded sector supporting a largely passive, stable and disempowered client base to a market-based sector with choice exercised by people with disability and their families will be challenging for disability service providers, their management and staff, as well as for people with disability, and in particular, their families and carers who are used to the existing arrangements.

In Victoria, disability service providers have begun re-orientating how they deliver their services, and have been supported through a range of initiatives to develop and test new ways of providing services, while also building the business models and systems needed to underpin the transition to a market-based sector.

47 DHS.

48 [http://www.scopevic.org.au/index.php/cms/frontend/resource/id/693/name/Talking per cent20Taxis.pdf](http://www.scopevic.org.au/index.php/cms/frontend/resource/id/693/name/Talking%20Taxis.pdf), accessed 10 May 2011.

Some initiatives have provided grants to service providers needing additional funding to trial new approaches, while others have looked at identifying and working with leaders in the sector to share expertise and learnings while building networks and communities of practice. A joint initiative with National Disability Services Victoria, the state arm of the national peak body, has examined the business and financial planning capacity of day services providers, and will generate a range of recommendations and tools for service providers looking to strengthen their business processes. A full suite of tools will be released later in 2011.

This case study shows the importance of encouraging and supporting disability service providers to develop, test and learn from new business models, and the kinds of benefits that can be gained.

The *Changing Days* initiative provides funding to disability service providers to help them develop new and more flexible approaches to providing day supports. Using a Changing Days grant, PHS (a regional service provider) was able to modify its usual service model and create something new.

Previously, a number of PHS clients travelled into Bendigo each day to attend the program at the PHS centre, many of them for quite long distances. PHS started a project that looked at how people could instead be helped to develop the natural support networks that already existed in their local communities. Using the Changing Days funding, PHS funded a rural outreach worker who worked with each of the twelve program participants to identify goals and interests that were connected to their local communities. The outreach worker then worked with local government, businesses and community groups to develop ways of supporting the program participants in achieving their goals.

The people involved in the project now have a variety of real connections with their community and are supported both formally and informally to be a part of local activities and events. As a result of new community connections, some participants have gained part-time employment, some are involved in community-based life skills activities, and others are involved in activities run by the community house and the local pony club.

For example, one of the participants, Mark, was able to volunteer at a local bakery, which led to a part-time job there. With the support of the local bank tellers, he's now able to operate his own bank account. Being able to work and do his own banking in his own town has helped increase Mark's confidence and has made him feel like a valued member of his community.⁴⁹

Making things simpler for people with disability, their families and carers by improving how services are coordinated

Many people with disability have a range of support needs that are met through different parts of the disability service sector. Coordinating these different support responses is often a challenge, but Victoria's experience in developing new initiatives and holistic support responses for people with multiple needs demonstrates some of the ways these complexities may be overcome.

Victoria's implementation of the COAG Young People in Residential Aged Care (YPiRAC) initiative, known as *my future, my choice*, has resulted in the development of a range of services which have strengthened the capacity of the disability service sector to meet the needs of people who have acquired disabilities and progressive neurological conditions, a group whose needs are often not well met through the more traditional disability service sector.

A range of supported accommodation services in purpose-built housing is being delivered. This will respond to complex clinical and health care needs whilst also providing lifestyle and social opportunities with which younger people can identify. ISPs have been used to assist people who can return to or remain in their own homes as an alternative to living in RAC, and to improve the quality of life of younger people who remain in RAC by providing them with community access, allied health care, increased family and social connections, travel assistance and much-needed aids and equipment.

49 DHS.

This case study shows the importance of providing young people in or at risk of living in residential aged care with a choice of accommodation options. It also illustrates the importance of allowing people to become familiar with the options available before exercising their right to choose.

Nicole and Craig are siblings who have a rare genetic degenerative neurological condition. Prior to participating in my future, my choice Nicole had lived in a nursing home for five years, and Craig had lived in different nursing home for four years. The interim accommodation program allowed Nicole to move out of the nursing home and into an interim accommodation arrangement before moving into purpose-built accommodation twelve months later.

Nicole and Craig's father says, 'When the interim accommodation project was announced I wasn't sure – would it be too disruptive and stressful for my son and daughter to move twice? I thought, 'I don't need more stress, I can't handle this!'

'Then, after I thought about it, it hit me like a ton of bricks – it's called 'my future my choice'... it's **their** choice. My daughter Nicole was absolutely thrilled at the whole idea but my son Craig wasn't so sure. Nicole moved into the interim service in December 2009 and the change in her over the next few weeks was amazing. She is thriving and the staff are truly wonderful.

'It is the first time since she went into care that I really feel comfortable and enjoy visiting. The staff are so friendly and my wife and I are always made to feel welcome. We really feel like it is our second home – our daughter's home.

'The good thing is that after a few visits, Craig is now desperate to move there too. I have to say, it makes me feel happy to think that he will benefit the way Nicole has from the special care, the friendliness and the homely environment the staff have created.

'They can play their kind of music (loud) and watch young people's TV. All the things that we take for granted, but are missing in aged care facilities.

'It is sad for any parent to have a child in a care facility, but when options like this come into fruition, it eases the pain.'⁵⁰

Piloting the *Continuous Care Project* in Victoria

Victoria was one of the pilot jurisdictions for the *Continuous Care Project* (CCP), which aimed to better coordinate the delivery of clinical care, case management and community support for people with progressive neurological conditions such as Multiple Sclerosis. These people would otherwise be negotiating a disjointed service sector which could not always respond to the episodic and unpredictable nature of their condition. Their increasing needs meant that they had to move between program and support options.

Although only a small scale pilot, this project has underscored the importance of coordinating the different service providers' roles and responsibilities, and the benefits this creates in allowing timely support or therapeutic responses to take place. The *Continuous Care Project Final Report* noted that:

As a multi disciplinary, multi systemic approach to service design and delivery, the CCP's successes have included:

- > development of a risk identification – intervention – service provision model of service design and delivery;
- > improvement in the health and well being of pilot participants;
- > diversion of participants at risk of inappropriate placement in residential aged care with consequent reduction in downstream costs to health and aged care;
- > diversion of participants at risk of inappropriate, long-term placement in acute care with consequent reduction in downstream costs to health, disability and aged care;
- > maintenance of auxiliary informal care arrangements at risk of breakdown so that families have been supported to stay intact with consequent reduction in costs to health, disability and community services;

- > improved collaboration, partnership and understanding between the disparate arms of the service sector;
- > promotion of a case coordination approach to service delivery that has seen a more efficient and effective use of the existing service sector with accompanying cost savings;
- > investment in a proactive, preventive approach that has reduced the impact of disease progression and anticipated appropriate increments to services that might accompany such progression; and
- > support for individuals with progressive diseases and their families to become better informed about disease pathways and better able to address future planning issues as a result.⁵¹

Victoria's work in these areas serves as an example of what can be achieved when two different service sectors focus on the shared goal of improving the client's experience as a driver for change and innovation.

What is needed now is an investment of time and money

While Victoria has developed and piloted a number of initiatives that support the implementation of a self-directed approach to disability services, extending the benefits from the various pilot participants to other people with disability, their families and carers, would, in the context of a national scheme, require significant additional Commonwealth investment. This is particularly so during the initial phase, as new education and training strategies, new business processes and sectors are developed and embedded. Without this investment, many opportunities to build on the learnings of innovative projects will be lost, and further innovation will be stymied.

The benefits of a self-directed approach to disability services can only be fully realised if there is sufficient funding available to meet the support needs of people with disability in a timely fashion. Delays in receiving support are not merely frustrating but place an unfair burden on the health of people with disability, on their families and carers, and on the wider community.

A shift of this magnitude takes time to implement and to evaluate. The Victorian Government has already invested 15 years in the development of a self-directed approach to disability services, and acknowledges there is still a lot of work to be completed before it can be said to be fully embedded. Many elements of the self-directed approach are still being developed and the phased implementation of an NDIS will allow time for longer term benefits to be evaluated and incorporated into ongoing developmental work.

Providing choice and control through a market-based approach to service delivery

Victoria supports the Commission's recommendations that an NDIS operate within a market-based framework.

The necessary adjunct to a successful self-directed approach to disability service provision is the development of a range of quality support options that provide people with disability with a genuine choice. Victoria's experience supports the Commission's proposition that adopting a market-based approach to disability service provision will likely lead to the development of innovations in service delivery and funding. This will in turn provide more options for people with disability, supported by access to universal services.

Victoria also supports the Commission's observations regarding markets promoting consumer choice and providing incentives for service providers to innovate and continually improve services (which in turn promotes efficiencies in the sector).⁵²

⁵¹ 52 MS Society, *The Continuous Care Project Final Report*, December 2009, p3.

⁵² Productivity Commission draft report, p2.28.

