



Joint Standing Committee on the National Disability Insurance Scheme

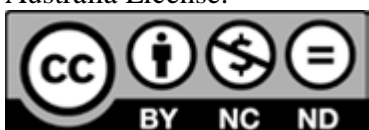
Market readiness for provision of services under the NDIS

September 2018

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Abbreviations

ACT	Australian Capital Territory
ASU	Australian Services Union
CALD	Culturally and Linguistically Diverse
CEO	Chief Executive Officer
COAG	Council of Australian Governments
CPSU	Community and Public Sector Union
CSSA	Catholic Social Services Australia
DRC	Disability Reform Council
DSS	Department of Social Services
ECEI	Early Childhood Early Intervention
EY	Ernst & Young
FSSI	Future Social Service Institute
GIFSA	Goldfields Individual & Family Support Association
IPR	Independent Pricing Review
IWF	Innovative Workforce Fund
JMF	Jobs and Market Fund
LAC	Local Area Coordination
LACs	Local Area Coordinators
MIFA	Mental Illness Fellowship Australia
MPS	Multipurpose Service Model
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
NDS	National Disability Services

NSW	New South Wales
NT	Northern Territory
OPA	Office of the Public Advocate
OTA	Occupational Therapy Australia
PLR	Provider of Last Resort
PSRG	Public Service Research Group
QDN	Queenslanders with Disability Network
QLD	Queensland
SA	South Australia
SDA	Specialist Disability Accommodation
SDF	Sector Development Fund
SIL	Supported Independent Living
TAS	Tasmania
VACHHO	Victorian Aboriginal Community Controlled Health Organisation
VCOSS	Victorian Council of Social Services
VIC	Victoria
WA	Western Australia

Executive summary

Transition to the full National Disability Insurance Scheme is expected to be completed by 2020. The Scheme is phasing in rapidly around Australia and is now fully operational in all regions of NSW, SA and ACT. By 2020, it is estimated that 460 000 participants will have entered the Scheme.

Market stewardship

The challenges for both participants and service providers to transition to a market-led service delivery model cannot be underestimated. Creating a participant enabling environment and developing a competitive marketplace is vital to the success of the Scheme. However, during the course of this inquiry, the committee heard that the NDIA, as the lead market steward, has often failed to put in place in a timely manner the appropriate measures and initiatives to support the development and growth of the disability support marketplace to meet demand.

The roles, responsibilities and activities of all those responsible for market stewardship are unclear. This is impeding the development of strategies to address key emerging issues in the development of the market.

Participant readiness

Throughout the inquiry the committee heard that most participants are not ready to confidently engage and navigate the market. Of concern is that submitters continue to raise issues around adequacy of plans and ability of participants to activate and manage plans. It appears that the resources and supports put in place by the NDIA to help participants activating and implementing their plans are not reaching all participants and their families.

Workforce readiness

There is currently no clear national strategy to grow the workforce despite the need for an additional 70 000 disability workers by 2020. The committee received evidence that there are currently virtually no incentives to choose a career in the disability support sector. Indeed, submitters reported that the disability sector is experiencing a rise in underemployment and insecure work arrangements, inadequate wages with little or no prospect of professional development opportunities.

Service provider readiness

The committee consistently heard that service providers are struggling to make the necessary changes to operate under the NDIS. Many service providers critically lack the capacity, expertise, cash reserves and infrastructure to make a successful transition and operate in the new NDIS environment. To date, it appears that the growth in new providers is far too slow and patchy to mitigate current and projected supply gaps. The committee heard that the NDIA as a market steward has lacked forward planning and not adequately facilitated access to support and assistance for existing and prospective service providers to operate in the NDIS environment.

Pricing

The committee was troubled to hear that many service providers were unable to operate even moderately profitably under NDIS pricing. The committee continued to hear that NDIS pricing is hindering market development and growth. More concerning is that, in some instances, pricing has led to service providers discontinuing services to NDIS participants. The committee heard that some service providers are 'cherry picking' clients and potentially leaving some of the most vulnerable NDIS participants with no access to adequate services.

Thin markets and Provider of Last Resort

The committee is concerned with the lack of progress on addressing the issue of thin markets experienced by some groups. The thin markets identified are not new; it is now urgent that the NDIA intervene beyond making small adjustments to pricing. The committee is concerned that the policy on future Provider of Last Resort arrangements has not been released and remains unclear.

Specialist Disability Accommodation (SDA)

The committee received evidence that the lack of data on SDA demand, restricted choices of living arrangements for participants, the lack of clear and consistent information available to investors and the pricing review cycle are impeding development of new SDA dwellings.

Conclusion

The committee received a wealth of information and evidence throughout the inquiry and thanks all those who participated. As a result, the committee has made 29 recommendations, which aim to ensure that appropriate strategies and responses are swiftly implemented to stimulate the growth of the marketplace and ensure that all NDIS participants have access in a timely manner to the necessary and reasonable supports they are entitled to.

Recommendations

Market stewardship

Recommendation 1

1.52 The committee recommends the DSS and the NDIA urgently develop a strategy document that clearly articulates the roles, responsibilities and activities of all those responsible for market stewardship.

Training of planners

Recommendation 2

2.27 The committee recommends the NDIA ensure that training on how participants access services and implement their plan is included in the ongoing mandatory training for all NDIA staff and contracted Partners in the Community involved in the development and approval of plans.

Support Coordination

Recommendation 3

2.31 The committee recommends the NDIA implement the Transitional Arrangements for the NDIS Recommendation 21 in relation to support coordination which says:

The committee recommends the NDIA ensure support coordination is adequately funded in Plans to meet Participants' needs and not limited to a fixed period.

Plan implementation

Recommendation 4

2.65 The committee recommends the NDIA urgently allocate more staff and support to assist participants with plan implementation.

Adequacy of staffing levels

Recommendation 5

2.67 The committee recommends the NDIA monitor and report on the adequacy of its staffing levels on an annual basis.

Tailored pathways

Recommendation 6

2.70 The committee recommends the NDIA urgently implement the tailored pathways designed to support:

- participants with complex support needs,
- children aged zero to six,
- participants with psychosocial disability,
- participants from culturally and linguistically diverse (CALD) backgrounds,

- **Aboriginal and Torres Strait Islander communities,**
- **remote and very remote communities, and**
- **LGBTQIA+ communities.**

NDIS website

Recommendation 7

2.74 The committee recommends the NDIA urgently undertake work to improve its website, including its design and navigation; and the quality and accessibility of its content.

Disability workforce

Recommendation 8

3.33 The committee recommends the Australian Government fund the ABS to regularly collect and publish information on the qualifications, age, hours of work and incomes of those working in disability care works, including allied health professionals.

Recommendation 9

3.56 The committee recommends the DSS develop and publically release a national strategy to develop the disability workforce.

Disability workforce training

Recommendation 10

3.100 The committee recommends the Australian Skills Quality Authority undertake consultations with the industry, state and territory governments on the adequacy of current VET programs offered in disability care.

Recommendation 11

3.102 The committee recommends the Quality and Safeguards Commission review options on how to ensure disability workers under the NDIS can access funded training, including considering the introduction of a portable training entitlement system.

Service provider registration process

Recommendation 12

4.33 The committee recommends the NDIA and the Commission ensure that consistent and clear information is provided about the registration process with the Commission to service providers ahead and during rollout in each jurisdiction.

NDIS Quality and Safeguarding Framework

Recommendation 13

4.37 The committee recommends the Productivity Commission examine the effectiveness of the NDIS Quality Safeguarding Framework and the Quality and Safeguards Commission as part of the next review into NDIS costs in 2023.

Market information

Recommendation 14

4.67 The committee recommends the NDIA publish yearly updated Market Position Statements for each jurisdiction.

Recommendation 15

4.68 The committee recommends the NDIA urgently develop and publish a Market Position Statement for Western Australia.

Recommendation 16

4.70 The committee recommends the NDIA accelerate the publication of further Market Insights on specific submarkets and regions.

Provider readiness activities

Recommendation 17

4.73 The committee recommends the NDIA commence engagement and provider readiness activities by January 2019 in all locations where the NDIS will start on 1 July 2019.

Assistance to providers

Recommendation 18

4.99 The committee recommends the DSS lead a whole-of-government approach to establish a Disability Sector Transition Assistance Fund to support existing and prospective service providers to operate in the NDIS environment.

Price setting

Recommendation 19

5.37 The committee recommends the Australian Government allocate resources to the Commission to establish a strategic unit responsible for the monitoring and review of NDIS prices with the aim of transferring the price setting powers to the Commission in July 2020.

Independent Pricing Review

Recommendation 20

5.39 The committee recommends that an evaluation of the IPR recommendations is undertaken as part of the next annual NDIS pricing review.

Recommendation 21

5.43 The committee recommends the NDIA work with allied health professions peak bodies and service providers to co-design a suitable methodology for pricing supports to participants with high and complex needs.

Thin markets

Recommendation 22

5.62 The committee recommends the NDIA publicly release its Market Intervention Framework as a matter of urgency.

Recommendation 23

5.64 The committee recommends the NDIA trial the MPS model in rural and remote Victoria and publicly report on its effectiveness with an evaluation after 12 months of operations.

Provider of Last Resort

Recommendation 24

5.84 The committee recommends the NDIA publicly release the outcomes of the Maintaining Critical Supports project and its policy on provider of last resort (PLR) arrangements as a matter of urgency.

Specialist Disability Accommodation market information

Recommendation 25

6.43 The committee recommends the NDIA publish as a matter of urgency the Market Insights on SDA and commit to publish on an annual basis detailed information on market demands for SDA.

Specialist Disability Accommodation pricing structure

Recommendation 26

6.77 The committee recommends the NDIA examine the SDA pricing structure to remove restrictions for participants in their choices of living arrangements.

Young people in nursing homes

Recommendation 27

6.79 The committee recommends that a specialised team of NDIA planners is established to accelerate the transition of young people residing in aged care facilities to appropriate SDA accommodation which meets their complex needs.

Eligibility to Specialist Disability Accommodation

Recommendation 28

6.99 The committee recommends that when a person is deemed eligible for SDA, this eligible should be considered ongoing and not subject to change under the participant's annual planning processes.

Specialist Disability Accommodation framework

Recommendation 29

6.101 The committee recommends the NDIA undertake consultation with the sector to review the current framework for SDA enrolment and registration with the view of introducing a mechanism for preregistration to stimulate construction of new SDA stock and enabling more choices of dwelling types for participants.

Chapter 1

Introduction

Referral of inquiry and terms of reference

1.1 The Joint Standing Committee on the National Disability Insurance Scheme (NDIS) was established on 1 September 2016. The committee is composed of five Members and five Senators.

1.2 The committee is tasked with inquiring into:

- (a) the implementation, performance and governance of the NDIS;
- (b) the administration and expenditure of the NDIS; and
- (c) such other matters in relation to the NDIS as may be referred to it by either House of the Parliament.

1.3 After 30 June each year, the committee is required to present an annual report to the Parliament on the activities of the committee during the year, in addition to other reports on any other matters it considers relevant.

1.4 The committee is also able to inquire into specific aspects of the Scheme. On 6 December 2017, the committee decide to undertake an inquiry into market readiness.

1.5 The terms of reference for the inquiry are as follows:

As part of the committee's role to inquire into the implementation, performance and governance of the NDIS, the committee will inquire into and report on market readiness for provision of services under the NDIS, with particular reference to:

- a. the transition to a market based system for service providers;
- b. participant readiness to navigate new markets;
- c. the development of the disability workforce to support the emerging market;
- d. the impact of pricing on the development of the market;
- e. the role of the NDIA as a market steward;
- f. market intervention options to address thin markets, including in remote Indigenous communities;
- g. the provision of housing options for people with disability, with particular reference to the impact of Specialist Disability Accommodation (SDA) supports on the disability housing market;
- h. the impact of the Quality and Safeguarding Framework on the development of the market;
- i. provider of last resort arrangements, including for crisis accommodation; and
- j. any other related matters.

1.6 This report is comprised of six chapters, as follows:

- This chapter (chapter 1) outlines the context and administration of the inquiry and discusses market stewardship functions, and roles and responsibilities of agencies and governments.
- Chapter 2 examines participants' readiness;
- Chapter 3 focuses on workforce readiness;
- Chapter 4 discusses provider readiness;
- Chapter 5 discusses market intervention mechanisms and thin markets; and
- Chapter 6 examines the introduction of Specialist Disability Accommodation (SDA) as a funded support and its impact on the market.

Conduct of the inquiry

1.7 The committee received 101 submissions to the inquiry from individuals and organisations. These submissions are listed in Appendix 1.

1.8 The committee also conducted six public hearings:

- 14 March 2018 in Cairns;
- 15 March 2018 in Townsville;
- 17 April 2018 in Perth;
- 18 April 2018 in Kalgoorlie;
- 14 June 2018 in Melbourne; and
- 4 July 2018 in Sydney.

1.9 Transcripts from these hearings, together with submissions and answers to questions on notice are available on the committee's website. Witnesses who appeared at the hearings are listed in Appendix 2.

Acknowledgments

1.10 The committee would like to thank the individuals and organisations that made written submissions to the inquiry, as well as those who gave evidence at the six public hearings. We are grateful for their time and expertise.

Note on terminology and references

1.11 References to submissions in this report are to individual submissions received by the committee and published on the committee's website. References to Committee Hansard are to official transcripts.

Market stewardship

Rapid transition to a market-based system

1.12 Considered to be the largest social reform since Medicare, the NDIS is being implemented at a rapid rate and creating a radically new disability marketplace.¹

1.13 Notwithstanding that individualised budgets have existed in other countries for some time, the NDIS is internationally unprecedented in the speed and scale of personalisation and marketisation of public services.²

1.14 The Scheme is phasing in rapidly around Australia. At 30 June 2018, the NDIS was supporting 183 965 participants and is now fully operational in all regions of NSW, SA and ACT.³ It is estimated that 460 000 participants will have entered the NDIS by 2020.⁴

1.15 The NDIS replaces a system of disability support which was inequitable, underfunded, fragmented, inefficient, and gave people with disability little choice and no certainty of access of appropriate supports.⁵ It consisted of a patchwork of block-funded and procured services spread across state, territory and Commonwealth governments.⁶

1.16 The NDIS is underpinned by a new national consumer-controlled marketplace with enormous growth potential.⁷

1.17 As described by the Productivity Commission, the NDIS model of provision enables funding to 'follow the user', which means that users, rather than providers or governments, allocate their budgets to the providers, supports and services that best meet their needs.⁸

1.18 For both participants and service providers, this is a radically new system. It will take time to develop a strong contestable marketplace for disability supports. It

1 NDIA, *NDIS Market Approach – Statement of Opportunity and Intent*, November 2016, p. 3.

2 *The vexed question of market stewardship in the Public Sector: Examining Equity and the Social Contract through the Australian National Disability Insurance Scheme*, Social Policy & Administration, Vol. 52, No. 1, January 2018, p. 388.

3 NDIS, *COAG Disability Reform Council Quarterly Report 30 June 2018*, p. 4.

4 NDIA, *Annual Report 2016-17*, p. 16.

5 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs Study Report*, 19 October 2017, p. 5.

6 *The vexed question of market stewardship in the Public Sector: Examining Equity and the Social Contract through the Australian National Disability Insurance Scheme*, Social Policy & Administration, Vol. 52, No. 1, January 2018, p. 388.

7 NDIA, *NDIS Market Approach – Statement of Opportunity and Intent*, November 2016, p. 6.

8 Production Commission, *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*, No 85, 27 October 2017, p. 62.

will also take time for participants to learn to make choices and explore different service options.⁹

Need for government stewardship

1.19 Broadly, for public sector markets to work effectively in the case of an individualised care model such as the NDIS:

- new providers must be able to enter the market and grow;
- providers must compete actively, and in desirable ways;
- providers must be able to exit the market;
- service users must be able and motivated to make informed choices;
- levels of funding must be appropriate to achieve government objectives.¹⁰

1.20 As described in various literature, a degree of stewardship from government is therefore required and involves the following activities:

- engaging closely with users, provider organisations and others to understand needs, objectives and enablers of successful delivery;
- setting the 'rules of the game' and allowing providers and users to respond to the incentives this creates;
- constantly monitoring the ways in which the market is developing and how providers are responding to these rules and the actions of other providers;
- adjusting the rules of the game in an attempt to steer the system (much of which is, by design, beyond their immediate control) to achieve their government's high-level aims.¹¹

1.21 The Productivity Commission found that governments have not always given sufficient focus to stewardship, and this has contributed to poor outcomes for users.¹²

1.22 In the case of the NDIS, an additional challenge is the need for market stewardship – a specific form of government stewardship aimed at facilitating the creation and development of a market.¹³

1.23 The NDIA described market stewardship in the following terms:

9 NDIA, *NDIS Market Approach – Statement of Opportunity and Intent*, November 2016, p. 11.

10 Gash, T et al., *Making public service markets work*, Institute for Government, London 2014, p.15.

11 See for example: Gash, T et al., *Making public service markets work*, Institute for Government, London 2014; Carey, G et al., *The vexed question of market stewardship in the Public Sector: Examining Equity and the Social Contract through the Australian National Disability Insurance Scheme*, *Social Policy & Administration*, Vol. 52, No. 1, January 2018, pp. 387–407.

12 Production Commission, *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*, No 85, 27 October 2017, p. 79.

13 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs Study report*, October 2017, p. 391.

Market stewardship recognises that when governments implement policies to increase consumer choice and adopt market based delivery, they must also oversee how the marketplace develops. [...] If the marketplace is not working as intended a responsible market steward identifies what action, if any, it should take to improve the marketplace so policy objectives can be realised.¹⁴

Market stewardship roles, functions and activities

NDIA Market Approach Statement

1.24 The NDIA Market Approach Statement was published in November 2016 and sets out the role of the NDIA as a market steward during the three years transition phase to full Scheme in 2019–20. The stated intent of the document is to:

- ensure that the NDIS community understands the roles and responsibilities the Agency has in this new disability marketplace;
- build confidence in the marketplace;
- ensure accountability for the Agency; and,
- create predictability about how this newly developing marketplace will operate.¹⁵

1.25 The vision and aim is to 'create an efficient and sustainable marketplace through a diverse and competitive range of suppliers who are able to meet the structural changes created by a consumer driven market'.¹⁶

1.26 The NDIA identified a number of functions that a market steward can use to improve the marketplace:

- **Monitoring:** observing the NDIS marketplace and assessing whether it is achieving its outcomes. This will be greatly informed by the data being collected through day-to-day operation of the Scheme, which will increasingly use longitudinal data to understand market gaps, market/provider efficacy and to develop responses.
- **Facilitating:** actions that directly influence demand in the NDIS marketplace and indirect actions to improve the functioning of the NDIS marketplace. This includes providing information, setting prices, and developing systems/infrastructure to support market transactions. In addition, facilitating supports diversity of supplier business models.
- **Commissioning:** direct sourcing of supports or establishment of preferred provider arrangements supported by controls and "rules" that must be complied with to participate in the NDIS marketplace.¹⁷

14 NDIA, *NDIS Market Approach – Statement of Opportunity and Intent*, November 2016, p. 6.

15 NDIA, *NDIS Market Approach – Statement of Opportunity and Intent*, November 2016, p. 2.

16 NDIA, *NDIS Market Approach – Statement of Opportunity and Intent*, November 2016, p. 2.

17 NDIA, *NDIS Market Approach – Statement of Opportunity and Intent*, November 2016, p. 6.

1.27 The NDIA recognised it will be necessary to play a more active role during the transition period (2016–19) but sees the market stewardship role lessening over time as the market matures and consumers are better equipped to exercise choice and control.¹⁸

1.28 For example, the NDIA foresees its role as price setter becoming redundant as the market matures:

While the NDIA is responsible for setting the price of supports during the rapid ramp up of the NDIS, it is envisaged that prices will eventually be deregulated as the market matures in size, quality and innovation.¹⁹

1.29 The NDIA summarised the activities it needed to undertake as part of its market stewardship role in those terms:

The Agency's market stewardship role will therefore require monitoring, evaluation, oversight and where necessary, support and intervention, in pursuit of a sustainable and successful NDIS.²⁰

1.30 At present, the NDIA has lead responsibilities for: setting pricing and price controls, producing and communicating market signals, engaging with and providing information to stakeholders, and developing and supporting an e-market.²¹

NDIA initiatives

1.31 To date, the NDIA has undertaken a number of market stewardship activities including:

- publication of Market Position Statements in all jurisdictions except WA;
- delivery of a series of market insight products;
- provider communication and engagement including a Provider eNewsletter and strategic communications on hot topics, and development of a network model for regional provider and industry engagement;
- a provider benchmarking project to deliver information to providers that will support their NDIS transition and enable better market stewardship decision making by the NDIA;
- further developing market monitoring capability consistent with the NDIA's role as market steward with a view to assessing instances where market intervention by the NDIA is appropriate; and
- annual pricing reviews.²²

18 NDIA, *NDIS Market Approach – Statement of Opportunity and Intent*, November 2016, p. 2.

19 NDIA, *Submission 52*, p. 16.

20 NDIA, *NDIS Market Approach – Statement of Opportunity and Intent*, November 2016, p. 3.

21 NDIA, *Submission 52*, p. 15.

22 NDIA, *Submission 52*, pp. 15–16.

Sector Development Fund

1.32 As part of market stewardship initiatives, the Sector Development Fund (SDF) was established to support the substantial changes required in the disability sector to realise the vision of a flourishing support market driven by the choices of people with disability.²³

1.33 Now administered by the Department of Social Services (DSS), the SDF funding supported activities to:

- build community capacity and engagement;
- increase capacity of people with disability and their families to exercise choice and control and develop new forms of support to meet the needs of people with disability;
- build disability sector capacity and service provider readiness to manage the transition;
- assist with the expansion and diversification of the workforce required to meet increased demand; and
- build the evidence base about what works.²⁴

1.34 SDF funding was available between 2012–13 and 2017–18 to support the transition to the NDIS environment for participants and the disability sector.

1.35 At 30 June 2018, the SDF had funded 91 projects and provided over \$105 million in funding to a range of agencies and organisations including the NDIA, National Disability Services (NDS), state and territory governments, research entities and consulting firms.²⁵

1.36 From 1 July 2018, the Jobs and Market Fund (JMF) replace the SDF and has a stronger focus on growing the workforce in number and capability.²⁶ The JMF and other initiatives to grow the workforce are discussed in Chapter 3.

Lack of clarity of roles and responsibilities

1.37 As noted by the UK Institute for Government, effective market stewardship requires governments to clarify roles, responsibilities and accountability arrangements.²⁷

23 NDIA, *What is the Sector Development Fund?*, <https://www.ndis.gov.au/SDF/whatisSDF> (accessed 19 July 2018).

24 NDIA, *What is the Sector Development Fund?*, <https://www.ndis.gov.au/SDF/whatisSDF> (accessed 19 July 2018).

25 NDIA, *What is the Sector Development Fund?*, *List of SDF expenditure as at 30 June 2018*, <https://www.ndis.gov.au/SDF/whatisSDF> (accessed 19 July 2018)

26 Department of Social Services, *What is the NDIS Jobs and Market Fund?* <https://www.dss.gov.au/disability-and-carers/programs-services/what-is-the-ndis-jobs-and-market-fund> (accessed 17 August 2018)

1.38 In the case of the NDIS, whilst the NDIA has a lead role as market steward, it is not solely responsible for market stewardship:

The NDIA has an important shared role as market steward in the new disability support services marketplace.²⁸

1.39 According to the NDIA Market Approach Statement, DSS has lead role for market oversight and a shared role with the NDIA for market monitoring and evaluation.²⁹

1.40 The Productivity Commission is of the view that 'although the NDIA is designated as the market steward, all governments take actions that affect market outcomes, and so have some responsibility for market stewardship'.³⁰

1.41 The NDIA says it plays a key role in working with the DSS and the states and territories to promote the provision of high quality and innovative supports for participants.³¹

1.42 At the public hearing held on 4 July 2018, the newly established Quality and Safeguarding Commission (the Commission), which began operating on 1 July 2018 in NSW and SA, acknowledged that it has a role to play in market monitoring and development but stressed that the role of the Commission does not 'supplant the role of the agency in respect of market stewardship more generally and those issues to do with service provision under people's plans'.³²

1.43 The Commission's website says it 'will provide market oversight by collecting, analysing and advising on a range of unique market information to identify trends and changes in the NDIS market'.³³

1.44 The Office of the Public Advocate noted in its submission that, 'based on the NDIS Market Approach strategy, the distinctions between the market steward (NDIA) and market oversight (NDIS Quality and Safeguards Commission) are unclear'.³⁴

1.45 Professor Gemma Carey told the committee that 'at the moment, market stewardship is sitting across Commonwealth government, the NDIA and the new

27 Gash, T et al., *Making public service markets work*, Institute for Government, London 2014, p. 6.

28 NDIA, *Submission 52*, p. 2.

29 NDIA, *NDIS Market Approach – Statement of Opportunity and Intent*, November 2016, p. 21.

30 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs Study report*, October 2017, p. 393.

31 NDIA, *Submission 52*, p. 15.

32 Mr Graeme Head, NDIS Quality and Safeguards Commissioner, *Committee Hansard*, 4 July 2018, p. 9.

33 NDIS Quality and Safeguards Commission, *Commission role in NDIS market oversight*, <https://www.ndiscommission.gov.au/providers/commission-role-ndis-market-oversight> (accessed 27 August 2018)

34 Office of the Public Advocate, *Submission 82*, p. 17.

Commission' and identified that there are no 'clear delineations about how each of those groups are going to work with each other or intervene in a case of market failure or potential market failure'.³⁵

1.46 Dr Ken Baker from National Disability Services called for clarity:

We need clarity about the roles of the different government agencies involved in market stewardship—the role of the National Disability Insurance Agency, the role of the new quality and safeguard commission, the role of the Department of Social Services, the role of state governments.³⁶

1.47 The Productivity Commission recommended clarification of the roles and responsibilities of the Australian, state and territory governments with respect to market stewardship.³⁷

1.48 In its updated Corporate Plan 2018-2022 released on 27 July 2018, the NDIA provides information about the DSS role in relation to market stewardship and market oversight:

DSS plays an important role in developing the new disability support services market, including having responsibility for supporting and facilitating responses to workforce challenges; identifying key strategic market pressures and risk points that may impact on transition; and, developing a market oversight function that will include the prudential oversight of the financial viability of providers.³⁸

Committee view

1.49 International experiences where government has moved social and other services towards market-led service delivery show that a lack of clarity around who the market steward is and its functions has compromised the quality of service delivery and the intended policy outcomes.³⁹ The committee is concerned that whilst the NDIA has a lead role as market steward, it is unclear how it is shared with other agencies, including the DSS, the Commission and state and territory governments. Importantly, it is presently unclear how these groups work together to share information and develop strategies to address key emerging issues in the development of the market.

1.50 The committee believes that in addition to clarification of responsibilities, there should also be more effective information sharing, cooperation and coordination between agencies, Australian and state and territory governments to ensure participant

35 Associate Professor Gemma Carey, Director, Centre for Social Impact, University of New South Wales, p. 28.

36 Dr Ken Baker, CEO, National Disability Services, *Committee Hansard*, 4 July 2018, p. 28.

37 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs Study report*, October 2017, p. 396.

38 NDIA, *Corporate Plan 2018-22 NDIS*, July 2018, <https://www.ndis.gov.au/about-us/information-publications-and-reports/corporate-plan> (accessed 1 August 2018)

39 Gash, T et al., *Making public service markets work*, Institute for Government, London 2014.

readiness and development of the market. In particular, market supply issues, which will be discussed throughout this report, need the attention of all market stewards.

1.51 The committee notes that the NDIA Market Approach strategy document does not articulate the roles, functions and activities of the market stewards beyond the transition period ending 30 June 2020. The committee believes the Market Approach strategy needs to be updated. Further, the committee is of the view that market stewardship will be required well beyond the transition period as it will take time for the market to mature and participants to learn how to fully explore service options. The committee recommends that the DSS and the NDIA urgently develop a strategy document that clearly articulates the roles, responsibilities and activities of all those responsible for market stewardship.

Recommendation 1

1.52 The committee recommends the DSS and the NDIA urgently develop a strategy document that clearly articulates the roles, responsibilities and activities of all those responsible for market stewardship.

Chapter 2

Participant readiness

2.1 The NDIS model relies on informed participants making decisions in their own best interests. Consequently, participant readiness is central to the success of the Scheme.

2.2 As described by the Productivity Commission, the outcomes of the Scheme are directly linked to how ready participants are to access and enter the NDIS, to get plans that meet their needs, to find supports and services, and to self-manage their plans if they wish to.¹

2.3 Throughout the inquiry the committee heard that most participants are not ready to confidently engage and navigate the market.² As one submitter put it to the committee:

In general, participants and families are overwhelmed, confused and anxious about the market and how to engage with the NDIS, let alone navigating to a new service provider.³

2.4 The chapter explores the current challenges and issues faced by NDIS participants to access quality services, navigate the marketplace and exercise choice and control. It discusses:

- the adequacy of support and funding in plans;
- activating and managing plans;
- finding providers and the infrastructure in place to access information and facilitate transactions;
- the overall capacity of NDIS participants to exercise choice and control; and
- the need for resources for capacity building.

Adequacy of plans

2.5 Adequate provision and calibration of funding are fundamental to create a participant enabling environment.

1 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs Study Report*, 19 October 2017, p. 358.

2 See for example: Catholic Social Services Australia, *Submission 11*, p. 4; Speech Pathology, *Submission 19*, p. 11; Queenslanders with Disability Network, *Submission 48*, p. 5; Merri Health, *Submission 44*, p. 4; The Australian Psychological Society, *Submission 50*, p. 7, Ms Joanna Mullins, Advocate and National Disability Insurance Scheme Appeals Support Officer, Independent Advocacy in the Tropics Inc., *Committee Hansard*, 15 March 2018, p. 8; The Ella Centre, *Submission 18*, p. 2; IDRS, *Submission 36*, p. 4.

3 Cara, *Submission 9*, p. 2.

2.6 Of concern is that submitters continue to raise issues around adequacy of plans and ability of participants to activate and manage plans.⁴ These issues are not new and have been discussed in past inquiries undertaken by this committee.⁵

2.7 Similar to previous inquiries, submitters raised concerns about the lack of understanding and knowledge of disabilities; supports required, as well as therapies and intervention options from planners or Local Area Coordinators (LACs).⁶

2.8 Some submitters also contended that, despite the NDIS being based on an insurance model, a focus on containing costs rather than making early investments to achieve quality and long-term outcomes has been also affecting the quality of participant plans.⁷

2.9 For example, the Public Service Research Group noted:

The NDIS promises participants choice and control in planning their care, but their options for support are bounded by cost-benefit analysis and discretionary decision-making on the part of the Scheme's care planners.⁸

Support coordination in plans

2.10 The importance of including support coordination in plans was raised on many occasions during the inquiry.⁹

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- 4 See for example: Sunnyfield, *Submission 1*, p. 2; Catholic Social Services Australia, *Submission 11*, p. 4; DARE Disability Support, *Submission 15*, p. 4; Uniting Country SA, *Submission 21*, p. 1; Scope, *Submission 40*, p. 5; Professor Helen Dickinson, Director, Public Research Group, University of NSW Canberra, *Committee Hansard*, 4 July 2018, p. 33.
- 5 Joint Standing Committee on the NDIS inquiry reports: *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, 15 August 2017; *Progress Report*, 7 September 2017; *Provision of services under the NDIS Early Childhood Early Intervention Approach*, 7 December 2017; *Transitional arrangements for the NDIS*, 15 February 2018; *The provision of hearing services under the National Disability Insurance Scheme*, 21 June 2018; https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Disability_Insurance_Scheme/Completed_inquiries (accessed 23 July 2018)
- 6 See for example: Mr Peter Mewett, CEO, Cootharinga North Queensland, *Committee Hansard*, 15 March 2018, pp.31-32 and p.34; Professor Brebner, Dean of Education, College of Nursing and Health Sciences, Flinders University, *Committee Hansard*, 14 June 2018, p. 10; Dr Sebastian Cordoba, Professional Officer, Australian Association of Social Workers, *Committee Hansard*, 14 June 2018, p. 20; Mr Chris Massis, Chair, Allied Health Professions, *Committee Hansard*, 14 June 2018, p. 32; DARE Disability Support; *Submission 15*, pp. 21-22; The Ella Centre, *Submission 18*, p. 5.
- 7 See for example: Mr Peter Mewett, CEO, Cootharinga North Queensland, *Committee Hansard*, 15 March 2018, p. 32; Hear and Say, *Submission 45*, p. 2; MIFA, *Submission 39*, p. 18.
- 8 Public Service Research Group, *Submission 25*, p. 4.
- 9 See for example: CMHA, *Submission 14*, p. 5; IDRS, *Submission 36*, p. 4; Queenslanders with Disability Network, *Submission 48*, p. 8; Mental Illness Fellowship of Australia, *Submission 39*, p. 16; The Benevolent Society, *Submission 87*, p. 6.

2.11 As described by the NDIA, support coordination assists participants to understand, activate and implement their plans, including helping participants to choose and connect with service providers.¹⁰

2.12 Support coordination is not available to all participants. The majority of participants do not have funding for support coordination in their plans because it is allocated to those participants who have less capacity to actively manage their affairs, including those with complex and high support needs.

2.13 At 30 June 2018, 38 percent of active participants have support coordination in their plans.¹¹

2.14 Inquiry participants argued that support coordination should be more systematically included in participants' plans as it plays a critical role in plan implementation.¹²

2.15 For example, Queenslanders with Disability Network (QDN) identified the role of support coordination in providing the information required to activate, access and choose providers:

It is critical that support coordination fulfils the need to better assist people with disability through practical and accessible information to understand how their plans work, what services are available in their local area and how they can navigate the new market.¹³

2.16 Mental Illness Fellowship of Australia (MIFA) stated:

It is widely considered by the sector that support coordination should be an essential and ongoing part of plans. To readily participate in the market, participants must be adequately informed and supported.¹⁴

2.17 One of the reasons put forward by submitters to increase access to support coordination to more participants is that the lack of support coordination in plans contributes to underutilisation of funds in plans and the inability for participants to navigate the market.¹⁵

10 NDIS, *Starting my NDIS plan with a support coordinator*, <https://ndis.gov.au/medias/documents/h86/h2e/8799398101022/Starting-your-plan-with-a-Support-Coordinator-PDF-158KB-.pdf> (accessed 26 July 2018)

11 NDIS, COAG Disability Reform Council Quarterly Report, 30 June 2018, p. 43. <https://www.ndis.gov.au/medias/documents/coag-report-q4-y5-full/2018-Q4-June-COAG-report-Full.pdf> (accessed 17 August 2018)

12 See for example: Ms Joanna Mullins, Advocate and National Disability Insurance Scheme Appeals Support Officer, Independent Advocacy in the Tropics Inc., *Committee Hansard*, 15 March 2018, p. 8; Catholic Social Services Australia, *Submission 11*, p. 1; The Benevolent Society, *Submission 87*, p. 6.

13 Queenslanders with Disability Network, *Submission 48*, p. 8.

14 Mental Illness Fellowship of Australia, *Submission 39*, p. 16.

15 See for example: IDRS, *Submission 36*, p. 4; DARE Disability Support, *Submission 15*, p. 7; The Benevolent Society, *Submission 87*, p. 6.

2.18 Similar evidence was received by the committee during the *Transitional Arrangements for the NDIS* inquiry.¹⁶

2.19 Many submitters recommended that support coordination be offered as an ongoing part of plans.¹⁷

NDIA work

2.20 The NDIA has undertaken work to address planning issues. From April to October 2017, the NDIA undertook the NDIS Pathway Review to redesign and enhance the experience of participants throughout their NDIS journey, including at implementation phase.

2.21 The NDIA made a number of commitments to improve the pathway experience in response to the findings from the review, including:

- face-to-face engagement as the default for all NDIS plan development;
- a single point of contact for most participants;
- a stronger focus on the broader ecosystem of supports; and,
- communication that is clear, consistent and available in accessible formats.¹⁸

2.22 The new participant pathway was piloted from December 2017 to April 2018 in a number of local government areas in Victoria.¹⁹

2.23 Following this initial pilot that focused on the planning phase, some pathway enhancements have now been implemented with further improvements scheduled to roll-out across Australia in the second half of 2018.²⁰

2.24 In its most recent website update on pathway improvement, the NDIA stated:

There are also some challenges, including managing the logistics around the pilot planning approach and continuing to build the skills and capabilities of planners.²¹

16 Joint Standing Committee on the NDIS, *Transitional arrangements for the NDIS*, 15 February 2018, pp. 74-75 and p. 77.

17 See for example: Community Mental Health Australia, *Submission 14*, p. 6; Mental Illness Fellowship of Australia, *Submission 39*, p. 16; Catholic Social Services Australia, *Submission 11*, p. 4; People With Disability Australia, *Submission 74*, p. 8; VICSERV, *Submission 22*, p. 4; The Benevolent Society, *Submission 87*, p. 6.

18 NDIA, *Submission 52*, p. 8.

19 NDIA, *Submission 52*, pp. 8-9.

20 NDIS, COAG Disability Reform Council Quarterly Report, 30 June 2018, p. 15.
<https://www.ndis.gov.au/medias/documents/coag-report-q4-y5-full/2018-Q4-June-COAG-report-Full.pdf> (accessed 17 August 2018)

21 NDIS, *Pathway improvement update – number five*, 17 May 2018,
<https://www.ndis.gov.au/pathways-experience/explainer/update5.html> (accessed 25 July 2018)

Committee view

2.25 The committee acknowledges the recent work undertaken by the NDIA to improve the participant pathway. It is too early to comment on the effectiveness of the new measures for a number of reasons. Firstly, the implementation of the new participant pathway has only started to be rolled-out nationally. Secondly, it is unclear how the NDIA intends to build on the lessons learned from the pilot to make further improvements. Thirdly, as acknowledged by the NDIA, building the skills and capabilities of planners remains a challenge.

2.26 The committee is of the view that working towards improving the planning process remains critical to ensuring adequacy of plans and provision of information about services to participants. To this effect, building the skills and capacities of the planners should be a key priority for the NDIA. Indeed, many of the issues raised by inquiry participants are directly related to the lack of knowledge and expertise of planners. The committee believes that the NDIA should ensure that training on how participants access services and implement their plan is included in the ongoing training of all planners.

Recommendation 2

2.27 The committee recommends the NDIA ensure that training on how participants access services and implement their plan is included in the ongoing mandatory training for all NDIA staff and contracted Partners in the Community involved in the development and approval of plans.

Support coordination

2.28 In the *Transitional Arrangements for the NDIS* report, the committee discussed the importance of support coordination in the enactment and implementation of participants' plans, especially for people with high and complex needs.²²

2.29 The committee remains concerned with reports of participants not knowing how to use their plans or underutilising their plans because of a lack of funded support coordination in their plans. The committee agrees with submitters that support coordination is vital to ensure that people can, over time, build their capacity to understand and navigate the market.

2.30 The committee recommends the NDIA implement the Transitional Arrangements for the NDIS recommendation 21 in relation to support coordination funding in plans. The committee notes that the Government supported this recommendation.²³

22 Joint Standing Committee on the NDIS, *Transitional arrangements for the NDIS*, 15 February 2018, p. 77.

23 Australian Government, *Australian Government response to the Joint Standing Committee on the NDIS report: Transitional arrangements for the NDIS*, June 2018.
https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Disability_Insurance_Scheme/Transition/Government_Response (accessed 27 July 2018)

Recommendation 3

2.31 The committee recommends the NDIA implement the Transitional Arrangements for the NDIS Recommendation 21 in relation to support coordination which says:

The committee recommends the NDIA ensure support coordination is adequately funded in Plans to meet Participants' needs and not limited to a fixed period.

Plan implementation and engaging providers

Activating plans

2.32 Depending on the participant's circumstances, there are supports available to activate plans:

The NDIS can work with you to put your plan into action, and depending on your situation there are a range of people who can help you implement your plan and support you to start receiving supports. These would have been discussed with you during your planning process and may be a Local Area Coordinator or an Early Childhood Partner. Some people may also have a Support Coordinator funded in their plan to help them get started. You can start your plan by yourself if you are self-managed.²⁴

2.33 As stated by the NDIA, the role of Local Area Coordinators (LACs) includes helping participants to find and start receiving services as well as self-directing or self-managing their plans.²⁵ Similarly, Early Childhood Early Intervention (ECEI) Partners are also tasked with assisting participants and families to connect with providers.²⁶

2.34 Feros Care, a Partner in the Community delivering LAC services, explained at a public hearing their role in helping participants through the activation and implementation of their plans:

During the planning and implementation phase, we are able to point participants towards possible service providers, as well as assisting them on how to navigate the portal, interact with service providers and other skills they may require.²⁷

24 NDIA, *Understanding your plan and supports*, Factsheet – Managing your NDIS funding package, June 2017, <https://www.ndis.gov.au/participants/understanding-your-plan-and-supports.html> (accessed 30 July 2018)

25 NDIA, *Local Area Coordination*, <https://www.ndis.gov.au/communities/local-area-coordination.html> (accessed 2 August 2018)

26 NDIA, *Early Childhood Early Intervention – how the NDIS can help your child*, <https://www.ndis.gov.au/html/sites/default/files/Early-childhood-Early-Intervention.pdf> (accessed 2 August 2018)

27 Mr Thompson, General Manager Local Area Coordinator, Feros Care, *Committee Hansard*, 5 March 2018, p. 9.

2.35 However, the committee heard that some participants lack support to activate and implement their plans.²⁸ For example, Mr Rowe from Aged and Disability Advocacy Australia stated:

Even when we're getting plans through, people don't know what to do with that approval and so they're sitting on it. While we tick one box to say they've got a plan, people still haven't got a service. So we're no better off.²⁹

2.36 Similarly, the Queenslanders with Disability Network (QDN) reported:

This participant readiness has focused on front end access and pre-planning. However, once people register for the Scheme, Queenslanders with disability are reporting that they do not know how to activate their plans, what options are available for managing their plans; and how to access the right supports, aids and equipment.³⁰

2.37 Additionally, QDN reported that people expressed confusion around the role and responsibility of LACs in plan activations:

...people expressed confusion around 'new language and roles' including how difference roles fit into plan activation e.g. Supports Coordinator, Local Area Coordinator, Service Provider, Plan Manager.³¹

Knowledge of relevant services

2.38 Prior to navigating the market to find providers, it is important that participants and their families know what types of supports best meet their needs so they can make informed decisions.

2.39 However, submitters reported that in many cases, participants and their families did not have the relevant information or the knowledge to choose supports and services that adequately met their needs.³²

2.40 For example, Occupational Therapy Australia (OTA) raised the issue that 'some participants may not possess the requisite knowledge and skills to choose supports that adequately meet their (often complex) needs'.³³

2.41 Similarly, Speech Pathology Australia pointed out that prior to finding a service provider, participants will require to understand the intervention options available:

28 See for example: Noah's Arc Inc, *Submission 70*, p. 6; Queenslanders with Disability Network, *Submission 48*, p. 5; Multicultural Disability Advocacy Association, *Submission 31*, p. 3; Making Connections Together, *Submission 32*, p. 1.

29 Mr Geoff Rowe, CEO, Aged and Disability Advocacy Australia, *Committee Hansard*, 14 March 2018, p. 21.

30 Queenslanders with Disability Network, *Submission 48*, p. 4.

31 Queenslanders with Disability Network, *Submission 48*, p. 7.

32 See for example: Victorian Autism Specific Early Learning and Care Centre, *Submission 51*, p. 5; Flinders University, *Submission 58*, p. 5.

33 Occupational Therapy Australia, *Submission 46*, p. 5.

With regard to speech pathology services, our members have reported that Participants need a greater depth of information about the types of intervention that may be appropriate for them than what is currently available [...] so that participants are able to make informed decisions.³⁴

2.42 According to some submitters, Planners and ECEI Partners are not always able to assist as they, themselves have limited knowledge of some disabilities and interventions' options.³⁵

Finding service providers

2.43 As described by the NDIA, LACs and ECEI Partners can help participants to find and connect with service providers. However, it appears that LACs and ECEI Partners are not systematically fulfilling this role due to their current focus on getting participants in the Scheme.³⁶

2.44 Brotherhood of St Laurence pointed out that 'for participants who do receive funded supports, the significant focus on planning and gaining access to the scheme has meant that the LAC has limited time available to assist participants to navigate the marketplace and implement their plans'.³⁷

2.45 As a result, participants and their families have mostly to rely on information provided on the NDIS website, the NDIS portal and through the NDIS call centres.

2.46 However, as the Federation of Ethnic Communities Councils of Australia (FECCA) explained:

Placing information on a website and expecting consumers to access it will not be sufficient to enable participants in the NDIS to be informed about the services available to them.³⁸

Digital literacy and accessibility

2.47 Occupational Therapy Australia reported that 'concerns have been raised that the NDIA's perception of a participant being ready to navigate new markets is very much focused on one's computer literacy'.³⁹

2.48 Submitters reported that some participants and their families are not equipped to deal with the ICT side of the NDIS as they often do not use or own a computer.⁴⁰ For example, Ms Kim McRae from the NPY Women's Council stated:

34 Speech Pathology Australia, *Submission 19*, p. 11.

35 Victorian Autism Specific Early Learning and Care Centre, *Submission 51*, p. 5.

36 Brotherhood of St Laurence, *Submission 67*, p. 17.

37 Brotherhood of St Laurence, *Submission 67*, p. 17.

38 Federation of Ethnic Communities Councils of Australia, *Submission 49*, p. 4.

39 Occupational Therapy Australia, *Submission 46*, p. 6.

There's an issue around portal access. The assumption with the NDIS that every family can access information through the portal has proven to be incorrect for our families out on the APY Lands. People don't have computers in their homes. Some families just do not have access to IT, for a range of reasons, or they don't have internet access out there.⁴¹

2.49 The Benevolent Society noted that accessibility of information and digital literacy is an issue affecting participants' ability to navigate the NDIS:

The NDIS is based on the assumption that participants can navigate the system digitally and electronically, which in many instances is not the case. The NDIS is also heavily dependent on written communication, which is not accessible for all people with disability. There is a long way for service providers and the NDIA to go to prepare and disseminate information in a wide variety of formats and modalities to ensure it is accessible for all participants.⁴²

2.50 Overall, inquiry participants found the NDIS IT system and NDIS website difficult to navigate and not user friendly.⁴³

2.51 As Sunnyfield pointed out, without an NDIS user friendly system 'it is hard for many to even contemplate shopping around for different support providers to exercise greater choice and control of supports'.⁴⁴

NDIS participant portal

2.52 The NDIS participant portal is a secure website for participants or their nominee to view their NDIS plan, request payments and manage services with providers. It also features a provider finder tool to enable participants to find providers and services in their preferred location.⁴⁵

40 See for example: The Ella Centre, *Submission 18*, p. 2; Occupational Therapy Australia, *Submission 46*, p. 6; Ms Mullins, Advocate and National Disability Insurance Scheme Appeals Support Officer, Independent Advocacy in the Tropics Inc., *Committee Hansard*, 15 March 2018, p. 8; Brotherhood of St Laurence, *Submission 67*, p. 11; Ms Kim McRae, Tjungu Team Manager, Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council, *Committee Hansard*, 18 April 2018, p. 40.

41 Ms Kim McRae, Tjungu Team Manager, Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council, *Committee Hansard*, 18 April 2018, p. 40.

42 The Benevolent Society, *Submission 87*, p. 5.

43 See for example: Thorndale Foundation, *Submission 16*, p. 2; Office of the Public Guardian, *Submission 76*, p. 2; Occupational Therapy Australia, *Submission 46*, p. 6; Health Issues Centre, *Submission 83*, p. 3.

44 Sunnyfield, *Submission 1*, p. 2.

45 NDIS, *Participant Portal User Guide*, <https://www.ndis.gov.au/participant-portal-user-guide.html> (accessed 17 August 2018)

2.53 The requirement to have a MyGov account to access the NDIS participant portal has proven impractical as some participants have no access to a mobile phone and email account.⁴⁶

2.54 Some submitters also reported that the search function for providers on the NDIS portal is inadequate and ineffective.⁴⁷

2.55 In its submission, the NDIA stated that the 'Provider Finder tool is currently being enhanced to provide better information to participants on the location and nature of services offered by registered providers, with stage one completed in December 2017'.⁴⁸

2.56 More recently, on 23 July 2018, the NDIA has launched further Provider Finder enhancements, which the NDIA claims is:

- making it easier to find providers, their location and hours of operation information;
- making it easier to find the right service in a participant's preferred location;
- providing a mapping tool to give a more precise search response and show location;
- allowing participants to search for providers beyond the current 50km limit; and
- improving usability and accessibility through the roll out of a new visual design and guided help text.⁴⁹

Social media

2.57 Meanwhile, those who are digitally literate are turning to social media as they 'feel that this is the only effective communication channel available to them'.⁵⁰

2.58 In total, there are almost 100 NDIS Facebook sites with a membership of nearly 90 000 people.⁵¹

2.59 Participants reported having tried to contact the NDIA or LACs in the first instance but were unable to get a timely response. Participants also found that the website does not easily provide the information they are seeking. As a result, they use social media to get a wide range of information:

46 See for example: DARE Disability Support, *Submission 15*, p. 22; The Ella Centre, *Submission 18*, p. 2.

47 See for example: Aspect, *Submission 27*, p. 2; National Disability Services, *Submission 26*, p. 4.

48 NDIA, *Submission 52*, p. 6.

49 NDIS, *Improvements to myplace portals for participants and providers*, 19 July 2018, <https://www.ndis.gov.au/news/myplace-portals-improvements-19jul.html> (accessed 3 August 2018)

50 Health Issues Centre, *Submission 83*, p. 3.

51 Health Issues Centre, *Submission 83*, p. 3.

Questions posed on social media can be broad such as how plans are managed and how can the plan budget be spent, to questions about specific compliance issues such as whether receipts need to be kept, how to employ a staff member, how to implement a service agreement, whether a provider needs an ABN, managing the portal, or where to seek a specific assessment to prove disability if this is no longer being provided by the local state service.⁵²

2.60 The Health Issues Centre pointed out that 'relying on social media to answer technical questions risks people receiving inconsistent or false information'.⁵³

Committee view

Underutilisation

2.61 Overall, the committee is concerned that some participants are struggling to activate and implement their plans. It appears that the resources and supports put in place by the NDIA to help participants activating and implementing their plans are not reaching some participants and their families, leaving them unable to navigate the marketplace to find and engage providers. More generally, these supports appear to be insufficient or ineffective to assist participants and their families. The rise in use of social media to find answers to simple technical questions strongly indicates that the NDIS systems and communication tools are not meeting the needs of participants.

LACs and ECEI Partners

2.62 In theory, the role of LACs and ECEI Partners includes helping participants to enact their plans and find suitable service providers. However, evidence received by the committee shows that LACs and ECEI Partners are not systematically fulfilling this role. Some participants seem even to be unaware of the role and responsibility of LACs and ECEI Partners in plan activation.

2.63 The committee believes that, because of the need to meet bilateral estimates, LACs and ECEI Partners have been focusing too much on planning-related activities. As a result, they have not been able to assist participants with plan activation and implementation.

2.64 The committee is of the view that especially during 2018-19, the largest transition year in terms of scheduled intake of participants, the NDIA needs to urgently and clearly direct more resources towards plan activation and implementation. The committee is aware of the recent announcement made on 24 August 2018 by the Minister for the Department of Social Services that the NDIA, over the next 12 months, will hire additional staff to support participants with the development and implementation of their plans.⁵⁴

52 Health Issues Centre, *Submission 83*, p. 4.

53 Health Issues Centre, *Submission 83*, p. 4.

54 Minister for the Department of Social Services, The Hon Dan Tehan, *Improved experience for NDIS participants and providers*, Media Release, 24 August 2018, <https://ministers.dss.gov.au/media-releases/3516> (accessed 27 August 2018)

Recommendation 4

2.65 The committee recommends the NDIA urgently allocate more staff and support to assist participants with plan implementation.

2.66 On a more general note, the NDIA has recently committed to implement significant reforms to improve participant readiness as well as market readiness for providers.⁵⁵ The committee is of the view that the NDIA should monitor the adequacy of its staffing levels to ensure it has the capacity to implement any reforms in a timely manner.

Recommendation 5

2.67 The committee recommends the NDIA monitor and report on the adequacy of its staffing levels on an annual basis.

Knowledge of relevant services

2.68 The committee is concerned that some participants have no sufficient information about the types of supports and interventions that can best meet their needs. This is particularly affecting specific cohorts, including people who are deaf and hard of hearing; children and people with complex needs. The committee has discussed this issue in previous inquiry reports and made recommendations to create relevant pathways to facilitate access to appropriate intervention and support options.

2.69 The committee understands the NDIA has undertaken work to develop tailored pathways to ensure the NDIA has the right response for all participants including participants with complex support needs, children aged zero to six, participants with psychosocial disability, participants from culturally and linguistically diverse (CALD) backgrounds, Aboriginal and Torres Strait Islander communities, Remote and very remote communities, and LGBTQIA+ communities.⁵⁶ This work includes ensuring participants are provided with relevant information about relevant intervention options and service providers. The committee understands that this work has now been 'underway' for over a year. The committee urges the NDIA to expedite this work and start implementing the tailored pathways.

Recommendation 6

2.70 The committee recommends the NDIA urgently implement the tailored pathways designed to support:

55 Minister for the Department of Social Services, The Hon Dan Tehan, *Improved experience for NDIS participants and providers*, Media Release, 24 August 2018, <https://ministers.dss.gov.au/media-releases/3516> (accessed 12 September 2018)

56 NDIA, *New participant and provider pathway experience*, 18 October 2017, <https://www.ndis.gov.au/medias/documents/h6c/h17/8804888608798/New-pathway-experience-combined.pdf> (accessed 8 August 2018) and NDIS, *Pathway improvement update – number five*, 17 May 2018, <https://www.ndis.gov.au/pathways-experience/explainer/update5.html> (accessed 22 August 2018)

-
- **participants with complex support needs;**
 - **children aged zero to six;**
 - **participants with psychosocial disability;**
 - **participants from culturally and linguistically diverse (CALD) backgrounds;**
 - **Aboriginal and Torres Strait Islander communities;**
 - **remote and very remote communities, and**
 - **LGBTQIA+ communities.**

Online resources

2.71 The committee heard that many participants and their families have come to rely on online resources to get information, including about NDIS registered providers. The committee is concerned that the lack of digital literacy and / or ability to access computers can be a significant barrier for some participants and their families. Additionally, submitters also reported that the NDIS ICT system, including its website and MyPlace Portal are not user friendly.

2.72 The committee agrees with submitters that finding relevant information on the NDIS website is not easy and, at times, confusing. Overall, participants find the navigation difficult and the design confusing. The committee is of the view that the NDIA must urgently improve the user experience of the NDIA's online presence.

2.73 The committee is aware that the NDIA is working on improving the participant Portal, including the Find a Provider Tool. The committee is currently undertaking a new inquiry focusing on NDIS ICT systems. This includes examining the appropriateness and effectiveness of the portal and its impact on the implementation of the NDIS. The committee will report on this matter in the near future.

Recommendation 7

2.74 The committee recommends the NDIA urgently undertake work to improve its website, including its design and navigation; and the quality and accessibility of its content.