Promoting choice and control

Placing the choice and control of supports in the hands of people with disability and their families through greater control of their funding will help create a market-based service sector. Under a market-based approach, service users will be empowered to explore services offered by universal providers and to negotiate directly with disability service providers for better services and value for money.

Evaluations suggest that where individuals and their families are given choice, they tend to select different services from those they would have otherwise received. However, it is acknowledged that some people with disability and their families will require assistance in developing their plans and choosing services. Victoria has introduced a variety of support and funding mechanisms to assist people when selecting services. An NDIS would need similar features.

Getting value for money: Victoria's experience

When individuals and their families have choice in the selection and delivery of services (within established constraints), there is the potential to drive better value for money, and achieve higher levels of satisfaction. A survey of participants in the Direct Payments Phase II pilot who had used direct payments for at least three months found the following:

- > 48 per cent had purchased different types of supports
- > 60 per cent were able to purchase more services
- > 94 per cent felt able to manage direct payments independently
- > 100 per cent of funds were accounted for in financial reviews of 10 Direct Payments users.⁵³

The importance of building the capacity of people with disability

In order to enhance a market-based approach, Victoria believes there will be a need to do more to build the skills, confidence and capacity of people with disability, to allow them to plan and self-direct better than they already do. This must be matched by the development of clear guidance for disability service providers on how to best support people with disability to exercise choice and learn from their experiences.

The importance of doing this is implicit in the Commission's draft report, however **Victoria supports the Commission being more explicit in its final report on the importance of building the skills, confidence and capacity of people with disability, to allow them to plan and self-direct better than they already do, to remove all doubt.**

Encouraging a local approach to service delivery

Like any other member of the community, people with disability and their families prefer to access services and supports through their local communities. This may be challenging where people live in remote or rural areas, but partnerships with local government and other locally-provided services, such as primary health or culturally-specific organisations such as Aboriginal Controlled Community Organisations, offer great opportunities to leverage a community's collective experience and expertise in developing creative responses to particular needs.

Victoria considers that under an NDIS individuals and their families should ideally have choices in rehabilitation and care, regardless of their geographical location. This will be a significant challenge, given the current capacity of the market in some locations, and suggests a need for substantial capacity-building and workforce development. It also underlines the need for support and accommodation to be provided by the mainstream community wherever possible, with an NDIS providing support for people to access particular goods and services that are unavailable through universal services.

Actively supporting initiatives to increase the accessibility of the community will reduce the reliance on specialist services or assistance.

53 Refer to footnote 40, p37.

Creating and sustaining an innovative and responsive disability sector

In order to provide people with disability and their families with a meaningful choice of services and supports, an NDIS must encourage and support the development of an innovative and responsive disability service sector.

Investment in learning and development opportunities for management and staff, including encouraging research partnerships with universities, and the development of communities of practice, will strengthen the sector's collective expertise as well make individual staff members' jobs more rewarding as they support people with disability and their families in achieving better outcomes.

Addressing issues of workforce development and movement

While supportive of proposals to grow and upskill the disability services sector, the Victorian Government is concerned that the Commission is perhaps optimistic in its assumption that workers will seek work in a new disability services sector on the strength of these initiatives.

The Victorian Government recommends that workforce strategies be developed to support the significant expansion of the sector that will occur under an NDIS.

Developing streamlined and efficient business systems and processes

The shift to a self-directed approach to service provision will require new business systems and processes. These will need to be as streamlined and efficient as possible if they are to support disability service providers in tracking and reporting on individual funding allocations, either back to service users or government. The timely development and implementation of such systems will help to allay much of the anxiety of a service sector in transition.

The importance of developing a skilled workforce

The Commission makes a number of recommendations regarding the workforce which will be required to deliver disability services and supports under an NDIS.⁵⁴

Victoria supports consideration of carer support and capability-building in conjunction with the development of the skills and capacity of people with disability.

Victoria also believes that further consideration should be given to when and in what circumstances disability support workers should be required to hold 'higher qualifications' before providing specific services. Consideration of this issue, amongst others, will potentially drive the debate around further professionalising disability service provision and support, and whether this is direction is appropriate. Victoria considers it important that training for disability support workers focuses on community-building and inclusiveness rather than reliance on a medical or clinical model of service delivery.

Research by the TAC into workforce development

In 2010, the TAC conducted qualitative research into attendant care and associated services.⁵⁵ The research comprised face-to-face interviews with 32 clients and/or family members. These clients were a mix of family and non-family carers and used both panel and non-panel providers.⁵⁶ The report observed that whilst specialists may develop a care plan, it is the carers who implement it. They are therefore critical to the success of such plans.

The findings suggest that there are no clear industry guidelines about who makes a good disability support worker, although work ethic and communication skills were identified as key indicators. Current industry training was thought to provide little or no guidance on potential suitability and many clients indicated their carer often did not want the more difficult or challenging clients.

The research highlighted that a key focus for the industry should be in implementing appropriate pay, conditions and training for some specialist areas, possibly in relation to spinal and acquired brain injury care.

⁵⁴ Productivity Commission draft report, Chapter 13.

⁵⁵ Attendant Care Services, *Report of Findings*, December 2010.

⁵⁶ At the time, there were approximately 17 contracted panel providers and 128 authorised non-panel providers. TAC panel providers are selected via rigorous tender process and enter into a Service Provider Agreement (SPA) with the TAC. Non-panel providers do not have to enter into a formal SPA, but must be authorised by the TAC as a provider of attendant care services.

Working together to create a national quality framework

Victoria strongly supports the development, implementation and independent monitoring of a Quality Framework for disability providers, as recommended by the Commission.

In developing this framework, consideration needs to be given to the interface with other regulatory and accreditation frameworks to minimise duplication of administrative effort by organisations providing supports through multiple funding streams (for example, attendant care provided by aged care providers).

Where consumers receive services across a number of human service streams, one set of common standards will reduce complexity and assist with a consumer's understanding of the requirements placed on service providers. It could also assist with setting expectations of service quality for both service users and providers. Findings from consultation on the National Standards showed that people with disability wanted less complexity in standards, and consistency across jurisdictions.

Victoria supports and is leading the development of a consistent approach to National Standards as part of an overarching Quality Framework under the auspices of the Community and Disability Services Ministers' Conference (CDSMC).

In February 2011, the Community and Disability Services Ministers Advisory Council (CDSMAC) agreed that revised National Standards should be clear in their purpose and objectives and will be described in a manner that is relevant to both service providers and service users, and define the role of the Standards in:

- > protecting the rights and responsibilities of people with disability and their family members and carers as service users;
- > improving outcomes for people with disability and their family members; and
- > service provider quality assessment and improvement processes.

CDSMAC also endorsed the adoption of a single set of National Standards for Disability Services and agreed that jurisdictions would retain operational autonomy for how the National Standards will be implemented, and will continue to individually tailor quality systems to effectively respond to local contexts, ensure consistency with jurisdiction policy and streamline quality assurance processes.

Developing mechanisms to address complaints and review decisions

The Commission proposes in recommendation 7.12 that an NDIA should establish an internal complaints office that 'would be separate from other parts of the NDIA and that would hear complaints about breaches of the service charters (which specify respectively the appropriate conduct of the NDIA, and specialist service providers and disability support organisations) and reassess contested NDIA decisions on a merits basis'.⁵⁷ This office would be headed by an 'independent statutory officer who would review appeals made by people with disability and support providers against the decision of the NDIA'.⁵⁸

Resolution of complaints

A robust complaints resolution process through which complaints are resolved as promptly and cost-effectively as possible, is critical to the integrity and efficiency of the disability service sector.

In Victoria, complaints are resolved by the Office of the Disability Services Commissioner, an independent body. The Office of the Disability Services Commissioner resolves complaints through a conciliatory dispute resolution approach, and also collects and collates data on the types of complaints made. This information provides an evidence base that informs a range of proactive training and education programs targeting both people with disability and their families, and the disability service sector.

57 Productivity Commission, draft report, p748.

58 Productivity Commission, draft report, p748.

Review of decisions

The Victorian Government supports development of a robust, transparent decision-making and review process under an NDIS. The Victorian Government calls on the Commission to consider in its final report different options for review of the NDIA's decisions, both internal and external, and the relative merits of these options.

In doing so, the Commission may wish to explore more closely the appeals processes relied upon by the WSV and TAC no-fault statutory schemes. These processes have proved to be robust, transparent and to contribute to the sustainability of fully-funded no-fault statutory schemes.

Establishing a basis for setting schedules of service provision fees

Victoria supports the development of a 'disability services market' which delivers services to people with disability and their families at a reasonable cost and not merely a 'cost the market will bear'. In the early days of an NDIS, this will be particularly a risk for people with disability and their families in remote and regional parts of Australia where demand may outstrip the supply of services.

There are various models the Commission may consider in developing its thinking on the methodology for establishing a 'unit cost' for disability service provision. All Australian jurisdictions are engaged in work on this issue development and similarly support its objectives.