Self-managed plans

2.75 At a public hearing, the NDIA Regional Manager for Queensland North summarised the options for plan management:

But, depending on the person's individual preference or the family's preference, they can choose to manage their plan in a number of different ways. They can be entirely invested in the management and have entire control over the management of how that plan is implemented, or, at the

other end of the scale, they can vest the management in the agency, in their affairs.⁵⁷

2.76 Self-managing means that participants are responsible for requesting and paying the invoices related to the supports received in their plans. Self-managing also gives the participants the opportunity to purchase supports from suppliers that have not registered with the NDIA.⁵⁸

2.77 At 30 June 2018, 12 percent of participants were fully self-managing their plans and another 12 percent were partly self-managing their plans.⁵⁹

2.78 According to the NDIA, self-management of funds maximises choice and control, promotes innovation in support purchasing, expands the workforce beyond the traditional disability sector and is a key mechanism for Scheme sustainability.⁶⁰

2.79 The NDIA's view of market success for participants includes 'plans being self-directed'.⁶¹ The NDIA Board has committed to achieve 30 percent of participants self-managing at full Scheme in 2020.⁶²

2.80 Queenslanders with Disability Network (QDN) noted the low take-up of self-managed plans in Queensland. QDN believes this indicates the lack of participants' confidence and readiness in managing their own supports and navigating the market.⁶³

2.81 One Door reported that there has been a lack of information and 'conflicting or changing indications about how self-management works'.⁶⁴

2.82 Submitters reported that families who are self-managing say that the process is very confusing and that very little support is provided by the NDIA or their partnering LAC and ECEI organisations to build their capacity to understand the complexities of self-managing plans.⁶⁵

57 Mr Desmond Lee, Regional Manager, Queensland North, NDIA, *Committee Hansard*, 14 March 2018, p. 4.

58 NDIS, *Self-managing budgets in your plan*, <https://www.ndis.gov.au/participant/self-managing-budgets.html> (accessed 24 July 2018)

59 NDIS, COAG Disability Reform Council Quarterly Report, 30 June 2018, p. 15. <https://www.ndis.gov.au/medias/documents/coag-report-q4-y5-full/2018-Q4-June-COAG-report-Full.pdf> (accessed 17 August 2018)

60 NDIA, *Submission 52*, p. 9.

61 NDIA, *Submission 52*, p. 10.

62 NDIA, *Submission 52*, p. 9.

63 Queenslanders with Disability Network, *Submission 48*, p. 4.

64 One Door, *Submission 13*, p. 6.

65 See for example: Family Advocacy, *Submission 17*, p. 3; Victorian Autism Specific Early Learning and Care Centre, *Submission 51*, p. 5; Community Mental Health Australia, *Submission 14*, p. 5.

2.83 Family Advocacy contended that LACs and ECEI partners are discouraging family members from self-managing their NDIS plans as the process is too confusing and overwhelming for most people.⁶⁶

NDIA initiatives

2.84 The NDIA says it has established a project team dedicated to maximising participant opportunities afforded by the option to self-manage NDIS fund. So far, work underway includes:

- designing and implementing enhanced operational policy of self-management of NDIS funds;
- implementing robust staff practice guidance and training through the new participant pathway work;
- development and publication of practical participant-facing products to better describe and promote self-management; and
- implementation of an NDIS Self-Management Regional Network to build staff capacity in facilitating self-management.⁶⁷

Committee view

2.85 The committee believes the NDIA Board's commitment to 30 percent of participants self-managing their plans by 2020 will not be realised unless more information, support and capacity building activities are available to participants and their families.

2.86 People who are self-managing their plans have the opportunity to engage service providers which are not registered with the NDIS. In theory, it gives self-managed participants a wider range of choices of services. For the NDIA, having more participants self-managing may also be a way to overcome some of the challenges associated with shortages of NDIS registered providers.

2.87 Overall, the committee has not heard of the benefits of self-managing. During this inquiry, the committee heard no evidence that, at this stage, people are seeing self-management as a way to expand their choices of supports and find quality services. It is likely that it will take time before participants feel confident to explore the full range of service options. The evidence received around self-management further points to the lack of participant readiness to manage their own supports and navigate the market.

Capacity to exercise choice and control

2.88 Participant choice and control is a core feature of the Scheme's design.⁶⁸ However, many submitters are of the view that some participants and their families

66 Family Advocacy, *Submission 17*, p. 3.

67 NDIA, *Submission 52*, p. 9.

68 NDIS, *Corporate Plan 2017-21*, p. 7.

have not yet the capacity to exercise choice and control and that the supports and resources currently in place are not conducive to build their capacity to do so.⁶⁹

Transition to a market-based system

2.89 Prior to the introduction of the NDIS, most participants never had to navigate support services in the marketplace, which is why the majority of participants and their families are finding the new system very challenging.⁷⁰

2.90 As described by People With Disability Australia, 'the role of consumer of disability services, as opposed to recipient, is relatively new for many people with disability'.⁷¹

2.91 For example, Merri Health noted that 'many individuals and families have had limited experience with choice, i.e. they took what was available previously'.⁷²

2.92 Ms Mullins from Independent Advocacy in the Tropics described the situation to the committee:

There's another group of people who want to navigate the market but don't know how. It's all too much for them. They were block funded before. They like the fact that now they have choice, whereas before they had no choice. They had to take what they were given. But at this stage they do not have the skills to navigate the market on their own.⁷³

2.93 The Public Service Research Group (PSRG) reported the observations made by a participant, which highlights how a lot participants and their families are not yet equipped to fully exercise choice and control:

A lot of families of people with disabilities didn't really seem to know actually what they want to do because they're not practiced at making choices, or making real choices. They're practiced at making choices from what's available, but not necessarily saying 'I don't like anything that you've got available for me, this is what I want 'cause that's what will make a difference to my quality of life.'⁷⁴

69 See for example: Ms Mullins, Advocate and National Disability Insurance Scheme Appeals Support Officer, Independent Advocacy in the Tropics Inc., *Committee Hansard*, 15 March 2018, p. 8; Merri Health, *Submission 44*, p. 4; Dr Jim Stanford, Director, Centre for Future Work, Australia Institute, *Committee Hansard*, 14 June 2018, p. 8.

70 Queenslanders with Disability Network, *Submission 48*, p. 4; The Australian Psychological Society, *Submission 50*, p. 7, Ms Joanna Mullins, Advocate and National Disability Insurance Scheme Appeals Support Officer, Independent Advocacy in the Tropics Inc., *Committee Hansard*, 15 March 2018, p. 8; The Ella Centre, *Submission 18*, p. 2; IDRS, *Submission 36*, p. 4.

71 People With Disability Australia, *Submission 74*, p. 8.

72 Merri Health, *Submission 44*, p. 4.

73 Ms Mullins, Advocate and National Disability Insurance Scheme Appeals Support Officer, Independent Advocacy in the Tropics Inc., *Committee Hansard*, 15 March 2018, p. 8.

74 Public Service Research Group, UNSW Canberra, *Submission 25*, p. 3.

2.94 Dr Jim Stanford, Director at the Centre for Future Work, is of the view that a market based delivery system does not necessarily lead to choice and control:

The assumption is often made that, if you have a market and the person has a voucher and they can choose where to spend it, that gives them choice and control, and that is not necessarily the case, depending on how the market is functioning, how much awareness and information they have and how much power they have to negotiate a market based system. So I would not see the provision of services through a market based model, as is contemplated under the NDIS, as in and of itself being synonymous with choice and control.⁷⁵

2.95 The Dietitians Association of Australia argued that it will take time for participants to become informed and confident consumers:

Some participants and their families will need time and support to build their capacity and confidence as consumers, partly because they have had poor access to products and services previously.⁷⁶

2.96 Similarly, the Multicultural Disability Advocacy Association of NSW is of the view that 'the idea of shopping around for services will take a significant period of adjustment and support to perform'.⁷⁷

2.97 The NDIA recognises that 'for many participants, this is their first opportunity to exercise choice and control over their supports, and it may take time and a more mature and vibrant market for them to feel confident to explore, negotiate and change providers'.⁷⁸

Rising inequalities

2.98 The PSRG undertook research, which highlighted that factors that are well-recognised as driving inequalities such as age, gender, socioeconomic status, residential location and household structure are further constraining potential for choice and control for some NDIS participants.⁷⁹

2.99 Catholic Social Services Australia (CSSA) and its members are very concerned that the system is producing 'significant inequalities between participants who have the capacity (or support) to navigate the market system and those who do not'.⁸⁰ In particular, participants with 'complex needs or without informal support are being left behind'.⁸¹

75 Dr Jim Stanford, Director, Centre for Future Work, Australia Institute, *Committee Hansard*, 14 June 2018, p. 8.

76 Dietitians Association of Australia, *Submission 28*, p. 4.

77 Multicultural Disability Advocacy Association of NSW, *Submission 31*, p. 4.

78 NDIA, *Submission 52*, p. 6.

79 Public Service Research Group, UNSW Canberra, *Submission 25*, p. 3.

80 Catholic Social Services Australia, *Submission 11*, p. 1.

81 Catholic Social Services Australia, *Submission 11*, p. 1.

2.100 Flinders University also pointed out that there is 'a real risk of cumulative disadvantage and inequity despite the principles of the NDIS' as some participants or their families do not have an understanding of the range of interventions and services.⁸²

Capacity building

2.101 In this context, directing more resources towards capacity building is vital to enable participants to exercise choice and control and engage with the marketplace.

2.102 Family Advocacy recommended that 'the NDIA put more resources into supporting family members and participants to engage in the marketplaces of their choosing'.⁸³ In order to do this, 'stronger capacity building for participants to pursue these opportunities and to understand the process of self-management is necessary'.⁸⁴

2.103 Similarly, Brotherhood of St Laurence is of the view that 'further investment in capacity building and awareness building should be a focus of the NDIS, through LACs and ECEI services, and through continuous investment in building peer support and advocacy networks'.⁸⁵

2.104 The Community and Public Sector Union (CPSU NSW) is of the view that defunding of advocacy has decreased the ability of participants to be able to navigate existing and new disability markets.⁸⁶

Committee view

2.105 In light of the evidence received to date, it appears that exercising choice and control is far from being realised for many participants. The committee acknowledges that the transition to a new market-based system is a radical change for participants. There is no doubt that it will take time for some participants to become confident and informed customers. However, there is a clear lack of direct support and assistance available to participants to build their capacity to engage in and benefit from the new system. Indeed, simply having access to a market does not equate having choice and control. Market access alone is not sufficient to allow participants to make informed choices.

2.106 Intervention is therefore required to create a participant enabling environment and enable people to exercise choice and control. To date, the NDIA, despite its lead role as market steward, has mostly failed to put in place the appropriate infrastructure and systems to create a participant enabling environment, especially for the more vulnerable and disadvantaged cohorts. This is creating a concerning rise in inequalities between participants. Alarming, this can also result in some people being left

82 Flinders University, *Submission 58*, p. 5.

83 Family Advocacy, *Submission 17*, p. 6.

84 Family Advocacy, *Submission 17*, p. 6.

85 Brotherhood of St Laurence, *Submission 67*, p. 13.

86 Community and Public Sector Union NSW, *Submission 73*, p. 3.

without access and provision of the necessary and reasonable supports they are entitled to.

2.107 The NDIA must ensure that, through its Partners in the Community and the more systematic inclusion of support coordination in plans, supports and advocacy are available to all participants throughout their entire NDIS journey. The recommendations made by the committee in this chapter would assist in creating a participant enabling environment and ensure that the transition to a market-based system does not leave anyone worse off.

Chapter 3

Workforce readiness

3.1 This chapter examines workforce readiness, starting with an overview of current workforce shortages and needs, and the implications of these shortages for the national rollout.

3.2 The chapter then outlines recent policies and initiatives designed to grow the workforce before focusing on the barriers to grow the workforce identified by submitters. These include: employment conditions, NDIS pricing structure, training and professional development.

Workforce needs and shortages

Disability workforce today

3.3 The disability care and support workforce includes disability support workers that provide daily care and allied health professionals that provide specialised care.

3.4 It is difficult to profile the disability workforce because ABS labour force data is not classified in a way that allows analysis of the disability workforce.

3.5 However, despite the lack of comprehensive data, broadly it is accepted that:

- disability care workers are older than the workforce in general;
- about 80 percent of employees in the disability sector are women;
- about 60 percent of employees work part time; and
- the majority of disability care workers hold a certificate-level qualification.¹

3.6 Casual and part-time work is the fastest growing type of employment in the disability sector, increasing by another three percent in the final quarter of 2017.²

3.7 According to the National Disability Services Workforce Wizard, the high casual employment in the disability sector (42 percent) is resulting in a very high rate of worker turnover.³

3.8 Anecdotal evidence suggests that staff without formal qualifications are increasingly being hired.⁴

1 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs, Study Report*, October 2017, p. 321.

2 Victoria Council of Social Services, *Submission 80*, p. 19.

3 National Disability Services, *Australian Disability Workforce Report*, February 2018.

4 National Disability Services, *Submission 26*, p. 4.

Anticipated needs

3.9 According to the Productivity Commission, the disability workforce will need to increase by between 60 000 and 90 000 full-time equivalent employees (FTE) by 2019-20.⁵

3.10 In its submission to this inquiry, the NDIA estimated the need for an additional 70 000 workers by 2019-20.⁶

3.11 The NDIA also noted that the Productivity Commission found that the national disability workforce is currently growing at approximately 6 percent per year, but that the rollout will require workforce growth of 18 percent per year during the transition period in order to meet demand.⁷

3.12 The Future Social Service Institute reported that despite a workforce increase in the broader social assistance /personal assistance /residential care sectors, disability workforce shortages remain a major issue.⁸

3.13 The Victorian Healthcare Association noted that, based on 2016 figures, in Victoria alone the disability workforce must grow by 76 percent by 2019.⁹

3.14 There are disparities in workforce shortages depending on geography and professions.

Regional challenges

3.15 According to the Productivity Commission, the disability workforce will need to more than triple to meet demand in some regional, rural and remote areas.¹⁰

3.16 According to the NDIA, growth in total worker demand is likely to be higher in regional and remote areas than urban areas, and highest in Queensland and the Northern Territory.¹¹

3.17 For example, in Queensland, Bundaberg, Beenleigh and Maryborough are expected to require the largest proportional increase, as the current estimated workforce is less than 40 percent of the estimated NDIS workforce.¹²

5 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs, Study Report*, October 2017, p. 323.

6 NDIA, *Submission 52*, p. 10.

7 NDIA, *Submission 52*, p. 12.

8 Future Social Service Institute, *Submission 79*, p. 3.

9 Victorian Healthcare Association, *Submission 30*, p. 2.

10 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs, Study Report*, October 2017, p. 323.

11 NDIA, *Submission 52*, p. 10.

12 NDIS, *Market Position Statement Queensland*, May 2016, p. 23.

Shortages

3.18 There is a critical shortage of disability support workers. According to the NDS *State of the Disability Sector Report 2017*, around 60 per cent of disability service providers had moderate to extreme difficulty recruiting disability support workers.¹³

3.19 In the same report, service providers also described difficulties in recruiting allied health professionals, especially psychologists, speech and occupational therapists and physiotherapists despite workers from these professions not being in shortage at a national level. The NDS report argues that this may point to a real issue in connecting the allied health workforce to the disability sector.¹⁴

3.20 Some professions are experiencing shortages at the national level. For example, a recent analysis of the Australian orthotic/prosthetic workforce indicates that no state or territory meets the recommended rates for optimal provision.¹⁵

Need for more information

3.21 The NDIA Market Position Statements published in 2016 provide nominal information about workforce needs but lack detailed data.¹⁶

3.22 Some submitters reiterated the recommendation made by the Productivity Commission that the Australian Government should fund the ABS to collect policy-relevant data on the disability care workforce.¹⁷

3.23 The Victorian Government also recommended greater sharing of data and information between the NDIA, the Commonwealth Government and providers to ensure workforce development opportunities are aligned.¹⁸

Implications of workforce shortages

3.24 Overwhelmingly, submitters reported significant challenges in recruiting qualified staff to meet the demand for services.¹⁹

13 National Disability Services, *State of the disability sector report 2017*, 2017, p. 49.

14 National Disability Services, *State of the disability sector report 2017*, 2017, p. 49.

15 Australian Orthotic Prosthetic Association, *Submission 35*, p. 4.

16 See NDIA Market Position Statements available at <https://www.ndis.gov.au/market-position-statements.html> (accessed 20 August 2018)

17 See for example: Victoria Council of Social Services, *Submission 80*, p. 5; Victorian Government, *Submission 90*, p. 12.

18 Victorian Government, *Submission 90*, p. 12.

19 See for example: Catholic Social Services Australia, *Submission 11*, p. 4; Sunnyfield, *Submission 1*, p. 3; Ella Centre, *Submission 18*, p. 3; National Disability Services, *Submission 26*, p. 1; Victoria Healthcare Association, *Submission 30*, p. 2; Victorian Council of Social Service, *Submission 81*, p. 14.

3.25 Ms Maree Geraghty, a service coordinator, who has worked in the disability sector for 19 years, reported that her organisation was struggling to recruit qualified staff:

Just two weeks ago, I did some interviews for a support worker position, and 95 per cent of the people that were applying had no experience in the disability industry. So, when you're interviewing, there's just not enough people trained at the moment to actually get people qualified. We used to always ask, prior to NDIS, for minimum certificate III or willing to obtain in disability work or equivalent. Now we don't ask for that. So there are no qualifications required to get a job now.²⁰

3.26 Based on the NDS's Annual Market survey, the outlook for 2018 suggests the supply gap will continue to widen with only 43 percent (compared with 53 percent in 2016) of disability service providers expecting to meet demand.²¹

3.27 The Queenslanders with Disability Network noted that 'the lack of available and qualified staff is impacting on the people's choice and control, particularly for younger participants who are seeking support staff who can help them learn new skills to achieve their goals around social and economic participation'.²²

3.28 Submitters reported that the lack of available qualified staff and constant change of staff have concerning implications for participants as it impacts on the quality and continuity of care.²³

3.29 Ms Deborah Anderson, who has worked in the disability sector for over ten years, told the committee:

I'm fearful that, for frontline positions, the sector is attracting unskilled, untrained workers with little to no qualifications. This puts the people that we're looking after at risk of harm.²⁴

3.30 Mr Stewart Little from the Public Service Association of NSW reported that 'inexperienced staff have been brought into some homes, which has led to a sharp increase in the anxiety – and, some cases, violence – of the clients they are caring for'.²⁵

20 Ms Maree Geraghty, Member, Australian Services Union, *Committee Hansard*, 14 June 2018, p. 15.

21 National Disability Services, *State of the Disability Sector Report 2017*, 2017, p. 7.

22 Queenslanders with Disability Network, *Submission 48*, p. 9.

23 Victoria Council of Social Services, *Submission 81*, p. 5. And see also: Catholic Social Services Australia, *Submission 11*, p. 5; Dr Fiona Macdonald, Senior Research Fellow, School of Management, RMIT University, *Committee Hansard*, 14 June 2018, p. 29.

24 Ms Deborah Anderson, Member, Australian Services Union, *Committee Hansard*, 14 June 2018, p. 15.

25 Mr Stewart Little, General Secretary, Public Service Association of New South Wales; and Branch Secretary, New South Wales Branch, Community and Public Sector Union (State Public Services Federation Group), *Committee Hansard*, 14 June 2018, p. 17.

Committee view

3.31 The committee is concerned that there is no clear picture of the disability workforce. The lack of data and monitoring of trends on the disability workforce makes it difficult to develop appropriate responses and programs to address workforce shortages.

3.32 The committee agrees with the Productivity Commission's view that the ABS should regularly collect and publish information on the disability care workforce, including allied health professionals.

Recommendation 8

3.33 The committee recommends the Australian Government fund the ABS to regularly collect and publish information on the qualifications, age, hours of work and incomes of those working in disability care, including allied health professionals.

Initiatives to grow the workforce

3.34 The Department of Social Services (DSS) has the lead role in addressing national issues relating to the disability market, sector and workforce. The DSS's role includes identifying national workforce issues and working with relevant Commonwealth programs to develop a suitable workforce pool from which providers can attract, train and retain sufficient workers with appropriate skills to meet the needs of NDIS participants.²⁶

3.35 The NDIA and states and territories are responsible for supporting the DSS in this leadership role.²⁷ DSS coordinates this work through Market Readiness Working Groups in each jurisdiction, and nationally through the Market Oversight sub-Working Group of the Disability Reform Council Senior Officials Working Group.²⁸

Australian Government initiatives

3.36 DSS also administers sector development funding and programs, including the NDIS Sector Development Fund (SDF) from 2015 to 2018 (administered by the NDIA from 2012 to 2015), the new NDIS Jobs and Market Fund (JMF), and the Boosting the Local Care Workforce Program.²⁹

Sector Development Fund

3.37 As discussed in Chapter 1, the SDF was established to support the substantial changes required in the disability sector to realise the vision of a flourishing support market driven by the choices of people with disability.

26 NDIA, *Submission 52*, p. 10.

27 NDIA, *Submission 52*, p. 10.

28 Answers to Question on Notice, *General issues around the implementation and performance of the NDIS*, DSS received 20 August 2018, pp. 2 to 4.

29 Answers to Question on Notice, *General issues around the implementation and performance of the NDIS*, DSS received 20 August 2018, pp. 2 to 4.

3.38 The SDF was available from 2012 to 2018 to support the transition to the NDIS environment and funded a range of projects, including some aimed at assisting with the expansion and diversification of the workforce required to meet increased demand.³⁰

3.39 Over six years, \$105 million was provided through grants to organisations and state and territory governments.

3.40 For example, it provided \$4.9 million to the Innovative Workforce Fund (IWF) project managed by National Disability Services. The IWF aimed to encourage the development and sharing of innovative workforce practices to support rollout of the NDIS.³¹

3.41 In October 2016, the Victorian Government released *Keeping our Sector Strong: Victoria's Workforce plan for the NDIS*, which comprises nine workforce priorities. The Plan was supported by a \$26 million investment, which included \$4.88 million funded through the SDF.³²

3.42 Some inquiry participants expressed their support for the SDF and IWF as it allows individuals and organisations to apply for grants to support the development of the disability workforce and recommended continuation of these types of programs.³³

Boosting the Local Care Workforce Program

3.43 \$30 million of the SDF funding was transferred to the Boosting the Local Workforce Program in the 2017-18 budget.³⁴ The \$33 million program is aimed at developing the capacity of disability and aged care providers to operate effectively and expand their workforces, with a particular focus on boosting local job opportunities in rural, regional and outer suburban areas.³⁵

3.44 On 15 December 2017, the Minister for Aged Care announced the appointment of a consortium led by Ernst & Young (EY), and including not-for-profit organisations and an employment service, to implement the job-creating initiative.³⁶

30 NDIS, *What is the Sector Development Fund?* <https://www.ndis.gov.au/SDF/whatisSDF.html> (accessed 20 August 2018)

31 NDIA, *Table of SDF projects*, <https://www.ndis.gov.au/SDF/whatisSDF.html> (accessed 20 August 2018)

32 Victorian Government, *Submission 90*, p. 12.

33 See for example: National Disability Services, *Submission 26*, p. 3; Occupational Therapy Australia, *Submission 46*, p. 4; Mental Health Australia, *Submission 75*, p. 5.

34 NDIA, *Table of SDF projects*, <https://www.ndis.gov.au/SDF/whatisSDF.html> (accessed 20 August 2018)

35 Answers to Question on Notice, *General issues around the implementation and performance of the NDIS*, DSS received 20 August 2018, pp. 2 to 4.

36 The Hon Ken Wyatt AM, Media release, *Boosting the Local Care Workforce Program to support local job creation in the National Disability Insurance Scheme*, 15 December 2017, <http://www.health.gov.au/internet/ministers/publishing.nsf/Content/health-mediarel-yr2018-wyatt002.htm> (accessed 20 August 2018)

3.45 The program is deploying Regional Coordinators and Specialist (issues based) Coordinators to raise awareness of employment opportunities, produce and distribute market intelligence, and recommend strategies to address workforce challenges. In addition, eligible disability service providers will be able to apply for business transition advice and grants to help them prepare their businesses to deliver services under the NDIS.³⁷

Jobs and Market Fund

3.46 From 1 July 2018, the Jobs and Market Fund (JMF) replaced the Sector Development Fund (SDF). \$45.6 million is available through JMF funding until 30 June 2021 for targeted projects to grow the provider market and workforce in number and capability.³⁸

3.47 Examples of projects that may be funded under the JMF include:

- work to support the development of an e-marketplace;
- online training modules for NDIS workers;
- initiatives to support Aboriginal and Torres Strait Islander organisations to become NDIS registered providers;
- information and programs that link school leavers and VET/university students with NDIS career opportunities; and
- projects to develop new delivery models for rural and remote communities.

3.48 It is expected that the first grants round will be open to applications by the end of 2018.³⁹

Other initiatives undertaken by the Department of Social Services

3.49 DSS is also working with other Australian, state and territory departments, the NDIA and the sector to grow the disability workforce. Activities include:

- leveraging off existing employment and training programs such as *jobactive* and *Disability Employment Services* to place jobseekers into suitable jobs;
- funding the National Aboriginal Community Health Organisation and Indigenous Allied Health Australia to deliver projects to identify issues and solutions to enable Indigenous organisations and job seekers to deliver NDIS services;

37 Answers to Question on Notice, *General issues around the implementation and performance of the NDIS*, DSS received 20 August 2018, pp. 2 to 4.

38 Department of Social Services, *What is the NDIS Jobs and Market Fund?* <https://www.dss.gov.au/disability-and-carers/programs-services/what-is-the-ndis-jobs-and-market-fund> (accessed 17 August 2018)

39 Department of Social Services, *What is the NDIS Jobs and Market Fund?* <https://www.dss.gov.au/disability-and-carers/programs-services/what-is-the-ndis-jobs-and-market-fund> (accessed 17 August 2018)

- working with culturally and linguistically diverse (CALD) organisations to develop resources which will assist NDIS providers that serve CALD participants; and
- communication activity to support the growth of the NDIS market and workforce which was announced as part of the NDIS Jobs and Market Fund Budget measure.⁴⁰

Workforce Strategy

3.50 Sunnyfield reported a lack of a national approach to workforce planning and development and called for the development of a national strategy.⁴¹ Similarly, Mr Symondson, CEO of the Victorian Healthcare Association called for a national approach to workforce planning:

A recommendation that we have is that there be a comprehensive approach to workforce planning in the disability space. Each state at the moment has its own view on this, and the Commonwealth another. We would like to see a unified approach to workforce across disability services so that these issues don't happen differentially across the country.⁴²

3.51 Some submitters also called for workforce strategies to be developed for some specific sectors.⁴³ For example, Mental Illness Fellowship of Australia (MIFA) recommended the development of a rural and remote workforce strategy to support upskilling of people living in rural and remote areas.⁴⁴

3.52 VICSERV and other submitters called for the development of a national mental health workforce strategy.⁴⁵

3.53 UnitingCare Australia similarly recommended the development of a coordinated cross-agency strategy:

A coordinated strategy with resourcing, developed across the Commonwealth Departments of Social Services, Jobs and Small Business, as well as the NDIA, would better enable the emergence of workable and effective employment initiatives to aid NDIS implementation in service delivery organisations.⁴⁶

40 Answers to Question on Notice, *General issues around the implementation and performance of the NDIS*, DSS received 20 August 2018, p. 3.

41 Sunnyfield, *Submission 1*, p. 3.

42 Mr Tom Symondson, CEO, Victorian Healthcare Association, *Committee Hansard*, 14 June 2018, p. 33.

43 VICSERV, *Submission 22*, p. 5.

44 Mental Illness Fellowship of Australia, *Submission 39*, p. 14.

45 VICSERV, *Submission 22*, p. 6; Mental Health Council of Tasmania, *Submission 60*, p. 6; Mental Health Australia, *Submission 75*, p. 8.

46 UnitingCare Australia, *Submission 92*, p. 6.

Committee view

3.54 The committee acknowledges the current grant funding programs in place to grow the disability workforce in number and capability. Such programs are critical to building and growing the market. Funding priorities need to be clear to maximise outcomes. The committee is concerned that in its evaluation of the SDF, the ANAO found that there was limited evidence that the DSS adopted a strategic approach to grant-making.⁴⁷ The committee urges the DSS to ensure that the JMF program funds are distributed according to priorities identified through the development of an overall national disability workforce strategy.

3.55 At present, there is no clear national strategy to grow the workforce. The 2015 Integrated Market, Sector and Workforce Strategy is now outdated and lacked details for the transition. As described by the ANAO, the Strategy did not provide a clear basis for coordinated actions and did not include any commitment to specific deliverables.⁴⁸

Recommendation 9

3.56 The committee recommends the DSS develop and publically release a national strategy to develop the disability workforce.

Barriers to grow the workforce

3.57 Submitters cited the changes in working conditions, the casual nature of the work, the low number of hours offered, a lack of relevant qualification pathways and professional development opportunities and pay conditions as key barriers to growing the disability workforce.⁴⁹

Transition to market

3.58 The transition to market has been disruptive both for service providers and disability workers.

3.59 For example, Flinders University explained that in South Australia the workforce was not prepared for a marketised environment of allied health service provision, nor the need to change service delivery models to meet demand.⁵⁰

47 ANAO (Australian National Audit Office), *National Disability Insurance Scheme - Management of the Transition of the Disability Services Market*, Report no. 24 2016-17, Canberra, p. 34.

48 ANAO (Australian National Audit Office), *National Disability Insurance Scheme - Management of the Transition of the Disability Services Market*, Report no. 24 2016-17, Canberra, p. 32.

49 See for example: Dr Natasha Cortis, *Submission 53*, p. 5; Maurice Blackburn Lawyers, *Submission 54*, p. 4; Dr Fiona Macdonald, Senior Research Fellow, School of Management, RMIT University, *Committee Hansard*, 14 June 2018, p. 26; Flinders University, *Submission 58*, p. 1; Australian Services Union, *Submission 69*, p. 7.

50 Flinders University, *Submission 58*, p. 1.

3.60 The Australian Services Union pointed out that the traditional model of permanent employment with a single service provider is being supplanted by alternative employment models, which can result in insecure work arrangements and overall casualisation of the workforce.⁵¹

3.61 Dr Fiona Macdonald explained that the transition to market has disrupted the organisation of work and led to fragmentation of working time arrangements and highly variable and unpredictable work. These factors contribute to underemployment and low pay.⁵²

Casualisation of the workforce

3.62 Many submitters raised the issue of the casualisation of the workforce as a major barrier to workforce growth.⁵³ For example, the Benevolent Society noted:

The promise of the sector for those looking for work is being undermined by the increasing casualisation of the workforce which is acting as a deterrent to attracting more staff.⁵⁴

3.63 According to the NDS *State of the Disability Sector Report 2017*, underemployment in health care and social assistance is among the highest of any industry at nearly 11 percent.⁵⁵

3.64 Scope explained that the reliability and availability of casual staff can be problematic both for disability workers who may experience under employment and service providers who may be unable to roster workers in response to customer demand or choice.⁵⁶

3.65 Dr Natasha Cortis believes the casualisation of the workforce is contributing to a high staff turnover and the disruption of services.⁵⁷

3.66 Similarly, Catholic Social Services Australia (CSSA) explained that the 'increasing casualisation of the disability support workforce has reduced continuity of workers and services'.⁵⁸

51 Australian Services Union, *Submission 69*, p. 7.

52 Dr Fiona Macdonald, Senior Research Fellow, School of Management, RMIT University, *Committee Hansard*, 14 June 2018, p. 26.

53 See for example: Scope, *Submission 40*, p. 6; Dr Natasha Cortis, *Submission 53*, p. 5; Maurice Blackburn Lawyers, *Submission 54*, p. 4; Victorian Aboriginal Community Controlled Health Organisation, *Submission 66*, p. 4; Australian Services Union, *Submission 69*, p. 7; Ability Options, *Submission 77*, p. 8.

54 The Benevolent Society, *Submission 87*, p. 7.

55 National Disability Services, *Submission 26*, Attachment 1, *State of the disability sector report 2017*, p. 50.

56 Scope, *Submission 40*, p. 6.

57 Dr Natasha Cortis, *Submission 53*, p. 2.

58 Catholic Social Services Australia, *Submission 11*, p. 5.

Pricing

3.67 Most service providers are of the view that under the current pricing structure, it is very difficult to recruit and retain staff.⁵⁹ The Community and Public Sector Union (CPSU NSW) summarised the view of many in saying 'wages are inadequate to attract staff'.⁶⁰

3.68 Professor Hayward from the Future Social Service Institute told the committee:

I can say that the feedback we're having uniformly is that the prices are set too low to enable workforce growth to happen in a good way.[...] At the current level of pricing there is no way you're going to be able to pay disability workers what's needed in order to make it an attractive place to stay.⁶¹

Competing with other sectors

3.69 As a result, some workers are leaving the sector. For example, the Ella Centre stated that current unit pricing for direct care gives little incentive for skilled and experienced workers to stay in the sector.⁶²

3.70 Buzza reported that because staying in the disability sector is no longer profitable, highly experienced and skilled people are leaving for adjacent sectors, including Child Protection, Aged Care, Education and Health.⁶³

3.71 VICSERV identified 'a mass exit of qualified and experienced workers from the [mental health] sector' due to the NDIS pricing structure.⁶⁴

3.72 UnitingCare Australia noted that various sectors, including aged care and health are currently competing for the same workers.⁶⁵

Impacts on quality of care

3.73 One of the risks of inadequate pricing identified by submitters is that the disability market may come to rely on a largely unskilled workforce.⁶⁶ CPSU NSW

59 See for example: MJD Foundation, *Submission 6*, p. 6; Catholic Social Services Australia, *Submission 11*, p. 4; VICSERV, *Submission 22*, p. 4; Dr Natasha Cortis, *Submission 53*, p. 5; Australian Services Union, *Submission 69*, p. 5; Victoria Council of Social Services, *Submission 80*, p. 19; Ms Linda White, Assistant National Secretary, Australian Services Union, *Committee Hansard*, 14 June 2018, p. 14.

60 Community and Public Sector Union NSW, *Submission 72*, p. 4.

61 Professor David Hayward, Director, Future Social Service Institute, *Committee Hansard*, 14 June 2018, p. 5.

62 The Ella Centre, *Submission 18*, p. 3.

63 Buzza, *Submission 37*, p. 7.

64 VICSERV, *Submission 22*, p. 4.

65 UnitingCare Australia, *Submission 92*, p. 6.

contended that 'this is already occurring and has led to a de-professionalising of the disability workforce'.⁶⁷

3.74 This can have devastating consequences on the quality of care delivered to participants but also, at times, put unskilled and unsupervised workers at risk of harm.⁶⁸

Training and qualifications

3.75 Professor Hayward from the Future Social Service Institute (FSSI) believes there has not been enough focus on looking at the qualifications needed in the disability workforce:

One thing that has struck me about the NDIA and the NDIS is that there has been too little attention paid to the disability workforce and the qualifications needed, and not just at the vocational level but at the higher education level.⁶⁹

3.76 Submitters reported that there has been a lack of investment in TAFEs and universities to develop a qualified disability support.⁷⁰

Entry level qualifications

3.77 FSSI noted that despite increasing enrolments in Certificate III programs related to disability support, the number of students completing their courses remains low. For example, in 2016, there were 35 179 students enrolled in Certificate III in Individual Support, but only 10 511 students completed.⁷¹

3.78 There are several reasons why students do not complete a training system and may include:

- training packages that are not fit for purpose;
- training siloes;
- funding arrangements and costs;
- poor quality teaching; inadequate facilities and infrastructure;
- lack of personalised support; and

66 See for example: Community and Public Sector Union NSW, *Submission 72*, p. 4; Mental Health Australia, *Submission 75*, p. 6; Dr Fiona Macdonald, Senior Research Fellow, School of Management, RMIT University, *Committee Hansard*, 14 June 2018, p. 29.

67 Community and Public Sector Union NSW, *Submission 72*, p. 4.

68 Dr Fiona Macdonald, Senior Research Fellow, School of Management, RMIT University, *Committee Hansard*, 14 June 2018, p. 29.

69 Professor David Hayward, Director, Future Social Service Institute, *Committee Hansard*, 14 June 2018, p. 2.

70 One Door, *Submission 13*, p. 5.

71 Future Social Service Institute, *Submission 79*, p. 4.

- personal reasons including family and caring responsibilities, financial factors and academic ability.⁷²

3.79 FSSI identified the need for more research to understand why students are not completing their training and identify the types of supports that can assist students to complete their program.⁷³

3.80 Additionally, FSSI believes there is an urgent need for new suites of educational programs that are fit-for-purpose.⁷⁴

3.81 Similarly, other submitters recommended a review of Certificate III in Individual Support and Certificate IV in Disability to ensure better relevance of qualifications.⁷⁵

3.82 Ms Natalie Lang from the Australian Services Union (ASU) sees a need for a review of content in entry level qualifications but argued that qualifications remain important:

The experience that we found is that there does need to be some reimagining of the content in the Certificate III and Certificate IV, but it is certainly not a case to do away with minimum qualifications.⁷⁶

3.83 Conversely, the NDIA is of the view that calls for mandatory entry-level qualifications for personal care workers may create a significant barrier to workforce growth and that there is no convincing evidence that it would improve quality of care or participant outcomes.⁷⁷

Professional development and training on the job

3.84 FSSI is of the view that there is an urgent need for training for existing workers and leaders within the disability workforce to successfully transition to a market based system.⁷⁸

3.85 With the transition to the NDIS system and pricing structure, opportunities for staff to engage in learning and development activities, compliance training, mentoring, induction and staff meetings are very limited.⁷⁹

72 Future Social Service Institute, *Submission 79*, p. 5.

73 Future Social Service Institute, *Submission 79*, p. 10.

74 Future Social Service Institute, *Submission 79*, p. 11.

75 See for example: Victoria Council of Social Services, *Submission 81*, p. 5; Ms Natalie Lang, Secretary, NSW and ACT Branch, Australian Services Union, *Committee Hansard*, 14 June 2018, p. 24.

76 Ms Natalie Lang, Secretary, NSW and ACT Branch, Australian Services Union, *Committee Hansard*, 14 June 2018, p. 24.

77 NDIA, *Submission 52*, p. 12.

78 Future Social Service Institute, *Submission 79*, p. 4.

79 National Disability Services, *Submission 26*, p. 5.

3.86 In the NDS's 2017 Annual Market Survey, around one-third of CEOs surveyed indicated their workers were not paid to attend training and development or to attend team meetings.⁸⁰

3.87 Similarly, the Australian Service Union (ASU) members reported that 'the NDIS does not allow funding for staff development or team meetings'.⁸¹

3.88 Overall, service providers reported that within the current NDIS pricing model, there is no or very minimal funding available for training staff.⁸²

3.89 Ms Linda White from the ASU explained that careers in the disability sector are not attractive because they offer little or no professional development opportunities:

On price pressure: what's happening is that training goes out the window because the price pressure means that you just can't train people, therefore the jobs are less desirable. [...]We think if you deskill a workforce you make it less desirable, and you're not going to attract anybody.⁸³

3.90 The Autism Specific Early Learning and Care Centre recommended the development of a funding stream to enable on-site training and professional development for staff.⁸⁴

Portable training model

3.91 The Centre for Future Work at the Australia Institute proposed a strategy for addressing training needs. It has developed a model for how, within the context of the NDIS, disability workers would have opportunities, both when they join the industry and on a career-long basis, to acquire skills and credentials that would improve their jobs but, most importantly, improve the quality of service that is delivered to NDIS participants.

3.92 Dr Jim Stanford from the Centre for Future Work explained to the committee the main features of the training model:

We imagine a system based on three tiers of training. The first tier would be induction training, consisting of a minimal orientation and training for new recruits to the industry of 50 hours training total[...].

The second tier would be a foundation level of training that, in our judgement, should be compulsory training and recognition of a credential for people to work in this field, that would be equivalent to a certificate III

80 National Disability Services, *Submission 26*, p. 6.

81 Australian Services Union, *Submission 69*, p. 6.

82 See for example: Aspect, *Submission 27*, p. 2; Autism Specific Early Learning and Care Centre, *Submission 51*, p. 6; Dr Natasha Cortis, *Submission 53*, p. 19; Future Social Service Institute, *Submission 79*, p. 11.

83 Ms Linda White, Assistant National Secretary, Australian Services Union, *Committee Hansard*, 14 June 2018, p. 18.

84 Autism Specific Early Learning and Care Centre, *Submission 51*, p. 6.

level of training from the existing vocational education and training system [...].

The third tier [...] would be to establish an entitlement for workers providing disability services funded under the NDIS for a portable training entitlement. As they work in the field and accumulate experience, they would gain entitlement to certain numbers of hours of paid training. The training would be covered, and they would be paid their average wage while they were taking the training. We've proposed setting this entitlement at a ratio of one hour of paid training entitlement for every 50 hours of work performed under an NDIS compensated service.⁸⁵

3.93 The Centre for Future Work estimated the cost over the first five years of the program would be around \$190 million per year in total. This would cover all three tiers of training and administration.⁸⁶

3.94 Dr Jim Stanford believes this innovative model 'fits with the spirit of the NDIS for a flexible, individualised model of service delivery'.⁸⁷

3.95 The ASU is of the view that this proposed portable training entitlement system is essential to ensure the recruitment and retention of a skilled and high-quality workforce.⁸⁸

Committee view

3.96 The committee is concerned that there are currently virtually no incentives to choose a career in the disability support sector. Submitters who have worked for a very long time in the sector described how working conditions have dramatically deteriorated under the NDIS. In short, they reported a rise in underemployment and insecure work arrangements, inadequate wages and no prospect of professional development opportunities. Under these conditions, it is hard to imagine how to retain highly experienced and qualified workers and attract new workers, including young people entering the workforce.

Employment conditions

3.97 It is becoming apparent that with the introduction of the NDIS, it has become challenging for service providers to offer secure full-time employment to their staff. In addition, because of the NDIS pricing structure, service providers are unable to offer training and professional development to their staff. The committee is also concerned that staff supervision and mentoring have also been reduced, which is potentially compromising the quality of care offered to participants. The committee is of the view

85 Dr Jim Stanford, Director, Centre for Future Work, Australia Institute, *Committee Hansard*, 14 June 2018, p. 3.

86 Dr Jim Stanford, Director, Centre for Future Work, Australia Institute, *Committee Hansard*, 14 June 2018, p. 3.

87 Dr Jim Stanford, Director, Centre for Future Work, Australia Institute, *Committee Hansard*, 14 June 2018, p. 3.

88 Ms Linda White, Assistant National Secretary, Australian Services Union, *Committee Hansard*, 14 June 2018, p. 14.

that these issues are directly related to NDIS pricing. Pricing is further discussed in Chapters 4 and 5 of this report.

Training and qualifications

3.98 The committee is of the view that having qualified staff working in disability supports is important to ensure quality of care and safety of participants. On this basis, the committee believes that a range of qualifications should be available both at vocational and tertiary education levels.

3.99 The committee is conversant with the low rate of completion of VET qualifications, including in programs related to disability support. The committee sees value in the suggestion made by several submitters that some education vocational programs could be reviewed. This may assist in delivering training programs that are better aligned with jobs and increase rate of completion.

Recommendation 10

3.100 The committee recommends the Australian Skills Quality Authority undertake consultations with the industry, state and territory governments on the adequacy of current VET programs offered in disability care.

Professional development

3.101 The committee recognises that opportunities for training and professional development activities are important to ensure workers keep up-to-date with practices and gain new skills. In the context of the NDIS there is, at present, no provision for access to funding for training for disability workers who deliver NDIS services as employees of an organisation or as sole traders. The committee sees merit in the proposal of a portable training entitlement system for people who are working for NDIS registered organisations or are sole-traders registered with the NDIS. Such a system would ensure that disability workers continue to upskill and provide high quality care to participants. This would also assist in making the disability sector a more attractive career option and in retaining some of the workforce currently considering moving to other sectors. The committee is of the view that the Quality and Safeguards Commission is best placed to review options on how to ensure disability workers under the NDIS can access funded training to ensure a high quality of care and safe environments for participants.

Recommendation 11

3.102 The committee recommends the Quality and Safeguards Commission review options on how to ensure disability workers under the NDIS can access funded training, including considering the introduction of a portable training entitlement system.

Chapter 4

Growing the market and service provider readiness

4.1 Growing and fostering a competitive marketplace for disability services is vital to the success of the Scheme. As a market steward, the NDIA has a key role in facilitating the growth and diversity of this marketplace. This includes providing information about the market, setting the infrastructure to support market transactions and supporting the transition to the new system for existing providers. Undertaking market interventions, including price setting, is also critical to market growth and is discussed in Chapter 5.

4.2 Firstly, this chapter provides a brief overview of the disability services market. Secondly, the chapter discusses provider registration requirements under the NDIS the setup of the Quality and Safeguards Commission (the Commission).

4.3 It then examines the actions taken by the NDIA to facilitate provider readiness, including provision of information about the market and the Scheme and the setup of NDIS systems to facilitate market transactions.

4.4 Finally, the chapter explores the challenges experienced by service providers transitioning to a market-based system.

Disability support market

4.5 The range of providers is diverse and includes existing disability organisations transitioning from state-based systems, allied health professional groups and individuals, and emerging non-traditional services such as financial intermediaries including those employing new models such as online platforms.¹

4.6 The number of NDIS registered service providers has been growing every quarter since the Scheme's inception. At 30 June 2018, there were a total of 16 755 registered providers across the country offering a range of supports, which represents a 17 percent increase on the previous quarter. However, only 50 percent of the registered providers were active at 30 June 2018.²

4.7 Therapeutic support has the highest number of approved service providers, followed by assistance with household tasks and with travel arrangements.³

4.8 Whilst at 30 June 2018 44 percent of service providers were sole traders the market is clearly dominated by large providers.⁴ Indeed, at 30 June 2018, 80 to 90 percent of payments made by the NDIA were received by 25 percent of providers.⁵

1 NDIA, *Submission 52*, p. 3.

2 NDIS, *COAG Disability Reform Council, Quarterly Report 30 June 2018*, p. 17.

3 NDIA, *COAG Disability reform Council Performance Report – National 30 June 2018*, p. 31.

4 NDIS, *COAG Disability Reform Council, Quarterly Report 30 June 2018*, p. 17.

5 NDIA, *COAG Disability reform Council Performance Report – National 30 June 2018*, p. 3.

According to McKinsey & Company, approximately 70 percent of NDIS payments are to providers that cater to 100 or more participants each.⁶

4.9 At 30 June 2018, \$8.2 billion had been paid to providers and participants since the introduction of the Scheme in 2013.⁷ Payments went from \$86.2 million in 2013-14 to over \$4.9 billion in 2017-18.

Provider registration and the establishment of the Quality and Safeguards Commission

4.10 Prior to the NDIS, the Australian, state and territory governments were responsible for provider registration, regulation and quality assurance in their jurisdictions, and for the programs they funded.

4.11 In December 2016, the Disability Reform Council (DRC) endorsed the NDIS Quality and Safeguarding Framework (the Framework). The Framework establishes nationally consistent protections for participants. It is designed to help participants and providers resolve issues quickly, and strengthen the capability of participants, the workforce, and providers to participate in the NDIS market.⁸

4.12 Until the framework is implemented in their jurisdiction, state and territory governments will continue to maintain their current quality and safeguarding arrangements, such as those for managing complaints and feedback.⁹

NDIS Quality and Safeguards Commission

4.13 The Australian Government established the Quality and Safeguards Commission (the Commission) to implement the framework. As an independent body it will regulate the NDIS market and be responsible for registration, complaints, incidents, restrictive practice oversight, investigation and enforcement, worker screening.¹⁰

4.14 In December 2017, Mr Graeme Head was appointed as the inaugural Commissioner to lead the Commission. The Australian Government, in its 2017-18 Budget, committed \$209 million to fund the establishment and operations of the Commission over four years.¹¹

6 McKinsey & Company, *Independent Pricing Review NDIA –Final report*, February 2018, p. 20.

7 NDIA, *COAG Disability reform Council Performance Report – National 30 June 2018*, p. 3.

8 Department of Social Services (DSS), *NDIS Quality and Safeguarding Framework*, December 2016, p. 4.

9 DSS, *NDIS Quality and Safeguarding Framework*, December 2016, pp. 7–8.

10 Department of Social Services, *Summary of the NDIS Quality and Safeguarding Framework*, January 2017, p. 1.

11 Minister for the Department of Social Services, The Hon Dan Tehan MP, *Penrith home for NDIS Quality and Safeguards Commission*, Media Release, 4 June 2018, <https://ministers.dss.gov.au/media-releases/3181> (accessed 24 August 2018)

4.15 The Commission started operating in NSW and SA on 1 July 2018. It will start operating from 1 July 2019 in Victoria, Queensland, Tasmania, ACT and NT. The Commission will provide national consistency, with operations starting in Western Australia, from 1 July 2020.¹²

4.16 As states and territories will transition to the national regulator at different times, existing national providers will be required to comply with both existing and new registration requirements, retain registration with the NDIA, and commence the registration process with the Commission.¹³

Additional costs and administration

4.17 Overall, submitters are of the view that registration requirements during transition are onerous and a significant barrier to market growth.¹⁴

4.18 For example, the Office of the Public Advocate NT argued that rigorous accreditation requirements have already deterred some mainstream providers from entering the market.¹⁵

4.19 Speech Pathology Australia reported that members 'frequently described the registration process as onerous, confusing and with conflicting information'.¹⁶

4.20 The committee also heard that providers are uncertain about what the new quality and safeguarding arrangements mean for them and what their compliance requirements are during transition.¹⁷

4.21 According to the NDIA, the Agency is working with the DSS and the DHS to manage the complexity of dual registration systems during the transition.¹⁸

4.22 Some submitters argued that current Scheme pricing does not address the significant differences in compliance costs across the different jurisdictions. For example:

In comparing current requirements across NSW and Victoria, the cost of compliance costs in Victoria is significantly higher. [...]However the NDIS

12 NDIS Quality and Safeguards Commission, *Start dates*, <https://www.ndiscommission.gov.au/about/start-dates> (accessed 24 August 2018)

13 NDIA, *Submission 52*, p. 22.

14 See for example: Victorian Aboriginal Community Controlled Health Organisation, *Submission 66*, p. 7; MJD Foundation, *Submission 6*, p. 10; The Ella Centre, *Submission 18*, p. 5; Speech Pathology Australia, *Submission 19*, p. 6; Dietitians Association of Australia, *Submission 28*, p. 6.

15 Office of the Public Advocate NT, *Submission 76*, p. 5.

16 Speech Pathology Australia, *Submission 19*, p. 7.

17 For example: ASPECT, *Submission 27*, p. 4; RIDBC, *Submission 33*, p. 7; Buzza, *Submission 37*, pp. 11–12; NDIA, *Submission 52*, p. 22; Office of the Public Advocate SA, *Submission 57*, p. 6; Noah's Ark, *Submission 70*, p. 11.

18 NDIA, *Submission 52*, p. 22.

prices in Victoria and NSW are the same and do not factor in the different costs for different jurisdictions.¹⁹

4.23 However, stakeholders argued that additional measures should be introduced to assist providers during transition.²⁰ For example, the Office of the Public Advocate NT was supportive of business development grants being made available to assist organisations determine what accreditation is required.²¹

Two tiered market

4.24 As described in Chapter 2, participants who self-manage their funding or use a plan management provider, are able to source supports from both registered and unregistered providers. However, if a participant's plan is managed by the NDIA, their supports can only be sourced from registered NDIS providers.²²

4.25 National Disability Services (NDS) argued that this establishes a two-tiered market, with one being more regulated than the other and bearing higher compliance costs.²³

4.26 NDS pointed out that, unlike their registered counterparts, unregistered providers are allowed to employ workers without a national worker screening clearance, are not audited against quality standards, and will not be required to report serious incidents to the Commission.²⁴

4.27 NDS was concerned that a significant proportion of participants could be exposed to unregulated environments:

Over time, the NDIS will see more people with disability being supported in unsupervised environments and in situations where it is more difficult to control outcomes. NDS opposes the arrangement that allows self-managing participants to employ the services of unregistered providers.²⁵

4.28 NDS argued that all providers should be registered and that regulation and reporting requirements should be proportionate to risk.²⁶

4.29 ASPECT and Noah's Ark raised similar concerns and encouraged the NDIA to address the inequities of a two-tiered approach.²⁷

19 See for example: Queenslanders with Disability Network, *Submission 48*, p. 13; ASPECT, *Submission 27*, p. 4.

20 See for example: Office of the Public Advocate NT, *Submission 76*, p. 5; Mental Health Council of Tasmania, *Submission 61*, p. 7.

21 Office of the Public Advocate NT, *Submission 76*, p. 5.

22 NDIS, *Operational Guidelines – Planning*, <https://www.ndis.gov.au/operational-guideline/planning/managing-funding-supports.html> (accessed 22 August 2018).

23 National Disability Services, *Submission 26*, p. 10.

24 National Disability Services, *Submission 26*, p. 10.

25 National Disability Services, *Submission 26*, p. 10.

26 National Disability Services, *Submission 26*, p. 10.

27 ASPECT, *Submission 27*, p. 4 and Noah's Ark, *Submission 70*, p. 11.

Committee view

4.30 The committee is supportive of the establishment of the Commission as an independent body, which will provide consistency, resolve problems and promote safety and quality services at a national level.

4.31 The committee is concerned that during transition, providers have to comply with different registration requirements. The committee agrees with submitters that this contributes to additional administrative burden and costs. This likely has a negative impact on the growth of the market. However, the committee recognises that these issues are of a transitional nature and will be resolved as the Commission expands its operations to all jurisdictions by July 2020.

4.32 The committee is concerned that service providers seem unclear about the registration process and compliance requirements.

Recommendation 12

4.33 The committee recommends the NDIA and the Commission ensure that consistent and clear information is provided about the registration process with the Commission to service providers ahead and during rollout in each jurisdiction.

Unregistered NDIS providers

4.34 The committee understands that the NDIS Code of Conduct applies to all NDIS providers, whether registered or not, and to all people employed or otherwise engaged by NDIS providers. However, the committee is concerned that some self-managed participants may not be aware of the Code of Conduct and how to make use of it when employing workers.

4.35 The Commission and the NDIA encourage the employees of unregistered providers to apply for an NDIS Worker Screening Check and participants to make use of the NDIS worker screening process for unregistered workers they engage. However, the NDIS Worker Screening Check is not compulsory. Given the NDIA Board's commitment to 30 percent of participants self-managing their plans by 2020, this may lead to an increased number of unregistered workers working in the sector without having undertaken an NDIS Worker Screening Check. The committee sees potential risks for self-managed participants.

4.36 The committee is concerned that the Scheme may lack sufficient safeguards in the area of self-managed participants. However, the committee believes it is too early to make an assessment of the new arrangements. The committee agrees with the Productivity Commission that there is a need to regularly monitor and review the regulations and quality assurance arrangements.²⁸

28 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs, Study Report*, October 2017, p. 426.

Recommendation 13

4.37 The committee recommends the Productivity Commission examine the effectiveness of the NDIS Quality Safeguarding Framework and the Quality and Safeguards Commission as part of the next review into NDIS costs in 2023.

Supporting service provider readiness

4.38 Supporting provider readiness through the provision of relevant and accurate information about the market and the Scheme, and through the establishment of appropriate business operating systems, is vital to enable market growth. The NDIA, as the lead market steward, is responsible for these activities.