Current approach to setting unit prices in Victoria

In Victoria, most service delivery funding is directed to the disability service sector via service agreements, in accordance with applicable disability unit prices. Unit prices were introduced in the early 1990s in the context of output management. Capital items and minor works are not included but can be funded under separate negotiations between non-government agencies and DHS. Components for depreciation, capital items and fund-raising costs are also not included, as they were not included under previous funding arrangements.

Reviews of unit prices are conducted from time to time, and involve independent analysis of cost data from sample agencies.

Victoria is keen to work with the Commission and other jurisdictions and stakeholders in developing a new methodology for setting unit prices, and to test its impact as part of hosting the first stage of implementation.

Further issues concerning a self-directed approach to disability service provision under an NDIS are listed in Part 10 of this submission.

5. ADDRESSING DISABILITY WITHIN THE ABORIGINAL COMMUNITY

Victoria acknowledges the additional barriers experienced by Aboriginal people in accessing disability services and supports. These barriers have a personal cost as they compound the multiple disadvantage already experienced by many Aboriginal people, and also result in a sector that does not have an accurate understanding of the extent and impact of disability on the Aboriginal community.

To address this, Victoria has brought together Government, Aboriginal people with disability, their families and carers, Aboriginal-controlled community organisations and disability service providers to develop a principle-based, self-directed approach to the provision of disability services for Aboriginal people living with disability, as outlined in *Enabling choice for Aboriginal people living with disability*, released in March 2011.⁵⁹

This initiative will strengthen culturally-safe planning and service delivery and build an evidence base of good practice to inform future service development, while also focusing on building greater recognition and inclusion of Aboriginal people with disability. This has involved a dialogue with Aboriginal people with disability, their families and carers and Aboriginal and disability organisations about the concepts and nature of 'disability' within Aboriginal culture. The impact of this approach will be evaluated as part of a broader work program at the end of 2011.

A Client Services Manager at Care Connect, in the Eastern Metropolitan Region explains:

'Disability Services use words like 'person-centred practice' and 'self-direction', while Aboriginal culture is often centred around 'collective decision making'. Through engaging with Elders/grandparents as well as families, 'person-centred' planning and decision-making can happen within a community and collective context.'⁶⁰

A key focus of current work has been to partner with Aboriginal and universal health services as part of broader Closing the Gap initiatives to improve access and health outcomes of Aboriginal people with disability and their families. This has strengthened the planning and provision of holistic and coordinated cross-sector services and supports to Aboriginal people with disability.

A Home and Community Care (HACC) Aboriginal worker in the Southern Metropolitan Region says:

'Service providers need to offer choices. Don't homogenise. Each Aboriginal person needs to be seen as an individual with different needs, interests than another person.'⁶¹

In recognising the rights of individuals, families and communities to make their own decisions, the flexibility of Victoria's self-directed approach to disability services supports the involvement of extended family members, as well as Elders and other people of importance in the person's life, in developing and putting into place a person's support response. Beyond the benefits to the individual, this also helps build inclusive and resilient communities.

59 Department of Human Services (DHS), 2011.

60 DHS, *Enabling Choice*, p12.

61 DHS, *Enabling Choice*, p9.

6. ELIGIBILITY AND ASSESSMENT FOR CARE AND SUPPORT, AND THE INTERFACE WITH OTHER SERVICES

Eligibility and assessment processes must be able to identify clearly those who need NDIS-funded support, and carefully determine the nature and level of need and the individual budget required to meet those needs. The process of assessment must take into account the person's broader environment and circumstances and include person-centred (self-directed) planning in order for the person to identify their needs and goals.

An appropriate definition of disability should underpin eligibility and assessment for funded supports

The Commission notes that there are multiple definitions of 'disability'. The relevance of each definition depends on the context in which it is being used or applied.

Victoria considers that the definition in the Preamble to the *UN Convention on the Rights of Persons with Disabilities* (2006) which recognises that, '**disability is an evolving concept and that disability results from the interaction between persons with impairments and attitudinal and environmental barriers that hinders their full and effective participation in society on an equal basis with others**' provides an overarching conceptual framework for identifying the total population of people with disability and for understanding the barriers that people with disability experience that prevent their full economic and social participation.

The Commission recognises that, for a significant sub-group of the overall population of people with disability — those proposed to be eligible for Tier 3 — the UN Convention definition is useful only as a conceptual framework; it does not facilitate an assessment of eligibility for Tier 3 of the NDIS, nor provide an effective mechanism to assess relative need for care and disability supports.

The Victorian Government agrees with the Commission that the World Health Organisation's International Classification of Functioning, Disability and Health (ICF) is more suitable as the basis for the development of a set of tools to be used to assess eligibility and need for funded care and support. The ICF provides a holistic assessment framework that takes into account the three inter-related domains of body, individual and society, in conjunction with two lists: body functions and structure, and domains of activity and participation, as well as environmental factors.

The Victorian Government considers that a consistent definition of disability should be used for all policy purposes. This would avoid the need for people with disability to prove and reprove their need for support from different services.

The Victorian Government is undertaking further work to analyse how the eligibility criteria proposed in the Commission's draft report correspond with eligibility criteria for Victorian specialist disability services under the *Disability Act 2006*, and whether there is likely to be a need for Victoria to retain a residual disability service sector or for NDIS eligibility criteria to be expanded to incorporate services and supports that are currently provided.

Eligibility and assessment of care and support should be based on functional capacity, not diagnosis

The Victorian Government considers it appropriate that a person's need for Tier 3 supports should be assessed on the basis of their functional impairment, rather than diagnosis. In this context, Victoria believes it is inappropriate to use the diagnostic category 'intellectual disability' as a threshold eligibility criterion for Tier 3 supports.

Victoria recommends that the Commission replace the reference to 'intellectual disability' in draft recommendation 3.2 with a reference to 'cognitive impairment'.

The term 'cognitive impairment' is consistent with the use of functional impairment rather than diagnosis as the basis for assessment for care and support, and would encompass all people with a cognitive impairment whose disability significantly impairs their core functioning and ability to participate independently in the life of the community.

For example, it would cover a cognitive impairment arising from intellectual disability, autism spectrum disorder or cerebral palsy, or from factors such as infection, hypoxia, ischaemia or dementia. It would also encompass people with psychiatric disability arising from severe mental illness.

People with cognitive impairment may require types of support which differ from those required by people with a physical impairment. In addition to the types of community access supports outlined by the Commission (for example, self-help, social skills and literacy and numeracy), people with cognitive impairment may require assistance with cognitive and social skills, problem-solving, and daily and major decision-making. Supports to build independent living skills, and mechanisms for supported and proxy decision-making, will be particularly important for people with cognitive impairment. While the Victorian Government assumes that under an individualised, person-centred assessment and allocation system, these supports would be funded for a person with cognitive impairment, the Victorian Government recommends that these supports be explicitly acknowledged in Box 4.1.

An NDIS should make provision for episodic supports

The Victorian Government also recommends that the Commission explicitly recognise that people with severe and profound disability who are eligible for funded supports may require supports on an episodic basis and that these supports be covered by an NDIS. People who are building their independent living skills and moving towards greater independence, for example, should be able to access supports as needed on an episodic basis.

The assessment process should incorporate self-directed planning and identify Tier 2 supports

The assessment process must be clear, and logically step through threshold decisions or activities, including determination of "eligibility", a process of self-directed planning and, only then, determination of the nature and levels of support required. Self-directed planning is integral to ensuring that a person's supports are truly individualised.

The assessment process should be used to identify needs that should be supported outside an NDIS (Tier 2 supports), such as health, education and employment support needs. This will also assist in clarifying the responsibilities of different services, which is discussed in more detail below.

A successful NDIS will be integrated effectively with other services

The establishment of an NDIS provides an opportunity to clarify the interaction between the supports offered by disability services and other services that people with disability need. An important part of the first stage of implementation will be the opportunity it offers to work in partnership with other services to develop coordinated and effective strategies for providing a better, streamlined support response for people with diverse needs.

In developing an NDIS, particular attention will need to be paid to the intersection between an NDIS and the Home and Community Care (HACC) Program, health and mental health services, housing services, supported residential services (SRS), aged care services and specialist children's services, as well as the proposed NDIS.

Victoria is working towards more effective integration of services for people with disability

Victoria was the first State to develop a Disability/Aged Care Assessment Service Protocol and many of its key elements have since been reflected in national guidelines. The protocol guides the referral of people with disability to community and residential aged care services, and requires active communication and a coordinated response between disability and aged care assessment teams. In particular, the protocol requires Disability Services to formally agree that there is no more suitable option available in the disability sector prior to a younger person being referred to residential aged care.