Provision of market information to providers

4.39 The NDIA has developed a range of publications to provide market information to existing and prospective providers.

Market Position Statement series

4.40 The Victorian Government, in line with the recommendations from the Productivity Commission, is of the view that the NDIA should collect and share disaggregated, tailored and forward-looking market data to assist providers to respond to market demand.²⁹

4.41 Between March 2016 and January 2017, the NDIA developed and published a series of Market Position Statements (MPS) to inform market stakeholders, including current and prospective providers of supports and services of the opportunities that NDIS will create in coming years.³⁰

4.42 The NDIA published one MPS for each jurisdiction except Western Australia, which joined the Scheme in December 2017.

4.43 David Bowen, the CEO of the NDIA at the time of the publication of the MPS series said:

Each MPS is intended to be as practical as possible for current and prospective providers, incorporating the information most useful for commercial decision making. To achieve this, the NDIA is committed to sharing data about the market as it becomes available.³¹

4.44 To date, no additional market data or updated MPS have been published by the NDIA since January 2017.

29 Victorian Government, *Submission 90*, p. 4.

30 NDIS, *Market position statements*, <https://www.ndis.gov.au/market-position-statements.html> (accessed 21 August 2018)

31 NDIS, *Market Position Statement Australian Capital Territory with Southern New South Wales region*, September 2016, p. 2.

Market Insights series

4.45 The NDIA is developing a series of Market Insights, which aim to provide concise information on specific submarkets. To date, the only Market Insights which has been published is on Assistive Technology.³²

4.46 Published in November 2017, the Market Insights on Assistive Technology is a five pages booklet which provides information designed to help providers understand consumer demand for AT in the NDIS and identify potential opportunities for business growth across geographic regions and product groups.³³

4.47 According to the NDIS website, 'the Market Insight on Specialist Disability Accommodation will be available soon'.³⁴

Quarterly reports and other sources of information.

4.48 The quarterly reports and dashboards provide information about participants and providers in each jurisdiction and funding or provision of supports by the NDIA in each jurisdiction.

4.49 However, these reports do not provide data at a regional level because the NDIA registers providers by state or territory.³⁵

4.50 The NDIA also publishes a monthly Provider e-newsletter, which keeps the sector informed about developments and engagement opportunities.³⁶

4.51 As discussed in Chapter 1, the Quality and Safeguards Commission will collect, analyse and advise on a range of market information and identify trends and changes in the NDIS market. It is, however, unclear how this information will be made available to providers. The Commission's website says it will release more information about this aspect of its remit in the future.³⁷

32 NDIS, *Market insights*, <https://www.ndis.gov.au/providers/market-information-useful-links/market-insights.html> (accessed 23 August 2018)

33 NDIS, *Market Insights Assistive Technology*, 1 November 2017, <https://www.ndis.gov.au/medias/documents/market-insight-at/Market-Insights-Assistive-Tech.pdf> (accessed 27 August 2017)

34 NDIS, *Market insights*, <https://www.ndis.gov.au/providers/market-information-useful-links/market-insights.html> (accessed 23 August 2018)

35 NDIA, Answer to Question on Notice, *Service providers registered in the Goldfields-Esperance Area*, Reference No: SQ18-000081, 18 April 2018.

36 NDIS, *Market insights*, <https://www.ndis.gov.au/providers/market-information-useful-links/market-insights.html> (accessed 23 August 2018)

37 NDIS Quality and Safeguards Commission, *Commission role in NDIS market oversight*, <https://www.ndiscommission.gov.au/providers/commission-role-ndis-market-oversight> (accessed 27 August 2018)

Provision of information to prospective providers about the NDIS

4.52 The NDIA says it has conducted 'comprehensive community readiness campaigns ahead of area rollouts to inform members of the community, providers and potential providers about the NDIS'.³⁸ This includes organising face-to-face provider information sessions and webinars.³⁹

4.53 The NDIS website is a key source of information for service providers. A recent survey of service providers operating in the ACT and NEMA regions revealed that 41 percent of respondents identified the NDIS website as the major source of information about the NDIS reform.⁴⁰

4.54 The website has a dedicated section for providers. This includes the Provider Toolkit, which was redeveloped and launched in November 2017 to assist providers to learn about and work with the NDIS. It provides information on how to register, connect with participants, work with participants, invoice and receive payment and meet reporting requirements.⁴¹

Levels of communication from the NDIA ahead of rollout

4.55 In April 2018, the committee held two public hearings in Western Australia where the NDIS is scheduled to be rolled out from 1 October 2018.⁴² The committee heard that service providers found there had been too little information and engagement from the NDIA to prepare for the transition.

4.56 For example, Ms Caterina Prodonovitch, CEO of the Regional Chambers of Commerce and Industry (WA), reported that service providers have not been receiving timely and appropriate information from the NDIA ahead of the rollout:

From the service providers' point of view, there are quite a few issues, but the overriding one has been the very poor communication from NDIS.⁴³

4.57 Similarly, the CEO of Enable WA, a large service provider, also told the committee that it was difficult to engage with the NDIA and access relevant information.⁴⁴

38 NDIA, *Submission 52*, p. 3.

39 Ms Marita Walker, Regional Manager, Western Australia, NDIA, *Committee Hansard*, 18 April 2018, p. 20.

40 Malbon E., Alexander D., Carey G. et al., *Adapting to a marketised system: Network analysis of a personalisation scheme in early implementation*, Health Soc Care Community, 2018, p. 4.

41 NDIS, *Welcome to the Provider Toolkit*, <https://providertoolkit.ndis.gov.au/> (accessed 21 August 2018)

42 Public hearings were held on 17 April 2018 in Perth and 18 April 2018 in Kalgoorlie.

43 Ms Caterina Prodonovich, CEO, Regional Chambers of Commerce and Industry (WA), *Committee Hansard*, 17 April 2018, p. 8.

44 See for example: Mr Robert Holmes, CEO, Enable WA, *Committee Hansard*, 17 April 2018, p. 26.

4.58 Similarly Mrs Lee Jacobsen, Chair of the Regional Development Australia Goldfields-Esperance, told the committee that the NDIA has not been providing information to providers ahead of the rollout in the Goldfields and that the only place to get assistance as a service provider was located in Perth, some 640 kilometres away.⁴⁵

4.59 At the hearing, the NDIA responded to this claim by saying it was planning to undertake targeted information sessions for providers in the Goldfields Esperance region in coming months.⁴⁶

4.60 At the time of writing, it appears that only a 90 minute service provider information session has been held for the whole Goldfield-Esperance region in Kalgoorlie on 5 September 2018, less than a month before the Scheme becomes available in the whole region.⁴⁷

NDIS infrastructure to facilitate market transactions

4.61 To facilitate transactions between participants and providers, the NDIA has implemented the MyPlace Portal. This online portal allows providers to view and manage their services with a participant. This includes:

- making payment requests for services provided to participants;
- managing and viewing the details of agreements entered into with participants;
- viewing registration details; and
- instant messaging with participants.⁴⁸

NDIS IT and portal

4.62 Many submitters reported that the NDIA IT system is complex and that they had many issues with the portal. Portal issues include billing errors and service booking delays.⁴⁹

4.63 For example, a small service provider explained that delays caused by the portal being down or showing errors is resulting in cash flow issues and threatening the sustainability of its business.⁵⁰

45 Mrs Lee Jacobsen, Chair, Regional Development Australia Goldfields, *Committee Hansard*, 18 April 2018, p. 3.

46 Ms Marita Walker, Regional Manager, Western Australia, NDIA, *Committee Hansard*, 18 April 2018, p. 16.

47 NDIS, *Events in Western Australia*, <https://www.ndis.gov.au/news/events/wa.html> (accessed 28 August 2018)

48 NDIS, *Provider Toolkit – Frequently Asked Questions*, <https://providertoolkit.ndis.gov.au/frequently-asked-questions> (accessed 27 August 2018)

49 See for example: Sunnyfield, *Submission 1*, p. 1; Catholic Social Services Australia, *Submission 11*, Attachment 1, p. 3; DARE Disability Support, *Submission 15*, p. 4; Thorndale Foundation, *Submission 16*, p. 2; Buzza, *Submission 37*, p. 37.

4.64 Sunnyfield explained that 'to resolve each NDIA portal error, it requires a manual corrective adjustment form to the NDIA, which can take approximately 30 minutes per error'.⁵¹

4.65 The Australian Physiotherapy Association remains concerned about the problems with payment systems, including delayed and lump-sum payments, which it makes challenging to reconcile payments and add administrative and transaction costs.⁵²

Committee view

Provision of information about the market

4.66 The committee notes the range of initiatives undertaken by the NDIA to provide information about the market. The committee is of the view that more detailed information about the market is required and should be provided regularly until the market reaches maturity. Indeed, the MPS series should be regularly updated and the committee urges the NDIA to accelerate the development and publication of the MPS for Western Australia.

Recommendation 14

4.67 The committee recommends the NDIA publish yearly updated Market Position Statements for each jurisdiction.

Recommendation 15

4.68 The committee recommends the NDIA urgently develop and publish a Market Position Statement for Western Australia.

4.69 The committee believes that market information be urgently made available on sectors or regions that are particularly underdeveloped and unlikely to meet expected demands. The committee believes that the development and publication of the Market Insight series needs to be accelerated. The committee notes that the Commission will collect and analyse data on market trends. This data will be a useful source of information for the production of this type information.

Recommendation 16

4.70 The committee recommends the NDIA accelerate the publication of further Market Insights on specific submarkets and regions.

Provision of information about the Scheme to providers

4.71 The committee acknowledges the work of the NDIA in providing information about the Scheme through a range of platforms. The committee is of the view that face-to-face engagement activities with providers are important in order to increase provider readiness and grow the marketplace. However, based on the evidence

50 Buzza, *Submission 37*, p. 14.

51 Sunnyfield, *Submission 1*, p. 2.

52 Australian Physiotherapy Association, *Submission 20*, p. 6.

received by the committee in Western Australia, it appears that the level of engagement with service providers has been, in some instances, inadequate if not tokenistic, and has come far too late. The committee urges the NDIA to immediately commence engagement and provider readiness activities in all locations where the NDIS is not yet available.

4.72 The committee notes that the NDIS website is a key source of information for service providers. The committee believes that implementing Recommendation 6 of this report around improving the design, navigation, quality and accessibility of the NDIS website will assist existing and prospective service providers seeking information about the NDIS and its operating systems.

Recommendation 17

4.73 The committee recommends the NDIA commence engagement and provider readiness activities by January 2019 in all locations where the NDIS will start on 1 July 2019.

ICT systems

4.74 Having reliable and fit-for-purpose ICT infrastructure and systems to facilitate efficient market transactions between participants and service providers are paramount. Since its establishment in September 2016, the committee has heard on many occasions that the NDIS ICT systems and the portal in particular were a source of issues for both participants and service providers. As a result, the committee is currently conducting an inquiry into the NDIS ICT systems and their impact on the implementation of the NDIS. The committee will report on this matter in the near future.

Transition to a market-based system

4.75 The transition to the NDIS is challenging for many existing service providers. McKinsey & Company, which was engaged by the NDIA Board to undertake an Independent Pricing Review (IPR) of the NDIS, reported that challenges for existing providers identified during the review included adapting from block funding to unit funding, shifting to a consumer-driven service environment, moving from payment in advance to payment in arrears, and complying with the new Quality and Safeguards Framework.⁵³

Costs of transitioning to the NDIS

4.76 For existing providers, the transition from block funding to a market-based system means that they need to change the way they operate and provide disability support. This requires significant investment in new infrastructure, human resources, marketing and other areas.⁵⁴

53 McKinsey & Company, *Independent Pricing Review NDIA –Final report*, February 2018.

54 National Disability Services, *State of the disability sector report 2017*, 2017, p. 16.

4.77 Indeed, inquiry participants reported that the costs of transitioning to the NDIS business model were significant and that not all organisations had the resources and capacity to do it.⁵⁵

4.78 Ms Patricia Staines from the Aboriginal and Torres Strait Islander Corporation for Women in Townsville talked about the lack of operational capacity and cash flow to adapt to a new operating model:

The lack of capacity in the community-based organisations in terms of cash flow and that operational capacity—those organisations have been in a funding model for generations and, all of a sudden, we're expected to develop a business model [...] and change thinking within an organisation creates a huge cost.⁵⁶

4.79 According to Professor David Gilchrist there is no capacity within organisations to invest in the necessary infrastructure to be as efficient as they can in the context of the rollout.⁵⁷ The cost of change to the NDIS for organisations is actually significant:

[...] there are infrastructure changes and they have to change their workforce and management structures—all those sorts of things. There is also the additional cost of growth: they are not just being asked to change from this model to that model—round peg, square peg—they are being asked to do so and absorb a 30 or 40 per cent increase in demand at the same time.⁵⁸

4.80 Ms Caterina Prodonovich, from the Regional Chambers of Commerce and Industry (WA), also highlighted that the cost of changing business models involves investing in new infrastructure, including new IT and internal systems.⁵⁹

Cost of moving to fee-for-services

4.81 Inquiry participants mentioned the shift to billing and payments in arrears as a major challenge.⁶⁰ For example, Mental Illness Fellowship of Australia told the

55 See for example: MJD Foundation, *Submission 6*, p. 1; Speech Pathology Australia, *Submission 19*, p. 6; Professor David Gilchrist, Private capacity, *Committee Hansard*, 17 April 2018, p. 13; Ms Caterina Prodonovich, CEO, Regional Chambers of Commerce and Industry (WA), *Committee Hansard*, 17 April 2018, p. 8.

56 Ms Patricia Staines, NDIS Support Coordinator, Townsville, Aboriginal and Torres Strait Islander Corporation for Women, *Committee Hansard*, 15 March 2018, p. 20.

57 Professor David Gilchrist, Private capacity, *Committee Hansard*, 17 April 2018, p. 13.

58 Ms Penny Knight, National Performance Benchmark Project, University of Western Australia, *Committee Hansard*, 17 April 2018, p. 14.

59 Ms Caterina Prodonovich, CEO, Regional Chambers of Commerce and Industry (WA), *Committee Hansard*, 17 April 2018, p. 8.

60 See for example: Mental Health Council of Tasmania, *Submission 60*, p. 2; One Door, *Submission 13*, p. 3; Ms Caterina Prodonovich, CEO, Regional Chambers of Commerce and Industry (WA), *Committee Hansard*, 17 April 2018, p. 8; Professor David Gilchrist, Private capacity, *Committee Hansard*, 17 April 2018, p. 13.

committee that this has resulted in cash flow challenges for not-for-profit organisations with typically only have small cash reserves.⁶¹

4.82 Professor David Gilchrist explained to the committee the change and its impact on cash flow for organisations:

Under the previous funding system, as the committee is probably aware, funding was provided in advance and therefore cash flow and other costs of operations were mitigated through that process; whereas, under the NDIS and the NDIS structure, money, or cash flow, is provided after the event, in which case there is a cash flow working capital requirement of these organisations.⁶²

4.83 The Regional Chambers of Commerce and Industry (WA) also reported that businesses are concerned about the effect of payments in arrears on the sustainability of their operations.⁶³

4.84 Occupational Therapy Australia (OTA) raised concerns about the financial risks for providers.⁶⁴ Similarly, the Victorian Government noted that the new model has increased financial risk for providers:

Under the new fee-for-service delivery model providers bear increased financial risk, for example for non-payment and late payment, an in turn may have a greater need for cash reserves.⁶⁵

Administrative burden

4.85 Catholic Social Services Australia (CSSA) argued that the high unfunded costs of meeting NDIA terms of business is one of the challenges faced by the providers transitioning to the NDIS.⁶⁶

4.86 Similarly, other submitters reported that the current administrative burden created by NDIS inefficiencies is creating additional costs to providers.⁶⁷

4.87 For example, Mr Cris Massis, Chair of Allied Health Professions Australia, is of the view that 'the Scheme has far more onerous bureaucratic requirements than other schemes, resulting in significant unpaid time for providers'.⁶⁸

61 Mental Illness Fellowship of Australia, *Submission 39*, p. 3.

62 Professor David Gilchrist, Private capacity, *Committee Hansard*, 17 April 2018, p. 13.

63 Ms Caterina Prodonovich, CEO, Regional Chambers of Commerce and Industry (WA), *Committee Hansard*, 17 April 2018, p. 8.

64 Occupational Therapy Australia, *Submission 46*, p. 11.

65 Victorian Government, *Submission 90*, p. 8.

66 Catholic Social Services Australia, *Submission 11*, p. 1.

67 See for example: DARE Disability Support, *Submission 15*, p. 5; Speech Pathology Australia, *Submission 19*, p. 6; Ms Patricia Staines, NDIS Support Coordinator, Townsville, Aboriginal and Torres Strait Islander Corporation for Women, *Committee Hansard*, 15 March 2018, p. 20.

68 Mr Cris Massis, Chair, Allied Health Professions Australia, *Committee Hansard*, 14 June 2018, p. 33.

4.88 Mr Phil Calvert believes that the administrative burden experienced by providers can be resolved significantly through improvement of NDIS internal structures:

Improvements in processing quotes, in resolving plan reviews and in consistent messaging will all contribute to greater efficiency. Our physios strongly feel the economic burden of poorly designed systems and processes and the associated duplication of effort.⁶⁹

4.89 Mr Calvert reported a case of a physiotherapist who now has to spend an additional \$67 000 in administration wages to specifically deal with the NDIS.⁷⁰

4.90 Similarly, in the IPR final report, McKinsey & Company said that 'providers raised challenges relating to additional overhead costs associated with operating in the NDIS, which they believe are partly attributable to NDIA processes and systems'.⁷¹

Lack of investment

4.91 Sunnyfield reported that 'very little investment has been made by government to harness the disability sector knowledge and to develop the essential commercial expertise, organisational business systems, and capacity for organisations to deliver the NDIS'.⁷²

4.92 Other inquiry participants are of the view that existing service providers should be offered business mentoring and support to transition to a market-based system.⁷³

4.93 However, according to the NDIA, 'providers can attract some funding or assistance to support their transition to the NDIS, through grant programs from the Australian, state and territory governments'.⁷⁴

4.94 For example, the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) has received funding from the Victorian Government's Transition Support Package to support Victorian ACCOs to transition from block grant funding to the NDIS individualised funding model.⁷⁵

69 Mr Phil Calvert, President, Australian Physiotherapy Association, *Committee Hansard*, 14 June 2018, p. 34.

70 Mr Phil Calvert, President, Australian Physiotherapy Association, *Committee Hansard*, 14 June 2018, p. 38.

71 McKinsey & Company, *Independent Pricing Review NDIA –Final report*, February 2018, p. 16.

72 Sunnyfield, *Submission 1*, p. 4.

73 See for example: One Door, *Submission 13*, p. 3; Mental Illness Fellowship of Australia, *Submission 39*, p. 3; Victorian Autism Specific Early Learning and Care Centre, *Submission 51*, p. 1

74 NDIA, *Submission 52*, p. 4.

75 Victorian Aboriginal Community Controlled Health Organisation, *Submission 66*, p. 2.

Committee view

4.95 The transition to the NDIS is massive structural change for the disability sector. With the transition to the NDIS, service providers are expected to change business practices, shifting from a model where organisations were mostly block-funded and paid in advance to a fee-for-service model where organisations are paid in arrears on a price regulated unit cost basis. Organisations have to invest in new infrastructure and systems to meet the requirements of the new operating model. Additionally, organisations are expected to grow to meet the increased demand in services. As a submitter pointed out to the committee, when sectors such as the motor industry or the tertiary education sector, have been subjected to extensive transitional changes, it has generally been well supported by publicly funded industry adjustment programs combined with planned change process.⁷⁶ However, it appears that this is far from the case when it comes to the disability sector transitioning to the NDIS. Indeed, the committee have consistently heard that service providers are struggling to make the necessary changes to operate under the NDIS. In short, service providers critically lack capacity, expertise, cash reserves and infrastructure to make a successful transition and operate in the new NDIS environment. Furthermore, to date, it appears that the growth in new providers is far too slow and patchy to mitigate current and projected supply gaps.

4.96 The committee is of the view that the NDIA as a market steward has lacked forward planning and not adequately facilitated access to support and assistance for existing and prospective service providers to operate in the NDIS environment. The committee understands that the Sector Development Fund (SDF) and Boosting the Local Care Workforce Program have provided some small grants to service providers to assist with the transition to the NDIS. However, the committee has heard no evidence about the adequacy of these programs or of any noticeable impact it has had on the sector.

4.97 The committee is of the view that a disability transition industry plan with a transition assistance fund program need to be urgently developed and established. The program should aim at supporting existing service providers to transition to the NDIS and to grow their operations to respond to increased demand. Importantly, the program should also aim at attracting and supporting new businesses entering the disability market. The program should provide assistance with business training and mentoring activities, infrastructure investments, workforce recruitment and training as well as seed funding grants for start-ups and new businesses entering the market. The committee recommends a whole of government approach to develop the fund assistance program. This will ensure that the expertise of all relevant departments such as the Department of Jobs and Small Business are utilised in the development and implementation of the disability transition assistance fund.

4.98 The committee also heard that the additional costs of administration associated with the NDIS are not factored in the NDIS pricing. This is contributing to

76 Mr Gordon Trewern, CEO, Nulsen Disability Services, *Committee Hansard*, 17 April 2018, p. 22.

service providers struggling to operate in the NDIS environment. The committee is of the view that the NDIA should consider how to better reflect in its pricing of supports the additional administration costs associated with operating in the NDIS environment at the next NDIS pricing review.

Recommendation 18

4.99 The committee recommends the DSS lead a whole-of-government approach to establish a Disability Sector Transition Assistance Fund to support existing and prospective service providers to operate in the NDIS environment.

Chapter 5

Market intervention

5.1 As the lead market steward the NDIA are able to take actions that directly influence the marketplace and its development. These include setting prices for NDIS supports, commissioning supports or establishing preferred provider arrangements.

5.2 The first part of the chapter examines pricing under the NDIS and the impacts of current price caps on the development of the market.

5.3 The second part focuses on the issues of thin markets and provider of last resort arrangements. It discusses existing and potential intervention mechanisms which could reduce the occurrence of thin markets.

Pricing of NDIS supports

5.4 Prices are currently regulated by the NDIA, which sets maximum prices ('price caps') for most of the supports provided by NDIA registered providers. The aim is to 'ensure NDIS participants obtain reasonable value from their support packages'.¹

5.5 The NDIA says it takes into account market risks, when setting price controls to protect against supply gaps and ensure participants receive critical supports.² Price controls do not apply for supports purchased by self-managing participants from unregistered providers.³

5.6 The NDIA anticipates that prices will be eventually deregulated as the market matures in size and quality.⁴

Independent price-setter

5.7 In the *NDIS Costs Study Report*, the Productivity Commission expressed concern that while the price-setting mechanism is held within the NDIA, there is an incentive for it to be used to offset budget pressures.⁵

1 NDIS, *NDIS Price Guide Victoria, NSW, QLD, Tasmania*, 1 July 2018, p. 6, <https://www.ndis.gov.au/medias/documents/price-guide-nsw-201819-pdf/201819-Price-Guide-VIC-NSW-QLD-TAS.pdf> (accessed 29 August 2018)

2 NDIS, *NDIS Price Guide Victoria, NSW, QLD, Tasmania*, 1 July 2018, p. 6, <https://www.ndis.gov.au/medias/documents/price-guide-nsw-201819-pdf/201819-Price-Guide-VIC-NSW-QLD-TAS.pdf> (accessed 29 August 2018)

3 NDIS, *NDIS Price Guide Victoria, NSW, QLD, Tasmania*, 1 July 2018, p. 7, <https://www.ndis.gov.au/medias/documents/price-guide-nsw-201819-pdf/201819-Price-Guide-VIC-NSW-QLD-TAS.pdf> (accessed 29 August 2018)

4 NDIA, *Submission 52*, p. 16.

5 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs Study report*, October 2017, p. 34.

5.8 Some submitters expressed similar concerns and argued that prices should be set primarily to boost market development, not to enable the NDIA to manage the NDIS budget.⁶

5.9 Many inquiry participants are of the view that there is a need for an independent body to regulate prices.⁷ For example, the Victorian Government is of the view that 'the establishment of an independent price regulator will give providers and participants certainty and transparency about pricing'.⁸

5.10 Having an independent price regulator would also avoid a potential conflict of interest for the NDIA as it both sets prices and has responsibility for the financial sustainability of the Scheme.⁹

5.11 This echoes the recommendation made by the Productivity Commission, which suggested a staged approach to independent price regulation.

5.12 The Productivity Commission proposed that the Quality and Safeguards Commission (the Commission) first start with monitoring prices set by the NDIA to enhance transparency in the short term. The second stage would transfer the price-setting powers to the Commission in July 2020. In the longer term, it is envisaged that deregulation could occur, but that the Commission would retain a price monitoring role.¹⁰

5.13 Inquiry participants expressed support for the monitoring and reviewing of price caps by the Commission.¹¹

Adequacy of pricing

5.14 The NDIA reviews and updates price caps on at least an annual basis effective 1 July each year, taking account of market trends, changes in costs and wage rates.¹²

5.15 The issue of price caps and adequacy of pricing is not new and has been raised on many occasions, including by past inquiries undertaken by this committee,

6 See for example: National Disability Services, *Submission 26*, p. 6; Mental Illness Fellowship of Australia, *Submission 39*, p. 17.

7 See for example: Community Mental Health Australia, *Submission 14*, p. 13; The Ella Centre, *Submission 18*, p. 4; National Disability Services, *Submission 26*, p. 6; Aspect, *Submission 27*, p. 3; Maurice Blackburn Lawyers, *Submission 54*, p. 9; People With Disability Australia, *Submission 74*, p. 5; Victorian Council of Social Service, *Submission 81*, p. 15.

8 Victorian Government, *Submission 90*, p. 11.

9 Queensland Government, *Submission 101*, p. 7.

10 Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs Study report*, October 2017, pp. 313-317.

11 See for example: Community Mental Health Australia, *Submission 14*, p. 13; Victorian Government, *Submission 90*, p. 11; People With Disability Australia, *Submission 74*, p. 10.

12 NDIA, *Submission 52*, p. 12.

the NDIA FY2017-18 Price Review, and the Productivity Commission NDIS Costs Study.¹³

5.16 Key issues raised by service providers in relation to pricing included:

- the high level of administrative work that providers undertake as part of the NDIS service delivery is not factored in the NDIS pricing;¹⁴
- the pricing structure also does not provision of adequate supervision, mentoring and training of staff;¹⁵
- provider travel cost and time;¹⁶
- the low pricing for some supports, including some delivered by Allied Health professionals;¹⁷
- the low pricing to deliver supports to people with complex needs;¹⁸
- the low pricing to deliver supports in rural and remote areas;¹⁹

5.17 Overwhelmingly, submitters are of the view that NDIS pricing has been preventing the development of the market, threatening the financial viability of many organisations and leading to providers considering exiting the market.²⁰

13 See for example: McKinsey & Company, *Independent Pricing Review NDIA – Final report*, February 2018, p. 9; Joint Standing Committee on the NDIS inquiry reports: *Provision of services under the NDIS Early Childhood Early Intervention Approach*, 7 December 2017; *Transitional arrangements for the NDIS*, 15 February 2018; *The provision of hearing services under the National Disability Insurance Scheme*, 21 June 2018.

14 See for example: Mr Cris Massis, Chair, Allied Health Professions Australia, *Committee Hansard*, 14 June 2018, p. 32; Disability Council NSW & NSW Carers Advisory Council, *Submission 8*, p. 6; Occupational Therapy Australia, *Submission 46*, p. 8.

15 See for example: Mr Benjamin Keast, CEO, ARC Disability Services, *Committee Hansard*, 14 March 2018, p. 11; Thorndale Foundation, *Submission 16*, p. 3; The Ella Centre, *Submission 18*, p. 2; Queenslanders with Disability Network Ltd, *Submission 48*, p. 9.