Victoria is also working to improve the interface between health and disability services. For instance, in 1998, the Victorian Government established the Centre for Developmental Disability Health Victoria (CDDHV) through a joint initiative with Monash University and the University of Melbourne. The CDDHV works to improve the health and healthcare of people with intellectual and associated developmental disability by building the capacity of the health sector through a range of integrated education, research, clinical and advocacy activities.

Victoria is increasing access to universal and community services for people with disability

The *Disability Act 2006* requires government departments and public bodies to develop Disability Action Plans (DAPs). DAPs are designed to increase access and participation for people with disability and build the capacity of public sector organisations to cater for their needs and recognise their potential. DAPs focus on four outcome areas: reducing barriers to accessing goods, services and facilities; reducing barriers to obtaining and maintaining employment; promoting inclusion and participation in the community; and achieving tangible changes in attitudes and practices which discriminate against people with disability.

The implementation of DAPs has led to positive outcomes for people with disability. For example, Dental Health Services Victoria's DAP identifies specific upgrades to buildings and facilities, the provision of accessible information and the implementation of flexible work policies. A range of innovative strategies is also being implemented under Museum Victoria's DAP, such as the development of presentations and kits to create a museum experience for people who may find it difficult to attend a museum. People with disability and their advocates were involved in the development of the Museum Victoria DAP and continue to be involved in its evaluation.

An NDIS provides an opportunity to ensure access to a full range of supports for people with disability

Building on existing work to enhance access to social and community services for people with disability, an NDIS provides an opportunity to ensure that people with disability are able to access the full range of supports, services and activities that will assist them to participate in the life of the community. To ensure that no-one 'falls through the cracks', an NDIS must:

- > develop clear eligibility and assessment criteria for funded supports under Tier 3;
- > ensure 'active' referral to community and universal services through Tier 2 for people with disability who are not eligible for Tier 3 supports;
- > use the process of assessment for care and support for Tier 3 clients to identify needs that should be supported outside an NDIS (Tier 2 supports);
- > develop mechanisms to strengthen integration between disability and other service sectors; and
- > build the capacity of the current and future workforce in community and universal services to respond to the needs and capacities of people with disability.

The remaining sections in this part focus on the eligibility of two specific client groups — people with severe and enduring psychiatric disability and HACC clients aged under 65 years — and the interaction between an NDIS and specialist mental health and HACC services.

The non-clinical daily support needs of people with severe and enduring psychiatric disability should be covered by an NDIS

The Commission is seeking feedback on whether an NDIS or the mental health service sector is best placed to meet the non-clinical daily support needs of individuals with disability arising from long-lasting mental health conditions, such as schizophrenia.

The eligibility and assessment criteria for funded supports under Tier 3 proposed by the Commission appear to include those with psychiatric disability. Indeed, the Commission's preliminary costings make 'some' provision for care and support for people with schizophrenia and psychosis.⁶² The question the Commission appears to be posing is whether, as a matter of policy, people who need support with daily living due to psychiatric disability should be excluded from an NDIS, and their needs met instead by the specialist mental health service sector.

The Victorian Government agrees that many people with severe and enduring mental illness require assistance with daily living. While their need for support may fluctuate somewhat more than for people with other disabilities, the underlying disability — that is, their cognitive impairment and need for support with daily living activities — is often enduring.

Victoria's specialist mental health sector currently provides a range of non-clinical supports similar to those proposed to be funded under Tier 3 of an NDIS. Most of these supports are provided by Victoria's non-government Psychiatric Disability Rehabilitation and Support Services (PDRSS) sector. PDRSS focus on addressing the impact of mental illness on a person's daily activities and the social disadvantage resulting from psychiatric disability. Key PDRSS programs include Home-Based Outreach Services, Day Programs, Adult and Youth Residential Rehabilitation services, Supported Accommodation Services, Mutual Support and Self Help and Planned Respite Services.

A number of Commonwealth-funded programs administered by both DoHA and FaHCSIA also provide complementary support services for people with psychiatric disability. As for people with other disabilities, however, many people with psychiatric disability do not currently receive the assistance with daily living they need due to resource constraints.

Victoria recommends that the Commission propose that the non-clinical daily support needs of individuals with a severe and enduring psychiatric disability be covered by an NDIS.

62 Productivity Commission draft report, Table 14.1.

Inclusion of people with psychiatric disability within an NDIS is consistent with the objective of an NDIS to provide for the reasonable and necessary support needs of people with severe and profound disability, regardless of the cause of their disability. In other words, inclusion should be based on an assessment of their level of functional impairment rather than diagnosis. Inclusion within an NDIS will also enable people with severe and enduring psychiatric disability to benefit from ongoing reform of disability services.

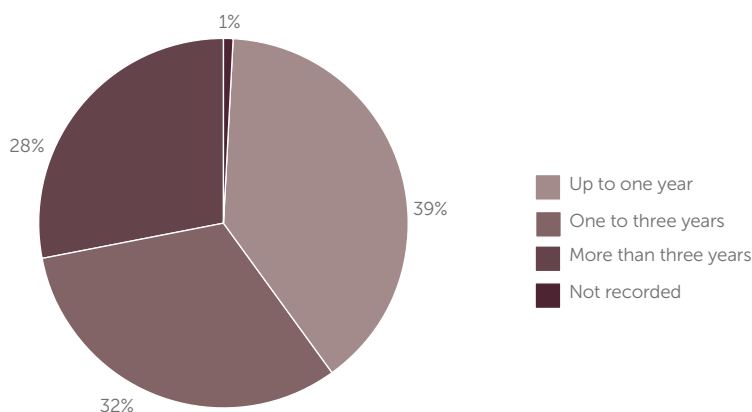
While supports to assist with daily living for people with severe and enduring psychiatric disability would be funded through an NDIS, it is anticipated that specialist mental health services could continue to deliver many of these services as part of the market of potential service providers.

Further work to identify the precise client group to be covered by an NDIS needs to be undertaken. An NDIS would only cover those people with psychiatric disability who require a high level of support for the duration of their lives or for a number of years. As an indication, noting that there is potentially a significant level of unexpressed demand for psychiatric disability support, 6,520 people received PDRSS Home-Based Outreach Support (of a total 14,421 PDRSS clients) in 2008-09. Of these 6,520 clients, it is estimated that 60 per cent have been receiving support for more than one year, but only 28 per cent have been receiving support for more than three years (see Figure 2). The level of intensity of support varies from a few hours per week to daily support.

People with psychiatric disability requiring a lower level of support or support of shorter duration would not be included within an NDIS. As indicated below, this group currently makes up a greater proportion of the PDRSS client base than those requiring high intensity support or support of long duration.

Victoria recommends that, in proposing that the non-clinical daily support needs of individuals with severe and enduring psychiatric disability be covered by an NDIS, the Commission should make explicit that all funding for specialist mental health services provided either to clients not covered by an NDIS or for services not covered by an NDIS must be preserved.

FIGURE 1. HOME BASED OUTREACH SUPPORT – LENGTH OF CURRENT SUPPORT PERIOD⁶³



63 Psychiatric Disability Rehabilitation and Support Services census 2010.

A number of implementation issues will need to be considered further to ensure people with severe and enduring psychiatric disability receive appropriate support

Ensuring that people with severe and enduring psychiatric disability receive the support they need will require consideration of a number of issues:

- > While assessment for care and support should be based on a person's functional impairment and need for support, rather than diagnosis, Victoria notes that eligibility may need to be expanded to encompass mental illnesses other than schizophrenia and psychosis (the illnesses included in the Commission's costings). Illnesses such as bipolar affective disorder, severe personality disorder, severe anxiety disorder and severe depression may give rise to a need for support with daily living activities.
- > Further work is required to determine the impact of inclusion of people with severe and enduring psychiatric disability on the anticipated size of the target group intended to receive Tier 3 services.
- > Further consideration will also need to be given to how the assessment process should take account of the fluctuating, enduring but not necessarily "permanent" nature of many severe mental illnesses.

Psychiatric disability support services comprise a core component of specialist mental health services, complementing clinical mental health services. It will be critical to ensure that support services provided under an NDIS are well-integrated with the specialist mental health sector.

The Victorian Government will consult with the disability and psychosocial rehabilitation and recovery sectors to assist in resolving these issues, and ensure that eligible people with psychiatric disability, like all eligible people with disability, receive integrated, self-directed support based on the core principles of certainty, simplicity, fairness and choice.

The implications of an NDIS for Home and Community Care (HACC) require further consideration

The HACC Program funds basic maintenance and support services for frail older people, younger people with moderate, severe or profound disability, and their carers living at home, to avoid premature admission to residential care. The HACC Program provides modest levels of assistance at a low level of intensity to support people who have functional limitations in undertaking the activities of daily living. The range of services funded through the HACC Program includes home nursing, allied health services, help with housework, help with personal care, delivered meals and social support.

The HACC Program is jointly funded by the Commonwealth and Victorian Governments and administered by the Victorian Government through the Department of Health. 75,455 people aged under 65 years received HACC services in Victoria in 2009-10. People under 65 years comprised 27.4 per cent of the total 275,268 HACC clients in Victoria, and received approximately the same share of the total value of services. In 2005, approximately 12,000 people were receiving both HACC and specialist disability services in Victoria.⁶⁴

The Commission proposes that an NDIS subsume HACC funding for some people with disability under the age of 65. However, HACC services currently cover a wider range of individuals (at a lower level of intensity) than would likely be eligible for funded supports under the proposed NDIS. As the Commission observes:

While 'high-level' HACC users (those who receive more than one hour of support per day) would be covered by the scheme, there will be some instances where some 'low-level' HACC users would not get the same level of services using the NDIS assessment criteria. It is impossible to determine the numbers involved since so little is known about the characteristics of current HACC users, including the nature and severity of their disabilities.⁶⁵

64 Estimate only, derived from a data-matching exercise undertaken by the former Department of Human Services (matching HACC and disability data).

65 Productivity Commission draft report, p3.32.

Victoria is undertaking further work to identify different types of service users and map eligibility under the proposed NDIS against eligibility for HACC (and other disability services).

If HACC funding were to be transferred to an NDIS, either a significant number of people would lose access to services, because they would be ineligible for funded support under an NDIS, or States and Territories would be required to continue to provide services to HACC clients who do not meet the eligibility criteria for Tier 3, but would potentially lose their funding for this.

The Commission's final report must take account of differences in the focus and range of HACC services across Australia

Victoria considers that the Commission's final report must also explicitly take account of the difference in the focus and range of HACC services across States and Territories. The Victorian Government has undertaken significant work to integrate HACC services with the broader health sector and has played an active role in leading and facilitating service coordination, resulting in more person-centred care. The HACC Program in Victoria funds all district nursing provided to people in their homes and a significant proportion of allied health services provided through community health services (two areas in which younger people with disability are overrepresented within the HACC client group). As these services are unlikely to be funded by an NDIS, even under Tier 3, resources will need to be retained to provide these services.

The Victorian Government also works in close partnership with Local Government to deliver the HACC Program. Local Government in Victoria leads local planning, development and coordination of HACC services, and is a major provider of HACC services. Local councils also collectively contribute approximately \$100 million annually to aged care and disability services, including HACC services.

As will be the case for other disability service providers, further consideration will need to be given to the need for any supports to assist providers of HACC services to transition to a new market-based sector, in order to ensure that people with disability are not adversely affected.

In the context of ongoing national reform of health and aged care services, and noting that HACC services currently cover a wider range of individuals than is likely to be eligible for funded supports under an NDIS, Victoria considers that further investigation of the implications of an NDIS for HACC is required.

Further eligibility, assessment and interface issues that will need to be considered as part of the implementation of an NDIS are set out in Part 10 of this submission.

7. A NATIONAL INJURY INSURANCE SCHEME

In Chapter 16 of its draft report the Commission outlines 'a national framework in which State and Territory [injury insurance] schemes would operate — a National Injury Insurance Scheme' (NIIS) for those people who suffer catastrophic injury.⁶⁶

Victoria believes, however, that in light of the following observations the Commission's rationale for its preferred NIIS model requires elaboration in its final report.

Victoria supports an NIIS

The Victorian Government supports the Commission's intention — to provide fully-funded care and support for all people with catastrophic injuries. Indeed, given Victoria's experience of no-fault insurance schemes (for both catastrophically and non-catastrophically injured clients) administered by the Transport Accident Commission (TAC) and WorkSafe (WSV), it is in a strong position to implement an NIIS.

These no-fault schemes provide world's best practice disability support because funded responses are entitlement-based, needs-based and lifelong. Unmet demand, and the struggle for an allocation of scarce resources that characterises current disability funding locally and internationally, do not exist under these schemes.

Victoria has significant experience in providing lifetime support

The TAC and WSV manage fully-funded, no-fault personal injury insurance schemes for motor vehicle accidents and workplace injury and disease respectively.

The TAC's expertise and experience in managing a no-fault statutory scheme has been used to assist the development of other no-fault schemes such as the NSW Lifetime Care and Support scheme, as well as a number of international schemes, particularly in Africa and Asia.

WSV has a relatively small number of claims involving catastrophically-injured workers and, recognising the importance of scale and the specialist skills and knowledge required to most effectively manage these cases, has engaged the TAC to manage them on WSV's behalf.

The Victorian Government notes that about half of all catastrophic injuries (spinal and severe acquired brain injury) are incurred in motor vehicle and workplace accidents. More recent data derived from the Victorian State Trauma Outcomes Registry (VSTORM) indicate this may be underestimated, with transport-related cases alone accounting for about 55-60 per cent of all major trauma cases admitted to Victorian hospitals.⁶⁷

In earlier parts of this submission, Victoria has outlined the benefits to TAC clients of being part of a service system which fully funds reasonable and necessary supports and which provides services according to a person-centred model.

Work to develop nationally consistent approaches to the management of catastrophic injuries has already commenced

The Victorian Government notes that work has already commenced to develop nationally consistent approaches to the management of catastrophic injuries, including the generation of national data and information which will support the management of people with severe or catastrophic injuries requiring lifetime support.

⁶⁶ Productivity Commission draft report, recommendation p16.38.

⁶⁷ Transport Accident Commission analysis, 2011.

In March 2010, the Heads of Workers' Compensation Authorities (HWCA) and the Heads of Compulsory Third Party Insurers (HCTP) agreed *Guiding Principles for Nationally Consistent Support for People Seriously Injured*. These guiding principles included committing to achieve a nationally consistent approach to the 'jurisdictional based management of persons with severe/catastrophic injury who require life time support'.

In order to achieve this end, the parties agreed that, 'current no fault schemes will share information about the costs associated with no fault care and best practices for the management of lifetime support'.

The parties went on to commit to the development of consistent, objective eligibility criteria; a person-centred, individualised approach to funding services, based on 'reasonable criteria'; and the consistent interpretation of funding guidelines qualified by the concept of 'reasonable and necessary'.⁶⁸

In short, members of HWCA and the HCTP are already considering means of achieving a consistent approach to the management of catastrophic injuries which may feed into development of an NIIS.

There are outstanding issues in developing an NIIS which can be resolved

The Victorian Government believes that further analysis is warranted regarding a number of important issues in the design of a scheme intended to provide lifetime care for those who have suffered catastrophic injuries, and its interaction with an NDIS.

Boundary issues and causation

Amongst the matters requiring further consideration is the potential for significant boundary issues between an NDIS and an NIIS regarding the issue of 'causation' and the concept of when a catastrophic injury can be said to be 'acquired'.

In the case of disabilities such as cerebral palsy, which may be congenital in their aetiology or caused by medical accident, there will be significant and complex issues to be resolved as to whether the disability is considered an acquired 'injury', and therefore falls under the NIIS, or is congenital or 'non-acquired', therefore falling under an NDIS.

Another example of potential boundary issues is that of a person who suffers an aneurysm whilst sleeping, resulting in permanent and serious brain damage. The injury may have been acquired due to 'accident' (for example, allergic reaction to food or drink; overdose) or may have occurred spontaneously.

Victoria is concerned to ensure that people with disability are not left without any support or care pending a determination as to which scheme (NDIS or NIIS) they should be properly covered by. This is an especially important consideration given the responsibilities of different levels of government for the provision of appropriate disability support and care.

Victoria considers that the viability of a 'two scheme' sector will depend on this boundary issue being resolved expeditiously in each case.

Boundary issues and access to benefits

Victoria is concerned that the Commission's current proposal for an NIIS may result in different standards of care being provided to those with catastrophic injuries: the standard provided by an NIIS, by an NDIS or by a statutory scheme. For example, it is unlikely, under the Commission's proposed model, that people with disability who are covered by an NIIS (and not covered by an existing insurance scheme) will be able to access gardening or ironing services, as those covered by the Victorian TAC and WSV schemes can.

⁶⁸ Heads of Workers' Compensation Authorities and Heads of Compulsory Third Party Insurers, *Guiding Principles for Nationally Consistent Long-Term Support for People Seriously Injured*, March 2010, p 3.

In light of the above, Victoria believes the Commission should further consider in its final report the risk that including new classes of catastrophic injury in existing statutory compensation schemes could generate inflationary pressures in disability benefits. For example, people who have suffered a medical accident could expect that they will receive the same benefits as people who suffer a workplace or motor vehicle accident such as the gardening and ironing services.

The Commission should consider measures which might be introduced to mitigate this risk.

Consistent lifetime care and support delivered through existing statutory workers' and motor accident compensation schemes should be the starting point

Victoria strongly supports the Commission's view that people with catastrophic injuries should be able to access lifetime care and support as required.

We query, however, whether there may be alternative 'scheme design' options to that proposed by the Commission which are worthy of further consideration.