16 See for example: MJD Foundation, *Submission 6*, p. 7; Victorian Healthcare Association, *Submission 30*, p. 2; Occupational Therapy Australia, *Submission 46*, p. 7.

17 See for example: Sunnyfield, *Submission 1*, p. 4; Exercise and Sports Science Australia, *Submission 4*, p. 6; One Door, *Submission 13*, p. 4; Australian Orthotic Prosthetic Association, *Submission 35*, p. 3; Merri Health, *Submission 44*, p. 3.

18 See for example: Cara, *Submission 9*, p. 2; National Disability Services, *Submission 26*, p. 6; Mental Health Australia, *Submission 75*, p. 5; Victorian Council of Social Service, *Submission 81*, p. 2.

19 See for example: Catholic Social Services Australia, *Submission 11*, p. 5; Community Mental Health Australia, *Submission 14*, p. 2; NACCHO, *Submission 23*, p. 10; Royal Institute for Deaf & Blind Children, *Submission 33*, p. 6; Enable Western Australia Inc., *Submission 34*, p. 3.

Independent Pricing Review (IPR)

5.18 In June 2017, as a result of the concern expressed by many service providers, the Board of the NDIA commissioned McKinsey & Company (McKinsey & Co) to undertake an Independent Pricing Review (IPR) to investigate the appropriateness of the NDIA's pricing strategy and approach, and the suitability of current price levels.²¹

5.19 In March 2018, the Board of the NDIA released the IPR Report, giving in principle support for all of the Report's 25 recommendations.²²

5.20 From the 1 July 2018, the NDIA started to implement the first set of recommendations from the IPR. This includes:

- Recommendation 4: providers can now charge up to 45 minutes of travel time in rural areas.
- Recommendation 9: new price caps have been introduced for group supports activities and include an allowance for capital costs.
- Recommendation 10: new price limits have been introduced for short term accommodation.
- Recommendation 14: introduction of a temporary financial relief for providers as they transition their business operations of 2.5 percent loading to support standard intensity attendant care supports.
- Recommendation 15: providers can now charge 90 percent of the service booking price for short notice cancellation, up to a maximum of 12 cancellations per year for core supports and 6 hours per year for therapy.
- Recommendation 16: pricing adjustment for group care arrangements in a centre.
- Recommendation 18: the hourly rate for therapy assistants (level1) has been increased.
- Recommendation 19: the \$1000 cap for therapist travel has been removed.
- Recommendation 20: amendment of the cancellation policy for therapy.
- Recommendation 21: providers can now claim time for writing reports requested by the NDIA.²³

20 See for example: Catholic Social Services Australia, *Submission 11*, p. 5; DARE Disability Support, *Submission 15*, p. 8; NACCHO, *Submission 23*, p. 10; National Disability Services, *Submission 26*, p. 6; Victorian Healthcare Association, *Submission 30*, p. 2; Merri Health, *Submission 44*, p. 5; Victorian Aboriginal Community Controlled Health Organisation, *Submission 66*, p. 4.

21 McKinsey & Company, *Independent Pricing Review NDIA – Final report*, February 2018, p. 9.

22 NDIS, *Pricing and payment*, <https://www.ndis.gov.au/providers/pricing-and-payment.html> (accessed 31 August 2018)

23 NDIS, *Independent Price Review Implementation 2018-19*, <https://www.ndis.gov.au/news/ipr-implementation-jun18.html> (accessed 31 August 2018)

Sector response to some recommendations

5.21 Following the release of the IPR Report, some recommendations were highly criticised by the sector, especially allied health professionals.²⁴ For example, Occupational Therapy Australia (OTA) believes that the recommendations arising from the review threaten market readiness as well as scheme viability.²⁵

5.22 Goldfields Individual & Family Support Association Inc. (GIFSA) is of the view that the IPR 'lacks evidence and the language used is subjective'.²⁶

5.23 OTA contended that despite five of the 25 recommendations being highly relevant to allied health providers, none of the major allied health professions were approached for input.²⁷

Tiered pricing model

5.24 In particular, the IPR's recommendation proposing the introduction of a tiered pricing model attracted criticism from allied health professionals. Speech Pathology Australia reported that the initial recommendations for tiered pricing did not ease the concerns of its members.²⁸

5.25 Ms Rachel Norris, CEO of OTA explained:

The proposed tier fee structure, with participants being categorised according to the complexity of their condition, is, we contend, unworkable. Neither McKinsey nor the NDIA has so far explained who will determine a participant's complexity or how it will be measured. [...] We contend that a flat rate be determined, which is simple and sustainable.²⁹

5.26 OTA conducted a survey on the review's recommendations, which clearly showed that many providers would not remain NDIS registered providers if a tiered pricing structure was introduced.³⁰

5.27 Therapy Focus also raised concerns about a tiered pricing structure, and further argued that the implementation of the recommendation on therapy price limits would see the viability of therapy providers severely challenged, with market failure becoming a real possibility.³¹

24 Occupational Therapy, *Submission 46. 1*, p. 2.

25 Ms Norris, CEO, Occupational Therapy Australia, *Committee Hansard*, 14 June 2018, p. 36.

26 Goldfields Individual & Family Support Association Inc., *Submission 3.1*, p. 2.

27 Occupational Therapy, *Submission 46. 1*, p. 2. And see also: Mr Massis, Chair, Allied Health Professions Australia, *Committee Hansard*, 14 June 2018, p. 32; Mrs Andrea Douglas, Professional Adviser, NDIS, Occupational Therapy Australia, *Committee Hansard*, 14 June 2018, p. 37.

28 Ms Gail Mulcair, CEO, Speech Pathology Australia, *Committee Hansard*, 14 June 2018, p. 35.

29 Ms Norris, CEO, Occupational Therapy Australia, *Committee Hansard*, 14 June 2018, p. 36.

30 Ms Norris, CEO, Occupational Therapy Australia, *Committee Hansard*, 14 June 2018, p. 36.

31 Therapy Focus, *Submission 100*, p. 1.

Further consultations on the way

5.28 OTA explained that as a result of the backlash from allied health professions, the NDIA was ultimately obliged to defer the introduction of several key recommendations.³²

5.29 The NDIA stated that it 'has recognised that the implementation of some recommendations required further detailed work or greater consultation with the sector' and 'work is being undertaken as a matter of priority'. In particular in relation to:

- Recommendation 6 – defining complexity,
- Recommendation 7 – price tier that accounts for complexity of supports,
- Recommendation 9 – high intensity loading for centre based activities,
- Recommendation 17 – therapy price limits,
- Recommendation 18 – therapy assistants (phase 2).³³

Who is it working for?

5.30 The committee heard that, at present, the service providers that can do well under the NDIS pricing system are sole traders or tech-enabled providers, which serve participants via online platforms.³⁴

5.31 One submitter noted that in the IPR Report the examples of successes were located in niche markets:

I have to be honest and say that the examples that were held up of people fitting within the NDIA's efficient pricing methodology were sole traders or Uber type services connecting people through websites.³⁵

5.32 At a public hearing, when asked what the sector would look like in a few years, a service provider responded 'Serco and BUPA', implying that the trend of service providers 'cherry picking' clients and no longer servicing participants with high and complex needs would continue to rise.³⁶

5.33 Another provider also said that under the current approach, organisations that service people with high and complex needs will not exist in a few years' time.³⁷

32 Occupational Therapy, *Submission 46. 1*, p. 2.

33 NDIS, *Independent Pricing Review –Implementation update*, <https://www.ndis.gov.au/news/ipr-implementation-update.html> (accessed 31 August 2018)

34 See for example: Mr Graeme Mason, CEO, Accessibility, *Committee Hansard*, 18 April 2018, p. 31, McKinsey & Company, *Independent Pricing Review NDIA – Final report*, February 2018, p. 27; Australian Services Union, *Submission 69*, p. 7.

35 Mr Graeme Mason, CEO, Accessibility, *Committee Hansard*, 18 April 2018, p. 31.

36 Mr Tait, CEO, Rocky Bay, *Committee Hansard*, 17 April 2018, p. 23.

37 Mr Gordon Trewern, CEO, Nulsen Disabilities, *Committee Hansard*, 17 April 2018, p. 24.

5.34 Dr Ken Baker, CEO of the National Disability Services pointed out that even the IPR analysis of a small sample of disability providers found that 75 percent of them were not operating profitably with NDIS prices and concluded:

We need the great majority to be operating profitably to get investment in growth. Pricing is one of the key barriers to growth.³⁸

Committee view

Independent price setter

5.35 The committee agrees that, at present, price controls are needed as the market is still in its infancy. The committee is of the view that setting adequate price caps is paramount for ensuring market growth and the sustainability of the sector. Importantly, service providers must be able under NDIS pricing to deliver high quality services to participants without jeopardising their business sustainability. The committee was troubled to hear that many service providers were unable to operate even moderately profitably under NDIS pricing.

5.36 The committee agrees with the view that while price setting is held within the NDIA, there is an inherent risk for price setting to be used to offset budget pressures. In this context, an independent body is best placed to monitor and analyse market trends, and make recommendations about pricing of disability supports. The committee agrees with the Productivity Commission and inquiry participants that the Quality and Safeguards Commission (the Commission) should take on the role of price monitor and price setter until the market reaches maturity, and that this role should be supported and facilitated and funded by the Australian Government.

Recommendation 19

5.37 The committee recommends the Australian Government allocate resources to the Commission to establish a strategic unit responsible for the monitoring and review of NDIS prices with the aim of transferring the price setting powers to the Commission in July 2020.

Independent Pricing Review

5.38 The committee continues to hear that NDIS pricing is hindering market development and growth. More concerning is that, in some instances, it has led to service providers discontinuing services to NDIS participants. The committee acknowledges that the NDIA has undertaken some steps to address the issue of pricing shortfalls through the commissioning of the IPR and the subsequent implementation of some of its recommendations. It is too early to assess if these changes, which took effect on 1 July 2018, will have a positive impact on the market. The committee therefore is of the view that the changes be evaluated at the first available opportunity.

Recommendation 20

5.39 The committee recommends that an evaluation of the IPR recommendations is undertaken as part of the next annual NDIS pricing review.

38 Dr Ken Baker, CEO, National Disability Services, *Committee Hansard*, 4 July 2018, p. 7.

Pricing of services for people with high and complex needs

5.40 The committee has heard on many occasions that the NDIS pricing framework is not working for participants with high and complex needs. The committee is of the view that unsustainable pricing caps may lead to service providers choosing not to accept clients with complex needs. Indeed, the committee has heard evidence that some service providers are 'cherry picking' clients and potentially leaving some of the most vulnerable NDIS participants with no access to adequate services.

5.41 Feedback from the sector strongly indicates that the IPR recommendations on the pricing methodology and quantum of pricing for delivering supports to participants with high and complex needs are inappropriate. In particular, providers are sceptical about the ability of the NDIA and its planners to determine the level of complexity of a participant. The sector also believes that the proposed three tier pricing structure is not workable.

5.42 The committee understands that, following vigorous protests from the sector, the NDIA is now reviewing these particular recommendations. The committee recommends the NDIA work with allied health service providers to find a way forward.

Recommendation 21

5.43 The committee recommends the NDIA work with allied health professions peak bodies and service providers to co-design a suitable methodology for pricing supports to participants with high and complex needs.

Thin markets

5.44 The issue of thin markets has been raised in previous inquiries undertaken by the committee and the Productivity Commission.³⁹ As the market steward, it is the role of the NDIA to put in place policies and interventions to minimise the occurrence of thin markets.

Occurrence of thin markets

5.45 During the inquiry, the committee heard that thin markets are persisting or worsening for some groups, including:

- participants living in rural and remote areas;⁴⁰
- participants with high and complex needs;⁴¹

39 See for example: Joint Standing Committee on the NDIS, *Transitional arrangements for the NDIS*, 15 February 2018, pp. 65-70 and Productivity Commission, *National Disability Insurance Scheme (NDIS) Costs Study Report*, 19 October 2017, pp. 268-276.

40 See for example: Queensland Advocacy Incorporated, *Submission 61*, p. 9; Victorian Aboriginal Community Controlled Health Organisation, *Submission 66*, p. 6; The Benevolent Society, *Submission 87*, p. 11; Queensland Government, *Submission 101*, p. 8.

41 See for example: Victorian Aboriginal Community Controlled Health Organisation, *Submission 66*, p. 6; The Benevolent Society, *Submission 87*, p. 11.

- participants who are from CALD backgrounds;⁴² and
- Aboriginal and Torres Strait Islander participants, including in both remote and urban areas.⁴³

NDIA initiatives to address thin markets

Market intervention framework

5.46 The *NDIS Market Approach –Statement of Opportunity and Intent*, published in November 2016, commits the NDIA to market interventions.⁴⁴

5.47 To operationalise its market approach to thin markets, the NDIA says 'it is now developing a market intervention strategy and an analytical framework to create a process for identifying and responding to thin markets'.⁴⁵

5.48 At a hearing in Cairns on 14 March 2018, Ms Liz Neville, Branch Manager, NDIA talked about the work underway around the production of the market intervention framework:

This work in developing a market intervention framework is effectively an operating model for helping us understand when we do need to intervene and what the seriousness of the intervention should be. It is a model that will wrap around some of the existing good practice that already occurs at regional level.⁴⁶

5.49 At a hearing in Sydney on 4 July 2018, Dr Ken Baker, CEO of National Disability Services (NDS), reiterated the need for clarity about interventions and concluded:

We know that a market enablement framework is being developed but we haven't had sight of it, or at least I haven't.⁴⁷

5.50 At the time of writing, the NDIA is yet to release the market intervention framework.

Adjusting prices

5.51 The NDIA says it has used its role as price setter to address thin market issues and risk of market failure. For example:

In the case of short-term accommodation or centre based respite, there were concerns that we would have a market failure situation for that particular

42 See for example: Federation of Ethnic Communities Councils of Australia, *Submission 49*, p. 7; The Benevolent Society, *Submission 87*, p. 11; Queensland Government, *Submission 101*, p. 8.

43 See for example: NACCHO, *Submission 23*, p. 7; The Benevolent Society, *Submission 87*, p. 11; Queensland Government, *Submission 101*, p. 8; Mr Geoff Rowe, CEO, Aged and Disability Advocacy Australia, *Committee Hansard*, 14 March 2018, p. 22.

44 NDIA, *Submission 52*, p. 19.

45 NDIA, *Submission 52*, p. 19.

46 Ms Liz Neville, Branch Manager, NDIA, *Committee Hansard*, 14 March 2018, p. 3.

47 Dr Ken Baker, CE), National Disability Services, *Committee Hansard*, 4 July 2018, p. 28.

class of support, and we adjusted the price. We felt the price was relevant in that case, so we have adjusted the price.⁴⁸

5.52 The IPR Recommendations 3 and 4 attempt to address the issue of pricing for delivering services in rural and remote areas where thin markets are an ongoing issue. Ms Liz Neville from the NDIA commented:

Recommendation 3 allows us to explore the opportunity for quotation for support in remote and very remote areas, as compared to our current model which involves reliance on an individualised funding model with a 25 per cent rural and remote loading. That's a significant departure.⁴⁹

Potential solutions and initiatives identified by the sector

5.53 Throughout the inquiry, the committee heard that alternative funding models, including block funding, direct commissioning, seed funding and grants to encourage and support diversity of providers in thin market areas should be considered by the NDIA.⁵⁰

5.54 For example, Mr Peter Mewett, CEO of Cootharinga North Queensland, put forward the proposal of bulk-purchasing arrangements for a limited time to develop markets:

We spoke to McKinsey and suggested that [...] you should potentially look at bulk purchasing arrangements for a couple of years [...]. The market doesn't exist. If a provider is prepared to put in the investment to develop a market, you should potentially look at having a bulk purchase arrangement in that market for, say, two years, but after that it's all bets off.⁵¹

5.55 Ms Gail Mulcair, CEO of Speech Pathology Australia, put forward that to develop the market and address some of the service issues in rural and remote areas, the NDIA should consider 'providing system-wide funding and structural supports for services to be delivered via tele-practice'.⁵²

5.56 NACCHO submitted that some of the issues could be addressed if Aboriginal Community Controlled Health Services became providers of NDIS services beyond providing allied health services. However, some barriers exist, including the pricing of

48 Ms Liz Neville, Branch Manager, NDIA, *Committee Hansard*, 14 March 2018, p. 3.

49 Ms Liz Neville, Branch Manager, NDIA, *Committee Hansard*, 18 April 2018, p. 16.

50 See for example: National Disability Services, *Submission 26*, p. 27; NACCHO, *Submission 23*, p. 12; Catholic Social Services Australia, *Submission 11*, p. 6; Victorian Aboriginal Community Controlled Health Organisation, *Submission 66*, p. 6; Victorian Council of Social Service, *Submission 81*, p. 23; The Benevolent Society, *Submission 87*, p. 11; Public Service Research Group, UNSW Canberra, *Submission 25*, p. 6; Federation of Ethnic Communities Councils of Australia, *Submission 49*, p. 7; Victorian Government, *Submission 90*, p. 6.

51 Mr Peter Mewett, CEO, Cootharinga North Queensland, *Committee Hansard*, 15 March 2018, p. 31.

52 Ms Gail Mulcair, CEO, Speech Pathology Australia, *Committee Hansard*, 14 June 2018, pp. 35-36.

services below cost to provider, the need for upfront investment, and lack of available disability workers.⁵³

Multipurpose Service model (MPS)

5.57 Mr Tom Symondson, CEO of the Victorian Healthcare Association, is of the view that a multipurpose service model (MPS) would address the issue of thin markets and avoid the need for a provider of last resort to be appointed.⁵⁴

5.58 The MPS model is used in the aged care sector, as a solution to market failure in rural and remote areas. The MPS model amalgamates all or most health and aged care services within a community under a single, locally governed organisation. An essential feature underpinning the MPS program is the pooling of state and Commonwealth program funds. The pooled funding budget is provided to a local community controlled MPS agency, which can allocate funding according to community needs for health and aged care services.⁵⁵

5.59 According to the Victorian Healthcare Association the MPS model has been shown to be successful in enabling integrated health, community and aged care services in small rural communities,⁵⁶ and the Association is proposing a trial of the MPS model as an alternative model for providers of NDIS services in rural and remote areas.⁵⁷

Committee view

5.60 The committee is concerned with the lack of progress on addressing the issue of thin markets experienced by some groups. As market steward, the NDIA should take a proactive role and put in place strategies and intervention mechanisms to address the significant risk of market failure in some areas and for some groups. The thin markets identified are not new; it is now urgent that the NDIA intervene beyond making small adjustments to pricing.

5.61 The committee is of the view that the NDIA must finalise and publicly release its market intervention framework as a matter of urgency. The framework must clearly outline the processes the NDIA will put in place to respond to thin markets and the intervention options it will use.

Recommendation 22

5.62 The committee recommends the NDIA publicly release its Market Intervention Framework as a matter of urgency.

53 NACCHO, *Submission 23*, p. 9.

54 Mr Tom Symondson, CEO, Victorian healthcare Association, *Committee Hansard*, 14 June 2018, p. 40.

55 Answer to Question on Notice, Victorian Healthcare Association, 14 June 2018, pp. 1-2.

56 Answer to Question on Notice, Victorian Healthcare Association, 14 June 2018, p. 2.

57 Answer to Question on Notice, Victorian Healthcare Association, 14 June 2018, p. 1.

Multipurpose service model

5.63 The committee is of the view that the NDIA must work with the sector to address persisting and emerging thin markets. The NDIA should consider and trial some of the proposals put forward by submitters. For example, the committee sees potential in the MPS model used in the aged care sector in Victoria as a possible solution to market failure in rural and remote areas. The committee recommends the NDIA trial the MPS model in rural and remote Victoria as this will the NDIA to utilise the experience and expertise of the Victorian Healthcare Association and other organisations, which are familiar with the MPS model.

Recommendation 23

5.64 The committee recommends the NDIA trial the MPS model in rural and remote Victoria and publicly report on its effectiveness with an evaluation after 12 months of operation.

Provider of last resort

5.65 As market steward, the NDIA is responsible for the provider of last resort (PLR) arrangements. Under the circumstances of insufficient market supply with no provider available or in the event of provider failure, the NDIA may directly commission and procure disability supports for Scheme Participants.

5.66 However, as stated in the *NDIS Market Approach Statement of Opportunity and Intent*, during transition, states and territories continue to lead as PLR and will continue to do so for providers that they fund during transition.⁵⁸

5.67 The NDIA says it will, over time, lead an integrated response jointly with states and territories as transition leads to full Scheme.⁵⁹

Provider of Last Resort policy (PLR policy)

5.68 In the *Transitional Arrangements for the NDIS* report, the committee expressed its concerns that PLR arrangements remained unclear and incomplete. It recommended the NDIA accelerate its work with state and territory governments to progress future PLR arrangements, and called for the NDIA to publically release its PLR policy as a matter of urgency.⁶⁰

5.69 The NDIA provided an update on its work at a public hearing held in Cairns in March 2018:

We are at the moment working on a project, and we will be reporting to the Disability Reform Council at its next meeting on clarifying exactly what the agency's role is with respect to the so-called provider of last resort.

58 NDIA, *NDIS Market Approach Statement of Opportunity and Intent*, November 2016, p. 29.

59 NDIA, *NDIS Market Approach Statement of Opportunity and Intent*, November 2016, p. 29.

60 Joint Standing Committee on the NDIS, *Transitional arrangements for the NDIS*, 15 February 2018, p. 70.

You will find that we are moving away from that language somewhat. We refer to this project as being concerned with how we maintain critical supports for people, so where they might be at risk of relinquishment for various reasons.

That work will help us clarify precisely what the agency's role is, bearing in mind that our role is somewhat different to the states and territories, many of whom have been in the business of delivering disability supports and taking on a natural provider of last resort arrangement. The agency is not in that position, and nor do we intend to be in the business of service delivery, so the model is necessarily different.⁶¹

5.70 One submitter expressed concerns about the change of language to 'maintaining critical supports', worrying that 'any substitute mechanism for a PLR framework should not lead to the need for a person to justify that a support is "critical" in order to access the mechanism'.⁶²

5.71 During the inquiry, submitters continued to call for the publication of the PLR policy as a matter of priority.⁶³

5.72 Mr Tom Symondson, CEO of the Victorian Healthcare Association, noted the lack of progress:

We haven't seen anywhere near as much work as we would like to have seen on issues such as provider of last resort or thin markets. Our recommendation is that work be accelerated, and we're very happy to support that.⁶⁴

Crisis accommodation

5.73 As discussed in the *Transitional arrangements for the NDIS* report, there are concerns that existing state and territory government processes for emergencies will cease, despite new emergency arrangements having yet to be formalised.⁶⁵

5.74 Several submitters argued that the need for clarity is a matter of some urgency.⁶⁶ Queenslanders with Disability Network argued that a clear pathway is

61 Ms Liz Neville, Branch Manager, NDIA, *Committee Hansard*, 14 March 2018, p. 3.

62 Victoria Legal Aid, *Submission 91*, p. 22.

63 See for example: MJD Foundation, *Submission 6*, p. 9; People With Disability Australia, *Submission 74*, p. 13; Victorian Government, *Submission 90*, p. 7; Victoria Legal Aid, *Submission 91*, p. 22.

64 Mr Tom Symondson, CEO, Victorian healthcare Association, *Committee Hansard*, 14 June 2018, p. 33.

65 For example: National Disability Services, *Submission 26*, pp. 10–11; Scope Australia, *Submission 40*, p. 9; Mental Health Coalition of SA, *Submission 43*, p. 15; Queenslanders with Disability Network, *Submission 48*, p. 15; Office of the Public Advocate SA, *Submission 57*, p. 3; Queensland Advocacy Incorporated, *Submission 60*, p. 13; Northcott, *Submission 68*, p. 8.

66 For example: Mental Health Coalition of SA, *Submission 43*, p. 15; Scope Australia, *Submission 40*, p. 9; Office of the Public Advocate SA, *Submission 57*, p. 3.

essential to ensure that people have access to essential services and do not get 'stuck' in other service systems.⁶⁷

5.75 The Office of the Public Advocate (OPA) SA drew attention to the situation in South Australia, where it is unclear how crisis service provision will operate after the state government's role ceased on 30 June 2018.⁶⁸ The OPA drew attention to the lack of arrangements in place for participants to be provided with a disability focused response in the event of an after-hours emergency. It warned that, without appropriate arrangements in place, it is likely that clients will be inappropriately admitted to hospitals or the correctional system. It suggested that sufficient funds for clients at risk of emergency should be built into plans, as guardianship services are not resourced to undertake service coordination, and as a result, a gap in service provision can arise if a participant requires an emergency response.⁶⁹

5.76 Despite being halfway through NDIS rollout in Tasmania, the Mental Health Council of Tasmania highlighted that the state remains without a clear framework for a provider of last resort.⁷⁰

5.77 The Queensland Government told the committee that the state government continues to deliver a service for accommodation support and for respite service, and, where the market generally might not be able to provide the support to a person, the provider of last resort could be put in place. However, for full scheme, the state does not have a policy position.⁷¹ Ms Helen Ferguson, Senior Executive Director, Department of Communities, Disability Services and Seniors, also addressed some of the interface issues:

...the Queensland government does continue to pay where there are interface rubs. Where the NDIA is yet to resolve the application of the interface principle in favour of the person with disability and their situation and the person is left in dire straits, the Queensland government will pay for that. In terms of the health interface, that is an area of ongoing negotiation nationally, in terms of transport interface, particularly transport interface. In terms of child protection, as you've noted in your question there, those areas are areas where, at a national level, we are having ongoing, deep negotiations about the application of the applied principles around roles and responsibilities between the NDIA and state and territory governments for those matters. Some of those lines are grey and need to be worked through, and some of those lines, in a number of respects, seem to be more clear and yet are still being worked through.⁷²

67 Queenslanders with Disability Network, *Submission 48*, p. 15.

68 Office of the Public Advocate SA, *Submission 57*, p. 3.

69 Office of the Public Advocate SA, *Submission 57*, p. 3.

70 Mental Health Council of Tasmania, *Submission 61*, p. 6.

71 Ms Helen Ferguson, Senior Executive Director, Department of Communities, Disability Services and Seniors, *Proof Committee Hansard*, 15 March 2018, p. 39.

72 Ms Helen Ferguson, Senior Executive Director, Department of Communities, Disability Services and Seniors, *Proof Committee Hansard*, 15 March 2018, p. 39.

5.78 Similarly, the Office of the Public Advocate NT argued that the process for enacting the Provider of Last Resort in the Territory is unclear and that delays are currently being experienced in addressing crisis situations as a result of a critical supports market failure. It argued that a lead agency is required to review who is responsible for responding to crisis requests.⁷³

5.79 The Office of the Public Advocate VIC argued that the NDIA, as market steward, should commission crisis and respite accommodation for participants. It encouraged the NDIA to develop a streamlined plan review process to respond to participants with an acute and immediate need for crisis care and accommodation.⁷⁴

5.80 In response to questions from the committee, DSS advised that the NDIA is progressing work on maintaining critical supports for those requiring critical disability supports. However, this work does not replace the ongoing responsibility of mainstream services, including emergency accommodation, to ensure that a person with disability has access to universal services.⁷⁵

Committee view

5.81 With regard to the change terminology from 'Provider of Last Resort' to 'Maintaining Critical Supports', the committee is concerned that the effect of the change may be to limit the types of services that meet the criteria. The committee seeks assurance that the policy will seek to provide services where there are none available, and that the types of services are not limited by restrictive terminology, but instead are determined according to participant needs.