NIIS providing lifetime support under no-fault workers' compensation and compulsory third party (CTP) schemes only

This option envisages developing consistency in the delivery of care and support services on a no-fault basis in existing State and Territory statutory workers' compensation and CTP schemes as a preliminary step to considering the most appropriate mechanism to cover catastrophic injuries that do not occur in motor accidents or at work. In putting this option we note that, unlike Victoria, a number of States and Territories would have to substantially reform their existing motor accident schemes before any consideration could be given to the development of a State-based NIIS.

This option would, however, address some of the issues around consistency of benefits, and ensure that expertise in the management of catastrophic injuries is captured. This approach would provide a platform for moving towards a national consensus regarding the management and administration of catastrophic injury in the majority of cases before consideration of the most effective approach to coverage of other injury types and circumstances.

NIIS providing lifetime support to those people not covered by statutory schemes

Alternatively, the Commission may wish to consider an NIIS model under which existing State and Territory statutory schemes would be quarantined and the scope of a proposed NDIS extended to cover catastrophic injuries not already covered by these schemes, rather than creating a separate but parallel NIIS framework.

This option would potentially deliver many of the same benefits as the first. Extending an NDIS to cover catastrophic injuries outside the coverage of current statutory schemes would also potentially reduce bureaucracy and red tape in administering one scheme, rather than having to establish a bureaucracy to support two schemes.

This option would also potentially allow for economies of scale in the collection and analysis of data and research, and expedite the ability to apply research learnings to improve outcomes for both the catastrophically injured and other people with disability.

A national scheme should ensure equity in the provision of lifetime care and support

In settling a model for an NIIS, Victoria considers that the goal should be to eventually achieve equity in the provision of lifetime care and support under an NDIS/NIIS model for people with disability, whatever the circumstances and nature of the disability.

Further issues concerning the development and scope of an NIIS are discussed in Part 10 of this submission.

8. GOVERNANCE AND FUNDING

Victoria supports consideration of a range of governance options, based on criteria derived from core principles

The Victorian Government considers it appropriate that the Commission explore a range of options for governance and funding of an NDIS in its final report against criteria derived from the core principles discussed in Part 1 of this submission. A preferred governance model will:

- > support the achievement of positive outcomes for people with disability, their families and carers;
- > be inclusive of people with disability, their families and carers;
- > promote continuous reform and improvement in the sector, including the capacity for innovation at a local level;
- > support the inclusion of people with disability in the life of their communities, including through ensuring that universal services are accessible;
- > deliver certainty, simplicity fairness and choice; and
- > be viable in the long term and supported by a sustainable funding model.

On the basis of these core principles Victoria has identified a number of matters which should be taken into account in developing alternative governance models for an NDIS:

- > How can we ensure the **viability and sustainability of an NDIS**, so that certainty in service provision is provided to people with disability throughout their lives?
- > How can we best achieve the goal of **national consistency in the provision of disability services**, so that people with disability can move around Australia, like anybody else, confident that their disability services and supports will move with them?
- > How can we best **address the potential for cost-shifting** between an NDIS and universal services, so that people with disability continue to have access to these services? For example, if a Commonwealth-run NDIS excluded funding for attendant care for school students, and State education departments refused to bear this responsibility, then some children with a disability would be excluded from schools.
- > How can we continue to **ensure that legislative protections and safeguards** exist under a new system? In Victoria, for example, people with disability are protected and supported by Office of the Senior Practitioner, the Community Visits Program, the Office of the Public Advocate, and the Disability Services Commissioner.
- > How can we best **promote continuous innovation and improvement** in the provision of disability services?
- > How can we deliver **disability services in a way that is responsive to local needs**?
- > How can we best ensure **separation of service provision** from transparent review of a person's continued need for support?
- > What is **the role of advocacy** on behalf of people with disability under a preferred governance model?
- > How can we promote **ongoing disability workforce and sector development and training** under a preferred governance model?
- > How can we best ensure the **views of people with disability, their families and carers are taken into account** in developing and delivering disability support services?
- > How can we **best achieve a co-ordinated research capacity** in disability prevention and management, incorporating a consistent approach to performance benchmarking, and the development of a national data set which drives strategic decision-making to improve outcomes for people with disability, their families and carers, and ensures scheme viability?⁶⁹

69 See discussion in Part 9 of this submission regarding this issue.

Governance model proposed by the Commission

The governance model for an NDIS proposed by the Commission has the following key features:

- > The Commonwealth would have 'legislative control' of service delivery in the disability sector;
- > A Commonwealth statutory agency, the National Disability Insurance Agency (NDIA) would be created; and
- > Disability services would be delivered through an individualised support model, complemented by community and universal services, programs and resources.

Victoria considers that a full range of governance options for an NDIS should be explored to address the above criteria and provide the best possible governance outcomes for people with disability, their families and carers.

Victoria has identified several matters raised by the Commission's preferred model which it believes are worthy of further exploration in its final report.

Victoria seeks clarity regarding boundary issues around eligibility under an NDIS

Victoria notes that the Commission's preferred model may mean that the States' and Territories' role in the design and administration of specialist disability services would be significantly reduced. Victoria considers that the extent of this reduction should be clarified further in the Commission's final report, with more detailed information provided about the proposed extent of eligibility. As the Commission proposes, States could continue to be providers of specialist disability services in an open market.

The States currently have primary responsibility for disability services, and are also the primary funders. Under the National Disability Agreement, States fund around 80 per cent of disability services, whereas the Commonwealth Government funds around 20 per cent (compared, for example, with an approximate 60:40 State/Commonwealth split in health funding prior to negotiation of the National Health Agreement).

Any proposed governance model for an NDIS should take account of State and Territory expertise in the provision of disability services

The consideration of governance models should recognise that the Commission's reform proposals need to be analysed in the context of an existing service sector, and the expertise of States and Territories in disability service design and administration.

In favouring a model in which the Commonwealth has legislative control of service delivery, the Commission appears to assume that, given the estimated cost of the proposed scheme and the Commonwealth Government's 'capacity for raising efficient and sustainable taxes', the Commonwealth should take full responsibility for funding and managing the scheme.⁷⁰ The Commission should provide a more detailed rationale for its recommended approach in its final report, along with consideration of alternative approaches.

The Victorian Government notes that other areas of service delivery such as health, education and housing are also costly, but are delivered primarily by the States, with substantial funding provided by the Commonwealth under national agreements.

Costing and funding of a National Disability Insurance Scheme

The Commission estimates that there are currently about 359,000 people across Australia who would receive funded supports under an NDIS at a cost of \$6 billion per annum in addition to the current \$6.2 billion of State, Territory and Commonwealth funding already provided for disability services.

As the Commission observes, 'it is very difficult to quantify under-funding accurately, particularly given the lack of data on the current need and usage of supports'.⁷¹ Victoria agrees and notes with approval the Commission's commitment to undertake further analysis of the likely cost of an NDIS in its final report. This analysis will also inform the Commission's consideration of an appropriate funding model for an NDIS.

In its draft report, the Commission considers how to create a sufficient pool of money for an NDIS and the options for bringing together 'old money' allocated to disability care and support by all governments, with 'new' money financed in any number of ways. In this context, the Commission recommends a funding arrangement under which the Commonwealth Government would direct payments from consolidated revenue to a National Disability Insurance Premium Fund to establish a 'partly-funded' scheme.

The Commission notes in passing that a partially-funded scheme has the advantage of building up reserves for prudential reasons.⁷²

Victoria agrees with the Commission that it is important to ensure that costing out of an NDIS/NIIS, and the analysis of funding options for the scheme, is as robust as possible, and looks forward to this analysis being provided in the final report.

A very significant increase in disability funding is required

Victoria strongly supports the Commission's view that there must be a significant increase in Commonwealth funding for disability services and that people with disability, their families and carers need certainty in disability services funding.

Victoria agrees with the Commission's observation that any funding model should ensure that funding raised is sufficient to meet the reasonable needs of people with disability, their families and carers, year-to-year; and that funding is predictable.⁷³

Current uncertainty in the costing of an NDIS must be resolved as early as possible in the development process

Victoria also supports the Commission's overarching proposition that a viable, sustainable NDIS must incorporate appropriate management of unwarranted demand and prices pressures, to ensure that overall costs to the scheme are reasonable and efficient.⁷⁴

Victoria acknowledges that there is significant uncertainty in the Commission's costings for an NDIS, due to the absence of a specific data source which would have provided the required information to cost the NDIS accurately,⁷⁵ and the fact that costing of an NDIS will, to a significant extent, be a function of the eligibility criteria for an NDIS.

71 Productivity Commission draft report, p2.17.

72 Productivity Commission draft report, p12.1.

73 Productivity Commission draft report, p12.14.

74 Productivity Commission draft report, p12.10.

75 Productivity Commission draft report, p14.12.

Victoria strongly supports resources being applied now to the accurate costing of an NDIS

On the basis of available evidence and in light of discussions elsewhere in this submission regarding the extent of unmet demand for disability services, Victoria agrees that the case for a significant increase in funding for the disability sector is compelling, in the context of a national scheme.

The Victorian Government strongly supports energy and resources being applied to accurately costing an NDIS as soon as possible. This work should be undertaken on a basis which assumes a number of different scenarios in terms of scheme coverage, governance models and service provision. It should also explicitly take into account the social and economic benefits of an NDIS, as discussed in Part 3 of this submission.

Further governance and funding issues that will need to be considered as part of the implementation of an NDIS are listed in Part 10 of this submission.

9. BUILDING THE EVIDENCE BASE

Victoria strongly supports the Commission's recommendations regarding the collection and usage of data and the importance of independent research under an NDIS to ensure scheme viability and continuous improvement in scheme outcomes.

Based on its experience in managing self-directed disability services, and strongly performing no-fault injury insurance schemes, the Transport Accident Commission (TAC) and WorkSafe Victoria (WSV), Victoria strongly believes that the design and establishment of extensive and robust data systems, underpinned by cross-jurisdictional information technology and administrative systems is essential to ensuring a smooth transition to a viable, sustainable NDIS.

Using data to measure success, drive innovation and ensure scheme viability

The Commission provides a list of information which it believes a longitudinal database should contain.⁷⁶ Victoria supports these data sets being included in a national database as important information and data which will improve the provision of disability services over time and contribute to the continuing viability of a national scheme.

Data sets should be well-targeted to reduce duplication and keep reporting requirements to a minimum. The absence of such a database will, however, make unwieldy or impossible some of the key elements in delivering a viable national disability services scheme, including the ability to:

- > make sound, proactive, financial management/actuarial decisions, including the management of risk to the scheme;
- > make strategic decisions regarding service provision and interventions;
- > monitor the performance of service providers across Australia;
- > develop a comprehensive national longitudinal database;
- > make relevant data, research and analysis publicly available where appropriate;
- > understand stakeholder and community attitudes to an NDIS and its various elements; and
- > ensure the delivery of timely and consistent supports to NDIS clients.

The TAC collects and uses data to improve overall scheme performance and outcomes for clients

In Victoria, the TAC makes extensive use of data to monitor and manage scheme performance, ensure scheme viability and to understand the needs and perceptions of its clients, employees, service providers and the community.

In measuring its overall performance and the scheme's, the TAC's senior management and board regularly consider data which provide measures of Client Outcomes (for example, vocational outcomes); Client Experience (for example, annual and bi-monthly client feedback survey results; dispute rates); Scheme Viability (for example, actuarial release; recovery paramedical payments; independence support attendant care payments); and Enabling Success (for example, employee morale index; employee engagement index).

For severely injured clients, the TAC regularly measures performance of and data on:

- > case management data/client goals (outstanding and achieved);
- > accommodation status;
- > details of attendant care program;
- > paramedical rehabilitation and equipment payments;
- > hospital data (discharge timelines); and
- > home and vehicle modification data.

The importance of independent research

Victoria strongly supports the Commission's observations regarding the importance of establishing an effective evidence base under an NDIS, including the capacity for independent research, the application of appropriate methods of analysis, ensuring the transparency of data and research findings, and the effective integration of data and research findings with decision-making by scheme administrators, clients and service providers.

Independent research is important in ensuring scheme viability and continuous improvement

It is for many of these reasons that the TAC and WSV established the Institute for Safety, Compensation and Recovery Research (ISCRR) in April 2009.

The role of the ISCRR

An unincorporated joint initiative between three partners (WSV, the TAC and Monash University), the ISCRR works closely with both WSV and the TAC to bring together academics and policy makers to undertake research on workplace injury and illness prevention, compensation practice, and health and vocational rehabilitation. The business model has the following features:

- > significant attention to setting the research agenda, translating the research into policy and practice, measuring the impact of the research, as well as doing the research;
- > high priority given to stakeholder engagement in all stages of setting the research agenda, conducting research and translating research into policy and practice.

As well as providing a sound research and evidence base to improve compensation scheme policy, practice and performance, the ISCRR is undertaking foresight research to identify emerging issues and develop new opportunities to improve outcomes for those injured at work or in transport accidents, to positively influence Victoria's workers' compensation and motor vehicle accident schemes.

Governance of the ISCRR

The ISCRR is governed by a board with representation from WSV, the TAC and Monash University. Operationally, it is part of Monash University and is subject to its governance procedures and policy. Initially, the ISCRR has a five year commitment with options to extend, and has core funding of about \$25 million.

The ISCRR is contributing to an evidence base which will improve scheme viability and outcomes

Amongst the research projects currently being undertaken by the ISCRR are an evaluation of WSV's Employer Performance Management Program; the establishment of a compensation research database, built to include essential demographic, injury, occupational, industrial health and compensation characteristics of injured workers and transport accident victims in Victoria, and now being linked to other sources of health data; an independent evaluation of the TAC claims management model; and tracking TAC client outcomes, building on research gathered by the TAC in 2008 when its first client outcomes survey was conducted.⁷⁷

As well as generating new knowledge, the ISCRR is providing an evidence-synthesis service, and developing new methods for undertaking rapid reviews of existing knowledge.

Independent research is important in strengthening disability resource allocation processes

Victoria has also contracted with the Centre for Disability Studies at the University of Sydney to develop a Support Needs Profiling Tool. This tool is intended to complement and strengthen existing resource allocation processes by enabling transparent and equitable decisions about the level of funding allocated to individuals, taking into account individual disability support needs and the presence or absence of support already in place through informal networks and community supports.

A number of different existing tools were trialled in the first phase of the project in order to determine what items should form part of the tool. Phase 2 will involve testing the tool with 200 people with disability who are receiving, or have requested, ongoing individual support packages. Using the data gathered through this step, an algorithm will be developed which will be used to identify funding allocations. Once this work is completed in October 2011, the tool will be incorporated into a resource allocation framework that also includes individualised planning.

As noted in Part 2 of this submission, the first stage of implementation of an NDIS may provide an opportunity to evaluate this new tool.

Victoria is keen to provide tangible support for the development of an evidence base as part of a nationally-coordinated research capacity

Victoria believes that an NDIS and NIIS should embrace the lessons learned from the ISCRR's work over the past two years in developing a collaborative research infrastructure to support the TAC and WSV policy, practice and performance.

Moreover, Victoria believes that the ISCRR, with its unique compensation database, provides a foundation for an NDIS and NIIS to build upon. This will support the achievement of a nationally co-ordinated research capacity in disability prevention and management, which should aim to increase the inclusion of people with disability in the community and ensure future scheme viability.

Further issues related to the development of an evidence base for an NDIS that will need to be considered as part of its implementation are listed in Part 10 of this submission.

10. IMPLEMENTATION ISSUES FOR FURTHER CONSIDERATION

Designing and implementing national disability reform will take time and involve complex negotiations between governments, and between governments and stakeholders. Victoria has obtained agreement at COAG that the Commission's final report be a priority for discussion at COAG's meeting following its finalisation.

The Victorian Government acknowledges that States and Territories will be approaching the implementation of an NDIS and an NIIS from different starting points. Victoria has identified a number of issues which it believes must be addressed in order to ensure a smooth transition.

Victoria is confident these implementation issues can be worked through by governments, in collaboration with people with disability, their families and carers, and with the cooperation of the private and non-government sectors. Taking into account States' and Territories' different circumstances, Victoria considers that some flexibility will need to be maintained in relation to how each jurisdiction works towards full implementation of an NDIS and NIIS.