5.82 The Australian Government supported Recommendation 18 made by the committee in the *Transitional Arrangements for the NDIS* report, which says 'the committee recommends the NDIA publicly release its Provider of Last Resort policy as a matter of urgency'.⁷⁶ In its supporting comments, the Australian Government advised that the NDIA would publish the outcomes of its Maintaining Critical Supports project, following the DRC endorsement of the proposed policies and processes in the first half of 2018.

5.83 The Australian Government supported in-principle Recommendation 9 made by the committee in the *Transitional Arrangements for the NDIS* report, which says 'the committee recommends that the Australian, state and territory governments and the NDIA work together urgently to include crisis accommodation and Provider of Last Resort arrangements for housing in their respective bilateral agreements and operational plans'.⁷⁷ In its supporting comments, the Australian Government said the

73 Office of the Public Advocate NT, *Submission 76*, p. 5.

74 Office of the Public Advocate VIC, *Submission 82*, p. 3.

75 DSS, answers to questions on notice, received 20 August 2018.

76 Australian Government, *Government response to the JSC Transitional Arrangements for the NDIS report*, 19 June 2018, p. 11.

77 Australian Government, *Government response to the JSC Transitional Arrangements for the NDIS report*, 19 June 2018, p. 7.

Maintaining Critical Supports project and its operational framework will include consideration of the future arrangements and roles of all parties, including those relating to crisis accommodation. The committee is concerned that the NDIA is yet to release a policy on future PLR arrangements.

Recommendation 24

5.84 The committee recommends the NDIA publicly release the outcomes of the Maintaining Critical Supports project and its policy on Provider of Last Resort arrangements as a matter of urgency.

Chapter 6

Specialist Disability Accommodation

Introduction

6.1 The lack of affordable, appropriate, safe and secure accommodation for people with disability is not a new issue. Parliamentary committees have previously considered the topic in depth.¹ Indeed, this committee, in an earlier iteration, found that a lack of adequate accommodation can limit people's ability to fully exercise their individual choice and control, participate in society, and live an ordinary life like any other Australian.²

6.2 This chapter focuses on the introduction of Specialist Disability Accommodation (SDA) as a funded support under the NDIS and how it has impacted the market to date and whether it is likely to achieve its intended outcomes.

SDA and the NDIS

What is SDA

6.3 SDA refers to a new form of capital funding for NDIS participants. SDA is intended for NDIS participants who require a specialist dwelling that reduce their need for person-to-person supports, or improve the efficiency of the delivery of person-to-person supports.³

6.4 SDA does not refer to the support services, but instead to the homes in which these services are delivered.⁴

6.5 SDA support is only available to participants who have an extreme functional impairment or very high support needs most appropriately met by an SDA response.⁵

6.6 Like other parts of the NDIS, SDA employs a market-based approach by making funding available to participants who meet the criteria for SDA, who can then source the supports they choose from the market.

6.7 In addition to increasing overall funding for specialist disability accommodation, the introduction of SDA is intended to drive innovation, competition

1 For example: Joint Standing Committee on the NDIS, *Progress report on the implementation and administration of the National Disability Insurance Scheme*, 12 November 2015; Senate Community Affairs References Committee, *Adequacy of Residential Care Arrangements Available in Australia for Young People with Severe Physical, Mental or Intellectual Disabilities*, June 2015.

2 Joint Standing Committee on the NDIS, *Progress report on the implementation and administration of the National Disability Insurance Scheme*, 12 November 2015, p. 6.

3 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 5.

4 NDIS, *Specialist Disability Accommodation*, <https://www.ndis.gov.au/specialist-disability-accommodation.html> (accessed 6 September 2018)

5 NDIS SDA Rules 2016, paras. 3.1 and 3.4.

and growth in the sector, improve outcomes for participants, and empower individuals to choose where and how they want to live.⁶

Size of the market

6.8 In 2011, the Productivity Commission estimated that around 28 000 people (or 6 percent of NDIS participants) will required SDA funding at full scheme.⁷

6.9 However, in March 2018, the Summer Foundation, Australian Housing and Urban Research Institute, and SGS Economics & Planning, used Australian Institute of Health and Welfare data on state-funded disability service systems to estimate that there are approximately 50 700 people likely to be found eligible for SDA. The figure comprises 17 500 people currently living in supported disability accommodation; 27 000 who are not living in supported accommodation but have very high support needs; and 6200 under the age of 64 who are living in residential aged care.⁸

6.10 In April 2018, the NDIA considered that the Commission's estimate of six per cent to be the best current estimate of the number of participants who will be found eligible for SDA funding, although it acknowledged this may change over time as the Scheme rolls out.⁹

6.11 The Productivity Commission estimated that at full Scheme, from within the NDIS' annual \$22 billion budget, total funding for SDA is expected to total approximately \$700 million per year.¹⁰ According to the Summer Foundation, SDA payments will stimulate around \$5 billion in private sector investment.¹¹

6.12 Prior to the launch of the NDIS, it was estimated that there was enough existing accommodation for 15 700, implying the need for enough dwellings to accommodate an additional 12 300 participants.¹²

6.13 These figures vary slightly according to the *SDA Market Insights* report by SGS Economics & Planning and Summer Foundation, which says that 17 500 people currently live in supported accommodation, highlighting an existing gap of 10 500 places across Australia on the basis of current supply.¹³

6 NDIS, *Specialist disability accommodation*, <https://www.ndis.gov.au/specialist-disability-accommodation> and NDIS Act, s. 4.

7 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 5.

8 SGS Economics & Planning and Summer Foundation, *SDA Market Insights*, 16 March 2018, p. 2.

9 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 5.

10 NDIA, *SDA market information*, <https://www.ndis.gov.au/news/sda-drc-response.html> (accessed 27 February 2018).

11 Summer Foundation, *SDA market information*, <https://www.summerfoundation.org.au/housing/sda-market-information/> (accessed 6 September 2018)

12 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 5.

13 SGD Economics & Planning and Summer Foundation, *Specialist Disability Accommodation: market insights*, p. 2.

How does it work?

6.14 The NDIS has changed the way SDA funding is provided. Instead of funding SDA through centrally managed capital grant programs that provide block funding to providers, the NDIS provides SDA funding directly to participants after determining their eligibility and appropriate budget amount.¹⁴

6.15 Funding to participants is based on consideration of their goals and preferences, the reasonable and necessary test, SDA eligibility criteria, and whether SDA represents value-for-money.

6.16 Funding for each eligible participant is included in their NDIS plan, which describes an amount of SDA funding along with a specific Design Category, Building Type and locations.¹⁵

6.17 The methodology used to determine the appropriate amount of funding for a participant is described in the *SDA Rules 2016*.

6.18 According to the NDIA, an SDA budget that supports a single resident dwelling is only likely to be provided to a very small number of participants.¹⁶ This is because it is not sustainable for the Scheme to maintain participants who require very high levels of support individually in the community.¹⁷

6.19 Once a participant has been granted SDA in their plan, they can use their funding to apply for tenancy in SDA that is already built or contribute to the costs of their existing family home if it is eligible to be enrolled as SDA and they have enrolled as an SDA provider.

SDA tenancy

6.20 Participants can use their SDA funding to negotiate a tenancy agreement for accommodation from an SDA provider. In addition to funding in plans, tenants must pay a 'reasonable rent contribution' to the property owner which is 25 per cent of their Disability Support Pension, plus 100 per cent of their Commonwealth Rent Assistance.¹⁸

Existing family home

6.21 A participant can choose to use their SDA budget to provide SDA to themselves by enrolling an existing dwelling where they currently live with their partner and children. Participants must register as an SDA provider and enrol the dwelling as SDA compliant for this to occur. A participant who lives in their own

14 NDIA, *SDA Provider and Investor Brief*, April 2018, pp. 5 and 6.

15 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 6.

16 NDIA, *SDA Provider and Investor Brief*, April 2018, pp. 9 and 13.

17 Specialist Disability Accommodation Pricing and Payments Framework, Section 78.

18 NDIA, *SDA Decision Paper*, June 2016, p. 18.

SDA property is not required to have a written agreement in place and can decide how much of their SDA assistance will pay down loans or other financing costs.¹⁹

6.22 However, as stipulated in the *SDA Rules 2016*, a parental home (where the participant is the child) is unable to be used for SDA.

How participants find SDA

6.23 The NDIA does not centrally administer placements for participants, because 'employing a market-based approach to SDA enables greater participant choice and control and encourages provider innovation'.²⁰ Participants are expected to find and apply for appropriate advertised vacancies, and providers are expected to advertise vacancies and undertake selection processes.

6.24 Most participants with SDA in their plans have funded support coordination and support coordinators can help participants to find advertised vacancies.²¹

6.25 As discussed in Chapter 4, the Provider Finder Tool on the participant portal can also assist participants to find providers.

6.26 The sector has also responded to the need to connect SDA tenants to accommodation by developing online solutions. For example, Northcott has created a platform called NEST, which matches people with disability to a suitable home for their supports.²² Summer Foundation has developed The Housing Hub—an online platform that lists vacancies for apartments and houses that are owned by housing providers across NSW, VIC, QLD, and SA.²³

6.27 However, the Summer Foundation argued that, given that SDA is a new way of funding disability housing, more should be done by government to bring the market together.²⁴

Types of dwellings

6.28 Apart from determining SDA eligibility and funding levels for participants, and enrolling compliant dwellings once constructed, the NDIA does not play a role in selecting or endorsing particular property designs or developments. Dwellings are enrolled according to the Building Type specified by the registered provider. Building types include apartments, townhouses, houses and group homes. There are also currently five SDA design categories ranging from Basic to High Physical Support.²⁵

19 NDIA, *SDA Decision Paper*, June 2016, p. 32.

20 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 12.

21 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 12.

22 Northcott, *Submission 68*, p. 6.

23 The Housing Hub, <https://www.thehousinghub.org.au> (accessed 13 August 2018).

24 Mr Luke Bo'sher, CEO, Summer Foundation, *Proof Committee Hansard*, 4 July 2018, p. 38.

25 NDIS, *NDIS Price guide SDA*, 1 July 2017, p. 12.

6.29 Providers must possess a written certification against the SDA design standards,²⁶ and dwellings can only be enrolled as SDA once construction is fully complete and a certificate of occupancy has been issued.²⁷

Barriers to grow the SDA housing stock

6.30 Inquiry participants have identified a number of barriers, which are impeding development of new SDA dwellings, including:

- Lack of data on SDA demand;
- Restricted choices for participants;
- Inability for young people to move out of nursing homes;
- Lack of clear and consistent information available to investors; and
- Pricing review cycle.

Lack of data on SDA

6.31 Considerable upfront capital investment is required for SDA development, yet the newness of the policy means there is a lack of historical data for investors to draw upon to inform their decisions. Stakeholders argued that the NDIA could be doing more to enable a thriving SDA market and provide detailed information about potential SDA demand.²⁸

6.32 As pointed out by National Disability Services, without granular information on location, building types, and design levels required, properties are at risk of being built where they are not required or there could be reluctance to develop at all.²⁹ The committee is troubled by reports that a lack of market data might be responsible for discouraging finance from major banks for SDA developments.³⁰

6.33 The committee appreciates that the sector is working to fill the gaps in information and undertake research as best it can, however, even the Summer Foundation's recent report on SDA demand is based on 2012 data.³¹

6.34 Indeed, developers in the Townsville region were relying the Productivity Commission's six per cent estimate to calculate approximate demand in the area:

The NDIA's Market position statement Queensland May 2016 identified that the number of people eligible for NDIS plans in the Townsville region by 30 June 2017 was projected to be 5,300. That number, and the Productivity Commission's modelling stating that around six per cent of all

26 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 11.

27 NDIS SDA Rules 2016, para. 6.10.

28 For example: National Disability Services, *Submission 26*, p. 9; Summer Foundation, *Submission 71*, p. 4.

29 National Disability Services, *Submission 26*, p. 9.

30 National Disability Services, *Submission 26*, p. 9.

31 Mr Paul Simmons, Director, Ability SDA, *Proof Committee Hansard*, 15 March 2018, p. 3.

participants will be eligible for SDA, equates to around 318 eligible participants in the Townsville region.³²

6.35 Mr Tony Rutherford, Principal, Moores, expressed the view that without clearer information, it will be difficult to get investors on board.³³

6.36 Mr Luke Bo'sher, CEO, Summer Foundation, suggested that a breakdown of SDA-approved numbers and their requirements by local government area would be helpful:

I think a consistent theme from just about anyone operating in the housing space is that more data would help them to move forward and build more housing. All the NDIA and the Commonwealth have shared is a headline number of 28,000 people across the country. Recently they published a state-level breakdown of how many people had been approved so far, but what we need is much more granular data than that—how many people by local government area have been approved for SDA and what levels of support they need. That would be a huge help to people looking to build SDA, because people want to be building in the right places. They want to be building where people are getting this approved.³⁴

6.37 Detailed information on current demand and supply of SDA, dwelling enrolments including building type, design category, location, provider type and occupancy status, and examples of SDA pathways and projects was also requested.³⁵

6.38 According to the Agency, it is endeavouring to provide information on supply and demand, and has resolved to provide reliable data as it becomes available.³⁶

6.39 As discussed in Chapter 4, The NDIA is working to produce a series of market insight that provide intelligence on specific sub-markets, cohorts and themes. The NDIA planned to publish a *Market Insight into SDA* in the first half of 2018.³⁷

6.40 However, at the time of writing, the *Market Insight into SDA* is yet to be published.³⁸

32 Mr Martin Locke, Managing Director, Martin Locke Homes, *Proof Committee Hansard*, 15 March 2018, p. 1.

33 Mr Tony Rutherford, Principal, Moores, *Proof Committee Hansard*, 4 July 2018, pp. 41–42.

34 Mr Luke Bo'sher, CEO, Summer Foundation, *Proof Committee Hansard*, 4 July 2018, pp. 51–52.

35 Summer Foundation, *Submission 71*, p. 4.

36 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 3.

37 NDIA, *Submission 52*, p. 20; and NDIS, *Market Insights*, <https://www.ndis.gov.au/providers/market-information-useful-links/market-insights.html> (accessed 17 August 2018).

38 NDIS, *Market Insights*, <https://www.ndis.gov.au/providers/market-information-useful-links/market-insights.html> (accessed 6 September 2018)

Committee view

6.41 As discussed in Chapter 4, the lack of data and market information is clearly a barrier to market development. Private investors are currently lacking information about market size, areas where demands will be high and types of dwellings required to meet demand.

6.42 The committee agrees with stakeholders that the NDIA, as the national market steward, should be taking leadership on the provision of effective market information. Provision of effective market information will improve investor confidence and enable the market to grow to meet the needs of consumers. The committee is of the view that the NDIA should fulfil its information provision role as market steward and provide detailed information about demand and supply of SDA, data on SDA dwelling enrolments including building type, design category, location, provider type and occupancy status; and examples of SDA pathways and projects. The committee is of the view this needs to be current and updated on a regular basis.

Recommendation 25

6.43 The committee recommends the NDIA publish as a matter of urgency the Market Insights on SDA and commit to publish on an annual basis detailed information on market demands for SDA.

Restricted choice for participants

Planning process

6.44 The design category, building type and location a participant can look to reside in is specified in the participant's plan.³⁹

6.45 Stakeholders raised concerns that many planners are unsure of the SDA policy and that there is general uncertainty about how SDA can be incorporated into a plan in the absence of a specified dwelling type.⁴⁰

6.46 Northcott reported that some plans are not adequately reflecting participants' needs. It argued that significant stress had been caused to participants and providers as a result of planners not being skilled enough.⁴¹

6.47 Examples provided included:

- a planner who explained that everyone is eligible for SDA;
- a planner who advised that the SDA Rule 2016 is out-dated and does not reflect the current state of affairs; and
- a planner who expressed concern that if SDA was included before the dwelling was built that the Registered Provider might claim the SDA Payments.⁴²

39 NDIS SDA Rules 2016, part 4, paragraph 4.1.

40 Summer Foundation, *Submission 71*, p. 14.

41 Northcott, *Submission 68*, p. 6.

6.48 According to the NDIA, it is aware of feedback and is 'working to improve SDA planning'.⁴³

6.49 Summer Foundation suggested that information sessions for participants be provided by the NDIA to improve their understanding of the SDA framework. It argued that SDA capacity building should focus on assisting tenants to understand and manage their tenancy rights and responsibilities; and building the capacity of mainstream services (such as tenants unions and administrative tribunals) to better respond to the needs of people with disabilities accessing their services.⁴⁴

6.50 Because dwellings can only be enrolled as SDA once construction is fully complete, participants are restricted to choosing from completed dwellings, and developers have no guarantee of buyers until construction is complete.

6.51 Stakeholders argued that the policy is impeding development of high quality SDA by making it unnecessarily difficult to match participants with properties.⁴⁵

6.52 Mr Alan Blackwood, Director, Policy and Innovation, Young People in Nursing Homes National Alliance, highlighted that the current approach may be inadvertently fragmenting housing from support by stimulating the creation of housing without allowing for consideration of support design:

If the intent of the NDIS is to reduce fragmentation and inequity, trying to actually stimulate a market that builds things without knowing who's going in and leaves support design as an afterthought is actually not going to work. We actually need to find ways to make coordination of all the various inputs part of the system, rather than segment and further fragment the way that services are designed for people.⁴⁶

6.53 Mr Dan McLennan, CEO, Summer Housing Ltd argued that developers are currently guessing what participants' functional needs might be:

[M]ost times we don't know what the actual assessment is going to be from a functional perspective, so we're making our best guess about whether or not somebody is a high-physical-support tenant or improved livability or whatever we're trying to shoot for—it's still a guessing game: will the ultimate funding offer match what's been provided, or will it be put back on

42 Summer Foundation, *Submission 71*, p. 14.

43 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 3.

44 Summer Foundation, *Submission 71*, pp. 4 and 6.

45 For example: Sunnyfield, *Submission 1*, p. 5; National Disability Services, *Submission 26*, p. 9; Summer Foundation, *Submission 71*, p. 14; Mr Alan Blackwood, Director, Policy and Innovation, Young People in Nursing Homes National Alliance, *Proof Committee Hansard*, 4 July 2018, p. 37; Mr Dan McLennan, Chief Executive Officer, Summer Housing Ltd, *Proof Committee Hansard*, 4 July 2018, p. 41. Mr Anthony Ryan, CEO, Youngcare, *Proof Committee Hansard*, 4 July 2018, p. 40 and 42; Mr Luke Bo'sher, CEO, Summer Foundation, *Proof Committee Hansard*, 4 July 2018, pp. 43–44.

46 Mr Alan Blackwood, Director, Policy and Innovation, Young People in Nursing Homes National Alliance, *Proof Committee Hansard*, 4 July 2018, p. 37.

us as a business decision for us to lease the accommodation to someone with an offer that doesn't match and for us to bear the loss, as opposed to the individual being funded at a level that matches their choice, their control and their preference?⁴⁷

Participant Approval and Pre-registration

6.54 In a joint submission to the KPMG review of the SDA framework, 20 organisations, including banks, providers, advocates and people with disability, called for participants to be approved for the subsidy without first requiring a particular housing option. Mr Bo'sher argued that this approach would give greater choice and control to individuals:

People should be approved for SDA and then should be able to shop around with different providers and different vacancies to be able to find the one that's right for them. At the moment that's often not how it's working for people with disability; often they're being told by the NDIA that they have to wait until there's a particular vacancy for them and then the NDIA puts it in their plan. Fundamentally, for us the question is: who should decide where people with disability live?⁴⁸

6.55 Mr Bo'sher argued that prequalification would enable young people in nursing homes, and children living with ageing parents, to approach SDA developers with certainty:

One of the challenges that we were just talking about around young people moving out of aged care is certainly that if we've only got 23 of the 2,000 people in aged care with this subsidy in their plan, that's a real barrier for them leaving. It's a little bit the same with children living with aging parents. It's very hard for them to go and have a conversation with a developer when they're not even clear about whether they're going to get the subsidy or not. So that pre-approval is really critical.⁴⁹

6.56 Further, prequalification would help growth in regional and remote locations by giving developers a clearer indication of the numbers of SDA-approved participants and their requirements:

There are certainly more being built in outer metro areas than in remote areas, because providers have to take a risk in building something and then trying to find someone with a payment who wants to move in. That's where pre-approval of people and people getting approved and then going and looking will make those providers in regional and remote areas much more confident, because they'll actually know who's approved for what in their regional area.⁵⁰

47 Mr Dan McLennan, CEO, Summer Housing Ltd, *Proof Committee Hansard*, 4 July 2018, p. 49.

48 Mr Luke Bo'sher, CEO, Summer Foundation, *Proof Committee Hansard*, 4 July 2018, p. 42.

49 Mr Luke Bo'sher, CEO, Summer Foundation, *Proof Committee Hansard*, 4 July 2018, p. 44.

50 Mr Luke Bo'sher, CEO, Summer Foundation, *Proof Committee Hansard*, 4 July 2018, pp. 43–44.

6.57 It was also suggested that the NDIA should introduce a mechanism to allow preregistration of dwellings. It was argued that this would assist developers, by mitigating some of their risk, and help participants by providing insight into the supply pipeline:

We believe the NDIA should allow preregistration of new SDA dwellings. This informs the NDIA, as well as participants, of upcoming supply and gives providers and their banks more certainty of dwelling approval. The way it works at the moment is a provider has to go and buy land, get the planning, build the building and get the occupation certificate. Only after all of that significant risk and investment can the dwelling be registered. Therefore, it's a massive risk.⁵¹

6.58 Mr Simmons explained how it might work in practice:

[A]ll I'm suggesting is that everybody that wants to preregister a dwelling can get a sign-off at plan stage, at construction certificate stage. They get the plans assessed, they get a certificate to say, 'Yes, as long as the builder builds it to that particular specification, it's legit,' and then that way it can be preregistered. Then the NDIA has line of sight: 'Well, that's 12 months away because it takes time to build, but we know this accommodation is coming and where it is,' and they can also then start suggesting to planners and the like to refer people that might be in need.⁵²

Restricted choice of living arrangements

6.59 Stakeholders raised concerns that the current framework disincentivises people with disability from living with their families by funding SDA on a shared basis. In effect, the policy means that SDA providers can make greater returns on their investment by renting, for example, a two bedroom apartment to two people with disability rather than one person with disability and their partner or family.⁵³

6.60 Mr McLennan explained that inflexibility in the SDA rules and price guide requires a majority of bedrooms in a dwelling to meet minimum requirements even though every bedroom may not be occupied by someone with disability:

So for...leasing to a participant who has a disability and their partner who does not, I have to have a two-bedroom apartment with two fully compliant bedrooms [...]So there's no capacity to have an apartment with one bedroom that meets all the minimum requirements—it might be platinum standard—and additional bedrooms which do not, to be occupied, for instance, by a participant's partner and their children.⁵⁴

51 Mr Paul Simmons, Director, Ability SDA, *Proof Committee Hansard*, 15 March 2018, p. 2.

52 Mr Paul Simmons, Director, Ability SDA, *Proof Committee Hansard*, 15 March 2018, p. 3.

53 Mr Dan McLennan, Chief Executive Officer, Summer Housing Ltd, *Proof Committee Hansard*, 4 July 2018, p. 50.

54 Mr Dan McLennan, Chief Executive Officer, Summer Housing Ltd, *Proof Committee Hansard*, 4 July 2018, p. 49.

6.61 Mr McLennan argued that the current policy may be inadvertently separating participants from their communities by assuming that people with disability will live with other people with disability.⁵⁵

6.62 Mr McLennan also contended that an additional dwelling category should be created in the price guide to allow individuals to live with their families should they wish to:

We need to create a dwelling category in the SDA price guide that accommodates a scenario...whereby you can have other residents and other bedrooms in a dwelling which don't meet the minimum criteria...So we have some minimum standards but, fundamentally, we don't require the oversized or the platinum-sized bedrooms, for instance, for non-SDA participant residents.⁵⁶

6.63 Mr McLennan suggested that the price guide should be amended to reflect market rent rather than assuming the secondary occupant is receiving SDA:

...from a pricing perspective, we need to look at a price category or a pricing scenario whereby, if you have a family member accommodating with a participant, the drop in price doesn't drop down to assume that the other occupant is receiving SDA but drops down to reflect that they're receiving market rent...if we set it up so the price falls by \$15,000 or something that's closer to a market rental that can be bridged—that's manageable.⁵⁷

6.64 In response to questions from the committee, the Department of Social Services (DSS) advised that, where a participant is eligible for SDA, the NDIA will give consideration to their preferences, including any preference to live alone. The NDIA is also required under the legislation to give consideration to a number of other aspects, which may affect the outcome of a plan decision. For example, the NDIA will give consideration to the most appropriate support model for a participant and how a particular SDA type enables delivery of the model.⁵⁸

Inability for young people to move out of nursing home

6.65 Inquiry participants pointed out that the introduction of SDA is yet to have any clear impact in supporting young people to move out of aged care facilities. Barriers include inadequate planning process for this cohort and lack of available new SDA stock.

55 Mr Dan McLennan, Chief Executive Officer, Summer Housing Ltd, *Proof Committee Hansard*, 4 July 2018, p. 41.

56 Mr Dan McLennan, Chief Executive Officer, Summer Housing Ltd, *Proof Committee Hansard*, 4 July 2018, p. 50.

57 Mr Dan McLennan, Chief Executive Officer, Summer Housing Ltd, *Proof Committee Hansard*, 4 July 2018, pp. 50–51.

58 DSS, answers to questions on notice, received 20 August 2018.

Planning process

6.66 Young people in nursing homes face additional concerns alongside a lack of appropriate housing. The main issue raised by stakeholders focused on underfunded NDIS packages for this cohort.

6.67 Mr Alan Blackwood, Director, Policy and Innovation, Young People in Nursing Homes National Alliance, argued that the Scheme is inappropriately relying on existing aged care standards to define reasonable and necessary supports for residents:

NDIS is the only funder of young people in nursing homes, and yet they're not fully funding their needs. Someone in a nursing home is structurally disadvantaged in getting their needs met compared to someone who's living in the community or in a group home, where the NDIS take a different view. They're almost using a third party, being the aged-care system, to determine what is reasonable and necessary, using measurements and systems that are designed for older people and not fit for purpose at all.⁵⁹

6.68 Mr Blackwood raised concerns that these individuals have unmet health and personal needs because the aged care system was never designed for them:

We don't want the sector or the committee to think that the solution to the young people in nursing homes issue is simply finding places to live. People in nursing homes often have very complex support needs. They live with health issues. They're people with brain injuries that require rehabilitation. There are workforce issues and capacity issues within aged care because aged care was never designed for young people.⁶⁰

6.69 Mrs Deborah Farrell, Senior Advisor Transition Project, Young People in Nursing Homes National Alliance, highlighted that aged care services do not have the capacity to build independence of individuals:

So if someone has come into a nursing home having been in rehab say for six or 12 months, and has continued to build their skills and capacity, they won't necessarily be supported in that way to be prompted and encouraged to shower themselves, to do what they can do for themselves.[...] So we are seeing examples where people will go in from hospital to residential aged care and within three months have very declining skills.[...]. The residential aged-care services don't have the capacity to respond to those individual needs of that younger person to retain what they've gone into residential aged care with. There is no capacity to build on their skills to make them more independent.⁶¹

59 Mr Alan Blackwood, Director, Policy and Innovation, Young People in Nursing Homes National Alliance, *Proof Committee Hansard*, 4 July 2018, p. 39.

60 Mr Alan Blackwood, Director, Policy and Innovation, Young People in Nursing Homes National Alliance, *Proof Committee Hansard*, 4 July 2018, p. 38.

61 Mrs Deborah Farrell, Senior Advisor Transition Project, Young People in Nursing Homes National Alliance, *Proof Committee Hansard*, 4 July 2018, p. 43.