Key implementation issues identified by Victoria include:

Eligibility

- > Resolution of the **scope of eligibility** for funded supports, in particular eligibility of people with cognitive impairment, severe and enduring psychiatric disability, forensic disability clients (people with disability who are involved with, or at risk of involvement with, the criminal justice system) and people who need episodic supports or early intervention
- > Resolution of **boundaries** between the proposed NDIS and other services, in particular Home and Community Care (HACC), health, mental health (including Psychiatric Disability Rehabilitation and Support Services (PRDSS)), housing, Supported Residential Services (SRS), aged care services, specialist children's services and employment services
- > Further analysis of the implications of eligibility under an NDIS for the provision of State-funded disability services, HACC and PRDSS, in particular whether States will need to fund **residual services** for people who are not eligible for funded supports under an NDIS
- > Development of minimum national **eligibility criteria** capable of being consistently applied across Australia, noting current differences in eligibility across States and Territories

Assessment

- > Agreement on **eligibility criteria** upon which to base assessment for care and support, including consideration of responsiveness to changing or episodic need
- > Further analysis of the proposed '**reasonable and necessary**' criterion and how this can be applied equitably and affordably under a person-centred model
- > Development of minimum national **assessment criteria** capable of being consistently applied across Australia
- > Continuation of the work of the Community and Disability Services Ministers' Conference on the development of a national **assessment tool**
- > Analysis of whether assessment for care and support and monitoring of assessment should be **separated** from allocation and provision of supports

- > Development of a nationally consistent **assessor training** package
- > Development of a framework for **monitoring** assessment processes and outcomes
- > Further consideration of the **role of the person with disability and their family** in directing the assessment process, including the potential for self-assessment
- > Further analysis of how **informal care** should be taken into account as part of the assessment process

Self-directed service delivery

- > Refinement of the service delivery model, particularly regarding how **supported accommodation, capital contributions and private contributions** should be managed under an individualised support and/or self-directed funding model
- > Further consideration of protections for **vulnerable clients**, including access to independent advocacy, complaints and dispute resolution processes
- > Finalisation of current work on development of an outcomes-focused **national quality framework and standards**
- > Development of effective mechanisms to **enhance access to universal services**, including health, transport, education and employment services, for people with disability, including consideration of memoranda of understanding (MoUs) and mechanisms for assessing their effectiveness (such as sectors reporting on each other's performance under the MoU)
- > Further consideration of how to **build capacity within universal services** to meet the needs of people with disability
- > Consideration of whether open **employment services** should be included within an NDIS
- > Further consideration of how best to balance the desirability of funding only **evidence-based early interventions** against the need to promote innovation and build the evidence base for safe, effective and cost-effective early interventions
- > Further consideration of whether **early interventions** should be able to be 'cashed out'
- > Development of capacity building initiatives to **build the skills, confidence and capability of people with disability** to plan and self-direct
- > Further consideration of access to **advocacy**, both individual (aimed at addressing complaints and concerns and improving the service experience of individuals) and systemic (aimed at improving disability services as a whole)
- > Further consideration and development of appropriate **supports for families and carers and for people with disability as carers**

Market-based service delivery

- > **Audit of sector and workforce readiness** to adapt to a new service model and assessment of any need for support to adapt or expand
- > Further consideration of effective approaches to **workforce recruitment and retention**, taking into account the interrelationship between the disability services workforce and aged care and other workforces, and the complexity of ensuring the right mix of numbers, skill sets and locations
- > Further consideration of the desirability and type of **formal qualifications and/or accreditation** required for disability support workers and any implications for direct employment/self-directed funding, including payment of family members
- > Further consideration of disability service **sector development** to ensure there is a platform for supports which promotes breadth of choice and quality service delivery to individuals
- > Further consideration of **protections** for people with disability, their families and carers in the event that a disability service provider fails

- > Development of an appropriate **pricing mechanism** for funded supports
- > Further consideration of market design and funding to **promote innovation** in service delivery
- > Further consideration of the implications of **for-profits** entering the sector
- > Further consideration of the implications of current **labour law** for the flexible provision of disability services (for example, in less than three hour blocks) and of the new national work health and safety laws
- > Development of appropriate **IT infrastructure** for a national scheme, including consideration of the challenges and support needs of small disability service providers in reporting and data-sharing
- > Consideration of any **other supports** necessary to transition to a market-based service scheme, such as infrastructure support for small regional service providers

National Injury Insurance Scheme (NIIS)

- > Resolution of **potential boundary** issues between the proposed NIIS and NDIS, for example in relation to causation of certain disabilities
- > Further consideration of approaches to achieving **national consistency** of injury insurance schemes under a federated model, given the current variation in injury insurance and compensation models across jurisdictions
- > Further consideration of the appropriate **level of support** to be provided under the proposed NIIS and NDIS, relative to existing State-based statutory insurance schemes
- > Further consideration of the implications of an NIIS for **common law rights**

Funding and governance

- > Further analysis of the likely **cost** of an NDIS and an NIIS
- > Further analysis of the impact of **up-front fees and/or co-payments**
- > Development of a **funding mechanism** that will provide adequate, sustainable and guaranteed funding for a national disability service sector
- > Further consideration of the **appropriate governance model** for an NDIS and NIIS
- > Establishment of **decision-making and dispute resolution processes**, including consideration of internal and external review mechanisms and review type (for example, merits-based or administrative review only)
- > Establishment of an appropriate **legislative framework** for a national scheme

Next steps in an NDIS implementation process

Victoria is committed to transformational reform of the disability service sector and stands ready to tackle these implementation challenges.

Victoria looks forward to hosting the first stage of implementation of an NDIS, and the opportunity this will provide to draw on Victoria's experience and expertise to operationalise and test new approaches and solutions on the ground.

Governments will need to work together to develop an implementation plan that will deliver reform within proposed timeframes and ensure that client outcomes and wellbeing are not adversely impacted in the transition to a new scheme.

Victoria recommends that COAG establish a working group or groups to work through the implementation issues set out above, as well as determine key milestones for the working group/s to meet in working through these issues.

APPENDIX A

National Disability Insurance Scheme (NDIS) Victorian Implementation Taskforce Members

Bryan Woodford OAM	(Chair) Former CEO, Yooralla, and manager of other disability organisations; awarded an Order of Australia Medal for his services to people with disability.
Richard Dent	CEO, EW Tipping Foundation and chairman of National Disability Services (Victoria); long involvement in the community services sector.
Chris Fyffe	Psychologist, former academic and consultant on disability and other issues; former regional director of Community Services Victoria.
Lesley Hall	CEO, Australian Federation of Disability Organisations.
Robert Kerr	Honorary research fellow at the Brotherhood of St Laurence; former Commonwealth Treasury economist; former Commissioner with the Victorian Competition and Efficiency Commission (VCEC).
Rob Knowles AO	Chairman of the Mental Health Council of Australia; former Victorian Minister for Health, Housing and Aged Care.
Simon McKeon	2011 Australian of the Year; Executive Chairman of the Macquarie Group (Melbourne); CSIRO Chairman; founding Chairman of MS Research Australia; philanthropist.
John Nairn	Director of the James Macready-Bryan Foundation; held senior positions in the funds management and life insurance industries.
Fiona Smith	Barrister and former Chair of the Victorian Equal Opportunity and Human Rights Commission.
Jane Tracy	Education Director, Centre for Developmental Disability Health Victoria at Monash University and medical practitioner.
Ron Wilson	Executive Director, Health Insurance Restricted Membership Association of Australia and former member of the Victorian Parliament.

Appendix B

Terms of reference Victorian National Disability Insurance Scheme Implementation Taskforce

1. Background

The Productivity Commission is undertaking an inquiry into a Disability Care and Support Scheme. The Productivity Commission has been asked to investigate the features of a long term disability care and support scheme, financing options, changes to the existing service system and implementation and transition arrangements. The draft report was released on 28 February 2011 with a final report due on 31 July 2011.

The Victorian Government is committed to playing a national leadership role to ensure the key recommendations of the Productivity Commission's inquiry properly are adopted and to oversee the development and implementation of a National Disability Insurance Scheme (NDIS) that is based on principles of equity, efficiency, sustainability and self-determination.

2. Purpose and Functions

The purpose of the Taskforce is to provide advice to the Premier, Treasurer and Minister for Community Services to inform the development of the Victorian Government's approach to implementing an NDIS, including the Victorian Government's position on:

- > The draft and final reports of the Productivity Commission's inquiry into a long-term disability care and support scheme;
- > Any other additional information that might be useful for the Productivity Commission to consider;
- > The impacts on people with a disability, their carers and families and the Victorian community, economy and Government of an NDIS or any other funding options and other areas of recommendation;
- > Implementation options for the NDIS or any other relevant funding options and design considerations; and
- > How to develop a broad community consensus on an NDIS, and how it can be implemented.

The Premier, Treasurer, Minister for Community Services, or NDIS Secretariat, may request the Taskforce's advice on specific issues. The Taskforce may provide any additional advice it considers appropriate.

The Taskforce will provide advice, both formally to the Premier, Treasurer and Minister for Community Services, and informally through the NDIS Secretariat.

3. Membership

Members of the Taskforce are appointed by the Premier, following consultation with the Minister for Community Services. Members of the Taskforce are selected on the basis of experience and expertise including:

- > Lived experience of disability;
- > Families or carers of people with a disability;
- > Business, finance, insurance or taxation;
- > Disability service provision;
- > Government, policy making and program delivery experience; and
- > Experience relating to mental health issues.

Members of the Taskforce are appointed in their personal capacity only. Membership of the Taskforce will be limited to no more than twelve Members. If there is a vacancy, or additional expertise is required, the Premier, following consultation with the Minister for Community Services, may appoint additional members to the Taskforce.

4. Chair

The Chair of the Taskforce is appointed by the Premier, following consultation with the Minister for Community Services.

5. NDIS Secretariat

The NDIS Secretariat is located in the Department of Premier and Cabinet, and will support the Taskforce. The NDIS Secretariat is coordinating the development of the Victorian Government's approach to implementing the NDIS.



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