6.70 Mr Blackwood argued that the NDIA is neglecting its duty to provide reasonable and necessary support by assuming the current standards are adequate:

...the NDIS has taken a position that it's not funding the additional personal support that people need in nursing homes. The way it's being funded is that they're reimbursing the Department of Health for the aged-care funding instrument amount in nursing homes but no more. So, although they're required under their act to fund reasonable and necessary services, which you'd think is the total quantum of someone's need, they're relying on the aged-care system and the obligations of aged-care providers under the aged-care standards to provide everything that the residents need. So we're seeing a lot of people in nursing homes continue to be underfunded significantly.⁶²

6.71 It was also pointed out that, even if residents wished to move out from nursing homes, they are unable to because of limited investment for transition.⁶³

6.72 Stakeholders argued that greater effort is required to improve the situation and the interface between the Scheme and other service systems. Mr Anthony Ryan, CEO, Youngcare, provided an example of the current disconnect:

...Youngcare has at-home-care grants in every state of Australia. People can apply for something that will keep them in their home and keep them out of nursing homes, aged care or whatever. A cough assist machine, for example, is something you can't get under your NDIS plan. They say that's part of the health system and the health system comes back and says, 'No, that should be part of your plan.' If you have cerebral palsy or muscular dystrophy and you don't have a cough assist machine, you drown in your own phlegm.⁶⁴

6.73 Stakeholders argued for introducing a specialised and integrated planning pathway that encompasses the disability, health, and housing systems. Mr Blackwood pointed out that the current planning process is inappropriate for this cohort:

You can't just apply a disability-only planning process for people like this. There has to be health, housing and other systems in a joined up planning approach. A significant limitation of the planning design is that it really is only half relevant to this group.⁶⁵

6.74 Mrs Farrell made a similar point:

...there needs to be a whole approach to understanding the needs of that person...I think you could do it as a streamlined approach if the NDIS actually put a body of people together. I think it comes down to policy. It

62 Mr Alan Blackwood, Director, Policy and Innovation, Young People in Nursing Homes National Alliance, *Proof Committee Hansard*, 4 July 2018, p. 38.

63 Mr Alan Blackwood, Director, Policy and Innovation, Young People in Nursing Homes National Alliance, *Proof Committee Hansard*, 4 July 2018, p. 38.

64 Mr Anthony Ryan, CEO, Youngcare, *Proof Committee Hansard*, 4 July 2018, p. 51.

65 Mr Alan Blackwood, Director, Policy and Innovation, Young People in Nursing Homes National Alliance, *Proof Committee Hansard*, 4 July 2018, p. 51.

does come down to having a process that actually allows those people to be taken through a planning process that is different to maybe the norm.⁶⁶

6.75 Stakeholders argued that there are delays in SDA eligibility approvals by combining the eligibility and dwelling enrolment processes. As a result, only a small number of eligible participants have had SDA approved to date, even among those considered SDA 'priority':

Only 23 of the 2,000 young people in aged care in the scheme have specialist disability accommodation in their plan. Even though those 2,000 people need housing and are a priority group for specialist disability accommodation, so few of them have funding approved that the supply that's in the pipeline is greater than the number of people who have funding for that. We think that's a really important area of focus and framing for this inquiry. The supply side will work. We've seen investors, institutional capital and superannuation funds come to the table and want to invest in this. They just need confidence that the NDIA is going to be approving people for this kind of funding.⁶⁷

Committee view

Choice of living arrangements

6.76 The committee heard that the current pricing structure may preclude SDA eligible participants from living with their families. By funding SDA on a shared basis, there is a financial incentive for SDA providers to rent their dwellings solely to SDA eligible participants rather than to a SDA eligible participant and their partner or family. The committee is concerned that this is restricting choices of living arrangements for SDA eligible participants.

Recommendation 26

6.77 The committee recommends the NDIA examine the SDA pricing structure to remove restrictions for participants in their choice of living arrangements.

Planning process

6.78 A lack of clear information and guidance from the NDIA about the SDA policy is affecting delivery of high quality SDA. Participants must have access to clear and consistent information and high-quality plans to be empowered in their housing choices. The committee notes that the lack of knowledge of planners around SDA is affecting the quality of plans for participants eligible for SDA. In particular, this is impeding on the ability of young people residing in aged care facilities to move to appropriate SDA accommodation.

Recommendation 27

66 Mrs Deborah Farrell, Senior Advisor Transition Project, Young People in Nursing Homes National Alliance, *Proof Committee Hansard*, 4 July 2018, p. 51.

67 Mr Luke Bo'sher, CEO, Summer Foundation, *Proof Committee Hansard*, 4 July 2018, p. 38.

6.79 **The committee recommends that a specialised team of NDIA planners is established to accelerate the transition of young people residing in aged care facilities to appropriate SDA which meets their complex needs.**

Lack of clear and consistent information available to investors

6.80 During its inquiry, the committee heard that investor confidence is being compromised by an absence of effective and clear information. Additionally, the uncertainty caused by the scheduled pricing reviews and the upcoming DRC Pricing & Payments Framework Review.

6.81 The committee is frustrated to hear that, two years after SDA commenced being included in plans, there is still a lack of clear, consistent information about the policy and how it operates.⁶⁸

6.82 Inadequate information and support unnecessarily increases the risk of misinterpretation. The committee is concerned by reports that stakeholders are relying on their own interpretation of published material and 'hoping they are interpreting them correctly'.⁶⁹

6.83 The committee heard there have been cases where SDA property owners had entered into agreements with participants who were then subsequently found ineligible for supports.⁷⁰

6.84 The Agency's inability to provide clarity when approached was also criticised.⁷¹ The committee heard that regional NDIA managers are often busy with other matters and that there are no discrete SDA managers for stakeholders to contact for advice.⁷²

SDA Provider and Investor Brief

6.85 In an effort to improve the clarity of available information, the NDIA released the *SDA Provider and Investor Brief* on 24 April 2018. The brief provides information on:

- price reviews;
- eligibility and funding levels for SDA;
- innovations made possible by SDA funding; and
- dwelling standards and enrolment.⁷³

68 For example: National Disability Services, *Submission 26*, pp. 8–9; Office of the Public Advocate SA, *Submission 57*, p. 5; Summer Foundation, *Submission 71*, p. 4.

69 Mr Paul Simmons, Director, Ability SDA, *Proof Committee Hansard*, 15 March 2018, p. 5.

70 National Disability Services, *Submission 26*, pp. 8–9.

71 For example: Mr Paul Simmons, Director, Ability SDA, *Proof Committee Hansard*, 15 March 2018, p. 6. National Disability Services, *Submission 26*, pp. 8–9.

72 *Proof Committee Hansard*, 15 March 2018, p. 6.

73 NDIA, SDA, <https://www.ndis.gov.au/specialist-disability-accommodation.html> (accessed 25 May 2018).

6.86 Unfortunately, the release of the brief appears to have the opposite intended effect:

What we're sitting on here, nationally, is a situation where you've got others who are lining up, wanting to come in and help and assist, but they're petrified of coming in because they're saying, 'Is it going to be changed once again?' That is the issue that's taking place from an investor-developer perspective... The report [of 24 April] was supposed to create confidence. That was the purpose of it, but it actually did the complete opposite. It stalled. Therefore, any more language that comes out has to be explicit around the type of market you're trying to create.⁷⁴

6.87 The committee heard that some investors chose to freeze their SDA investments following release of the report:

...that day we had a call from four very strong investment groups that a number of the people in this room had been working with over a long period of time. We got a phone call at 4.30 that afternoon from all four of them, saying, 'We are freezing our investment in SDA stock.'[...] it really dented the confidence. The SDA stock and the rollout over the next three or four years is going to rely on confidence and language—strong, confident language—to allow people to be able to understand what the risk is on the investment.⁷⁵

6.88 In response to questions from the committee, the DSS advised that the *SDA Provider and Investor Brief* does not represent a change in policy and that the NDIS Act and the SDA Rules (agreed by all governments) have not changed. The department advised that each plan decision will continue to be made on an individual basis according to the SDA Rules and the NDIS Act. The NDIA will give consideration to any preference to live alone, and is required to give consideration to a number of other aspects, for example, the most appropriate support model for a participant and how a particular SDA type enables delivery of the model.⁷⁶

Pricing reviews

6.89 All compliant SDA dwellings have a maximum price that the Agency will pay that is based on the dwelling's type, location, size and level of accessibility.⁷⁷ These price limits provide a ceiling up to which participants can negotiate with SDA providers.⁷⁸

6.90 Scheduled pricing reviews are intended to assess whether the formula remains adequate, reflects the costs of providing SDA, and provides an attractive rate of return to investors. The first review will focus on the broader policy surrounding SDA

74 Mr Anthony Ryan, CEO, Youngcare, *Proof Committee Hansard*, 4 July 2018, pp. 42–47.

75 Mr Anthony Ryan, Chief Executive Officer, Youngcare, *Proof Committee Hansard*, 4 July 2018, p. 40 and 42.

76 DSS, answers to questions on notice, received 20 August 2018.

77 NDIA, *NDIS Price Guide for SDA*, 1 April 2017, p. 3.

78 NDIA, *SDA Provider and Investor Brief*, April 2018, pp. 6–7.

pricing and payments, and assess whether the policy has been successful at stimulating supply. The *SDA Pricing and Payments Framework* review is due to be completed in August 2018 and to report to the Disability Reform Council in September 2018.⁷⁹

6.91 After this, periodic pricing reviews are scheduled to be conducted every five years by the NDIA, with price limit changes from the first review to apply to all dwellings from 2021. According to the Agency, the review cycle is intended to strike a balance between providing investment surety and ensuring price regulation arrangements are sufficiently flexible to accommodate new data.⁸⁰

6.92 The review cycle received criticism for discouraging investors and financiers and inhibiting SDA growth. Summer Foundation pointed out that reviewing the pricing framework within three years and reviewing prices every five years means that a project on the drawing board today to be completed in 2019 provides only two years of price certainty.⁸¹ A case example was provided from an SDA developer:

(We) had a potential private investor interested in a multiple dwelling SDA development. They own land which would have been suitable in a good location and would have funded the project. We had many discussions with them and they were very keen. Unfortunately when they investigated the detail of the SDA Payments and they saw the risk associated with not knowing what would happen to SDA Base Rates after the 2021 (5 year) Price Review they lost interest in the project and pulled out.⁸²

6.93 Mr Simmons told the committee that developers would rather wait than begin SDA projects in the current landscape:

Anecdotal evidence suggests that new SDA supply has stalled nationally. I hear lots of feedback that potential SDA providers are sitting back and watching because it's too risky to build right now.⁸³

6.94 Scope Australia argued that in order to attract institutional investment, SDA payments should be made at a guaranteed rate for twenty years rather than five as is the current arrangement.⁸⁴

The supply of SDA does not meet current demand owing to the shortage of suitable housing stock. For this to be done at scale, and with the appropriate separation of SIL and SDA, there need to be sufficient incentives provided by government to attract institutional investment. While SDA payments under the Scheme are generally adequate, these payments need to be made

79 DSS, NDIS SDA Pricing and Payments Framework Review, <https://engage.dss.gov.au/sda-review/ndis-specialist-disability-accommodation-pricing-and-payments-framework-review-terms-of-reference/> (accessed 1 June 2018).

80 NDIA, *SDA Provider and Investor Brief*, April 2018, p. 7.

81 Summer Foundation, *Submission 71*, p. 13.

82 Summer Foundation, *Submission 71*, p. 14.

83 Mr Paul Simmons, Director, Ability SDA, *Proof Committee Hansard*, 15 March 2018, pp. 1–2.

84 Scope Australia, *Submission 40*, p. 8.

at a guaranteed rate for twenty years, rather than five as is the current arrangement.⁸⁵

6.95 Summer Foundation, argued that prices should be set for a ten year period:

There's some work around the framework and the rules for specialist disability accommodation and providing a bit more funding certainty. Rather than five-year price reviews, we think prices should be set for a 10-year period.⁸⁶

6.96 Ability Options suggested either grandfathering payments from when a new build is registered or capping the potential maximum price movement allowed at reviews:

In order to stimulate further supply of SDA, we have been advocating throughout 2017 that there must be greater certainty around SDA payments. In particular, SDA payments either need to be “grandfathered” from the date a new build is registered or there needs to be a range set for the maximum price movement possible at a price review. Without one of these approaches there simply is not enough certainty of price continuity for banks or other financiers / investors to make investment decisions which in turn reduces supply.⁸⁷

Committee view

6.97 The committee has reservations as to whether the current framework truly empowers participants to choose how and where they want to live. As discussed, participants are restricted to choosing from completed and enrolled SDA properties. As a result, their ability to work with investors and SDA providers to find a dwelling that meets their needs and their choice of living arrangements are limited.

6.98 The committee agrees with stakeholders that introducing a mechanism to allow prequalification of SDA-eligible participants would provide greater certainty to developers, investors, and participants. Prequalification would allow participants to approach developers at an earlier point and provide input into support design. The committee is of the view that prequalification could be achieved by making it clear that once a participant's eligibility for SDA support is established; it is ongoing and not subject to annual reviews.

Recommendation 28

6.99 The committee recommends that when a person is deemed eligible for SDA, this eligibility should be considered ongoing and not subject to change under the participant's annual planning processes.

6.100 The committee is also supportive of the suggestion that developments should be allowed to be preregistered at plan stage on the proviso they are built to agreed specifications. The committee recommends the NDIA undertake consultation with the

85 Scope Australia, *Submission 40*, p. 8.

86 Mr Luke Bo'sher, CEO, Summer Foundation, *Proof Committee Hansard*, 4 July 2018, p. 38.

87 Ability Options, *Submission 77*, p. 12.

sector to review the current framework for SDA enrolment and registration with the view of introducing a mechanism for prequalification and preregistration to stimulate construction of new SDA stock and enabling more choices of dwelling types for participants.

Recommendation 29

6.101 The committee recommends the NDIA undertake consultation with the sector to review the current framework for SDA enrolment and registration with the view of introducing a mechanism for preregistration to stimulate construction of new SDA stock and enabling more choices of dwelling types for participants.

Hon Kevin Andrews MP
Chair

Senator Alex Gallacher
Deputy Chair

Appendix 1

Submissions and additional information

Submissions

1. Sunnyfield
2. Community Living Association Inc
3. Goldfields Individual & Family Support Association Inc.
4. Exercise & Sports Science Australia (ESSA)
5. LISA Inc
6. MJD Foundation Ltd
7. Anglicare Australia
8. Disability Council NSW and NSW Carers Advisory Council
9. Cara
10. The Shepherd Centre - for deaf children
11. Catholic Social Services Australia
12. JacksonRyan Partners
13. One Door
14. Community Mental Health Australia
15. DARE Disability Support
16. Thorndale Foundation
17. Family Advocacy
18. The Ella Centre
19. Speech Pathology Australia
20. Australian Physiotherapy Association
21. Uniting Country SA
22. VICSERV
23. NACCHO
24. Launch Housing
25. Public Service Research Group, UNSW Canberra
26. National Disability Services
27. Aspect
28. Dietitians Association of Australia
29. The Centre for Excellence in Child & Family Welfare
30. Victorian Healthcare Association
31. Multicultural Disability Advocacy Association
32. Making Connections Together
33. Royal Institute for Deaf & Blind Children
34. Enable Western Australia Inc.
35. Australian Orthotic Prosthetic Association
36. IDRS
37. Buzza
38. Queensland Alliance for Mental Health
39. Mental Illness Fellowship of Australia
40. Name Withheld

41. Business Council of Co-operatives and Mutuals
42. Prader-Willi Syndrome Australia
43. MHCSA
44. Merri Health
45. Hear and Say
46. Occupational Therapy Australia
47. Department of Health and Human Services
48. Queenslanders with Disability Network Ltd
49. Federation of Ethnic Communities Councils of Australia
50. The Australian Psychological Society Limited
51. Autism Specific Early Learning and Care Centre
52. National Disability Insurance Agency
53. Dr Natasha Cortis
54. Maurice Blackburn Lawyers
55. The Royal Australian and New Zealand College of Psychiatrists
56. Helping Minds
57. South Australian Office of the Public Advocate
58. Flinders University
59. Mental Health of Young People with Developmental Disabilities
60. Mental Health Council of Tasmania
61. Queensland Advocacy Incorporated
62. AEIOU Foundation
63. The Royal Australian College of Physicians
64. Municipal Association of Victoria
65. Community Lifestyle Accommodation Ltd
66. Victorian Aboriginal Community Controlled Health Organisation
67. Brotherhood of St Laurence
68. Northcott
69. Australian Services Union
70. Noah's Ark Inc
71. Summer Foundation
72. Community and Public Sector Union
73. Bega Valley Shire Council
74. People With Disability Australia
75. Mental Health Australia
76. Office of the Public Guardian
77. Ability Options
78. Nardy House Inc
79. Future Social Service Institute
80. Volunteering Australia
81. Victorian Council of Social Service
82. Office of the Public Advocate
83. Health Issues Centre
84. Australian Association of Social Workers
85. Law Council of Australia
86. Leadership Plus
87. The Benevolent Society
88. Associate Professor Melanie Randle

89. Integra
90. Victorian Government
91. Victoria Legal Aid
92. UnitingCare Australia
93. Legal Aid New South Wales
94. Name Withheld
95. Name Withheld
96. Council for Intellectual Disability
97. Whole Family Health
98. Western Australian Government
99. Clear.d.life
100. Therapy Focus
101. Queensland Government
102. Monash University and Victorian Institute of Forensic Medicine

Additional information

1. Additional Information from Professor Gwynnyth Lewellyn, arising from a Sydney Public hearing 4 July 2018, received 9 July 2018
2. Additional information from Dr Ken Baker, NDIS essential issues getting transport, arising from Sydney Public hearing 4 July 2018, received 13 July 2018.

Answers to questions on notice

1. Answers to questions taken on notice by the NDIA at a public hearing in Cairns on 1 March 2018.
2. Answers to questions taken on notice by the NDIA at a public hearing in Kalgoorlie on 18 April 2018
3. Answers to questions taken on notice by the Western Australian Government at a public hearing in Perth on 17 April 2018.
4. Answers to questions taken on notice by the Victorian Healthcare Association in Melbourne on 14 June 2018.
5. Answers to questions taken on notice by DSS at a public hearing in Sydney on 4 July 2018.

Tabled Documents

1. Tabled documents from a public hearing held in Cairns on 14 March 2018, received from Workability on 14 March 2018
2. Tabled documents from a public hearing held in Cairns on 14 March 2018, received from NDIA on 14 March 2018
3. Tabled documents from a public hearing held in Townsville on 15 March 2018, received from Aboriginal and Torres Strait Islander Corporation for disabled and respite care, received on 15 March 2018
4. Tabled documents from a public hearing held in Townsville on 15 March 2018, received from AbbaCare on 15 March 2018
5. Tabled documents annual report from a public hearing held in Townsville on 15 March 2018, received from Independent Advocacy in the Tropics Inc on 15 March 2018
6. Tabled documents from a public hearing held in Townsville on 15 March 2018, received from Independent Advocacy in the Tropics Inc on 15 March 2018
7. Tabled documents from a public hearing held in Kalgoorlie on 18 April 2018, received from Life Without Barriers on 18 April 2018
8. Tabled documents from a public hearing held in Kalgoorlie on 18 April 2018, received from Aboriginal Health Council of Western Australia on 18 April 2018
9. Tabled documents from a public hearing held in Perth on 17 April 2018, received from Professor Gilchrist on 17 April 2018
10. Tabled documents from a public hearing held in Perth on 17 April 2018, received from Professor Gilchrist on 17 April 2018
11. Tabled documents from a public hearing held in Perth on 17 April 2018, received from Professor Gilchrist on 17 April 2018
12. Tabled documents from a public hearing held in Melbourne on 14 June 2018, Cash for care under the NDIS, received from Dr Fiona Macdonald on 14 June 2018
13. Tabled documents from a public hearing held in Melbourne on 14 June 2018, Wage theft, underpayment and unpaid work in marketised social care, received from Dr Fiona Macdonald on 14 June 2018

14. Tabled documents from a public hearing held in Melbourne on 14 June 2018, Reasonable, necessary and valued: Pricing disability services for quality support and decent jobs, received from Dr Fiona Macdonald on 14 June 2018.

Appendix 2

Public hearings and witnesses

Wednesday 14 March 2018- Cairns

Aboriginal & Torres Strait Islander Disability Network of Queensland
Mrs Bronwyn Clark, Project Officer

Aftercare
Ms Toni Hines, Regional Manager

Aged and Disability Advocacy Australia
Mr Geoff Rowe, Chief Executive Officer

ARC Disability Services Inc.
Mr Benjamin Keast, Chief Executive Officer

Cairns Disability Network
Mrs Sheridan Lawton, Chair

FNQ Independent Living Support Association Inc
Ms Nita Louise Carling, President

Good Start to Life
Ms Lyndsey Lee Kotsch, Director, GSL

Ozcare
Mr Russell Brighthouse, Head of Community Care

National Disability Insurance Agency
Mr Desmond Lee, Regional Manager, Queensland North
Ms Liz Neville, Branch Manager

Rights in Action
Mrs Robyn Renton, Manager

Synapse
Mr Adam Schickerling, National Disability Reform Manager

TAFE Queensland North
Ms Melanie Clarke, Business Manager

WorkAbility Queensland Project
Mr Matthew Gillett, General Manager, Programs, Community Services Industry Alliance; State-wide Project Manager
Ms Kylie Hogan, Senior Sector Development Officer, National Disability Services; Senior Sector Development Officer

Thursday 15 March 2018- Townsville

AbbaCare Australia Pty Ltd
Ms Robyn Broadley, Manager

Ability SDA
Mr Paul Thornton Simmons, Director

Cootharinga North Queensland

Mr Peter Mewett, Chief Executive Officer

Disability Services and Seniors

Ms Helen Ferguson, Senior Executive Director, Department of Communities

Feros Care

Mr David Thomson, General Manager Local Area Coordinator

Independent Advocacy in the Tropics Inc.

Ms Joanna Mullins, Advocate and National Disability Insurance Scheme Appeals Support Officer

Martin Locke Homes

Mr Martin Locke, Managing Director

Palm Island Community Company

Ms Rachel Atkinson, Chief Executive Officer

Sport and Recreation Aboriginal Corporation

Ms Jenny Pryor, Chief Executive Officer, Bindal Sharks United Training and Employment

Townsville Aboriginal and Torres Strait Islander Corporation for Aged and Disabled Care—North Queensland

Ms Evelyn Lymburner, Director

Ms Patricia Staines, NDIS Support Coordinator

Townsville Aboriginal and Torres Strait Islander Corporation for Women

Dr Kathy Anderson, Chief Executive Officer

Mrs Angelina Akee, Chairperson

UnitingCare Community, Townsville

Mr Richard (Ricky) Esterquest, Service Design Coordinator,

Tuesday 17 April 2018- Perth

Department of Communities, Western Australia

Mr Grahame Searle, Director General

Ms Marion Hailes-MacDonald, Assistant Director General

Enable WA

Mr Robert Holmes Chief Executive Officer

Nulsen Disability Services

Mr Gordon Douglas Trewern, Chief Executive Officer

Private capacity

Professor David Gilchrist

Regional Chambers of Commerce and Industry (WA)

Ms Caterina (Kitty) Prodonovich, Chief Executive Officer

Rocky Bay

Mr Michael Tait, Chief Executive Officer

UnitingCare West

Mr Michael Chester, Executive Manager Individualised Services

University of Western Australia

Ms Penny Knight, National Performance Benchmark Project

Wednesday 18 April 2018- Kalgoorlie**Accessibility**

Mr Graeme Mason, Chief Executive Officer

Activ Foundation

Ms Danielle Newport, Chief Executive Officer

Bay of Isles Community Outreach

Mr Ian Gardner, Chief Executive Officer

Bega Garnbirringu Aboriginal Health

Mr Clive Holt, Chief Executive Officer

Council of Regional Disability Services

Mr Robert Holmes, Chairperson

Empowering People in Communities

Mrs Stephanie Soter, Chief Executive Officer

Goldfields Individual & Family Support Association Inc.

Mr Robert William Hicks, Chief Executive Officer

Mr Graham Selkirk Thomson, Chairman

Far North Community Services

Mrs Kathryn Hough, Chief Executive Officer

Forrest Personnel

Ms Anna Bagshaw, Chief Executive Officer

Full Circle Therapies Inc

Mr Luke Bowler, Vice Chairman of the Board

Life without Barriers

Ms Stephanie Knox, Regional Manager North

National Disability Services WA

Ms Julie Waylen, State Manager

National Disability Insurance Agency

Mr Barny Lee, Director, Market Stewardship

Ms Mary Ashe, Community Engagement

Ms Liz Neville, Branch Manager

Ms Marita Walker, Regional Manager, Western Australia

Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council

Ms Kim McRae, Tjungu Team Manager

Regional Development Australia Goldfields Esperance

Mrs Lee Jacobsen, Chair
Ms Kate Mills, Acting Director

Thursday 14 June 2018- Melbourne

Allied Health Professions Australia

Ms Claire Hewat, Chief Executive Officer
Mr Cris Massis, Chair

Australian Association of Social Workers

Dr Sebastian Cordoba, Professional Officer, Policy and Advocacy
Ms Angela Scarfe, Professional Officer, Policy and Advocacy

Australia Institute

Dr Jim Stanford, Economist and Director, Centre for Future Work

Australian Physiotherapy Association

Mr Phil Calvert, President

Australian Services Union

Ms Natalie Lang, Secretary, New South Wales and Australian Capital Territory Services Branch
Ms Linda White, Assistant National Secretary
Ms Deborah Anderson, Member
Ms Maree Geraghty, Member

Community and Public Sector Union

Mr Stewart Little, General Secretary, Public Service Association of New South Wales; and Branch Secretary, New South Wales Branch, (State Public Services Federation Group)

Flinders University

Associate Professor Christine (Chris) Brebner, Dean of Education, College of Nursing and Health Sciences

Future Social Service Institute

Professor David Hayward, Director

Occupational Therapy Australia

Ms Rachel Norris, Chief Executive Officer
Mrs Andrea Douglas, Professional Adviser, National Disability Insurance Scheme

RMIT University

Dr Fiona Macdonald, Senior Research Fellow, School of Management
Ms Eleanor Bentham, Researcher, NDIS Workforce
Ms Jennifer Malone, Researcher

Speech Pathology Australia

Ms Gail Mulcair, Chief Executive Officer
Ms Catherine Olsson, National Advisor, Disability

Victorian Healthcare Association

Mr Tom Symondson, Chief Executive Officer
Ms Emma Liepa, Director of Policy

Wednesday 4 July 2018- Sydney**Council for Intellectual Disability**

Ms Alanna Julian, Facilitator

Mr Jim Simpson, Senior Advocate

Department of Social Services

Ms Sarah Hawke, Acting Branch Manager, NDIS Quality and Safeguards Policy

MC Two Pty Ltd

Mr Joseph Connellan, Director

Moores

Mr Tony Rutherford, Principal

National Disability Services

Dr Ken Baker, Chief Executive Officer

NDIS Quality and Safeguards Commission

Mr Graeme Head, NDIS Quality and Safeguards Commissioner

Ms Samantha Taylor, Registrar

Summer Foundation

Mr Luke Bo'Sher, Chief Executive Officer

Summer Housing Ltd

Mr Dan McLennan, Chief Executive Officer

The University of Queensland

Adjunct Associate Professor Elizabeth Grant, Indigenous Design Place

University of New South Wales

Associate Professor Gemma Carey, Director, Centre for Social Impact

Associate Professor Helen Dickinson, Director, Public Service Research Group

Dr Sue Onley, Research Fellow, Public Service Research Group

University of Sydney

Professor Gwynnyth Llewellyn, Director, Centre for Disability Policy and Research

Youngcare

Mr Anthony Ryan, Chief Executive Officer

Young People in Nursing Homes National Alliance

Mr Alan Blackwood, Director, Policy and Innovation

Mrs Deborah Farrell, Senior Advisor Transition Project

