

QUESTION ON NOTICE

Parliamentary Joint Standing Committee on NDIS – 7/3/16

QUESTION 1: In regards to transport, what do we expect to see in the NDIS and how will we be working with NDIA to make sure that they resolve it?

Some service models currently provided in NSW support people to travel to and from their support, such as day activities. This is additional to funding specifically for transport to meet day to day transport needs and is instead considered to be part of the support arrangements.

Evidence presented to the Committee on 7 March indicated that the transition of NSW programs into the NDIS may be resulting in disadvantage to participants where the NDIA considers a component of the support to be transport related. As a result they are receiving a reduction in assistance to and from services, compared with previous funded supports. NSW does not accept that interpretation and believe it does not reflect the agreements we have with the Commonwealth to deliver the NDIS.

The NSW Government expects that individuals who previously received travel as a component of community access support, will continue to receive funding to achieve this outcome as part of their NDIS plan.

NSW have called upon the NDIA to resolve this issue as a matter of priority to ensure that no person with disability is disadvantaged during transition to the NDIS. NSW officials will continue to work with the NDIA to this end.

The Deputy Secretary of Ageing, Disability and Home Care has written to the CEO of the NDIA formally raising this concern and seeking an immediate resolution to this issue.

The NSW Government has also requested that the NDIA consider prioritising plan reviews for those participants in the Hunter trial site accessing community participation, to ensure the resolution of this issue is also applied to those who have already entered the scheme.

QUESTION 2: What is the role that NGOs are playing in supporting complex clients?

Non government organisations (NGOs) have had a significant role in supporting clients with complex support needs across NSW for many years.

In January 2015, the Department of Family and Community Services commissioned KPMG to undertake an analysis of its clients with disability who have complex support needs and the current market capacity and potential market interest in supporting these clients.

The market analysis confirmed that there is current capacity to support clients with complex support needs in the areas of complex health care needs, complex behavioural and criminal justice needs.

In respect of behaviour support services, there are 11 non government organisations in NSW receiving in excess of \$100,000 each per annum to provide this service. The majority of services are focused on primary behaviour support, i.e. direct work with clients, while a small proportion is directed to support of staff working directly with clients to improve their knowledge and skills.

The five biggest providers of behaviour support services in NSW are Leap Frog, Macarthur Services, Disability Services Australia, Interaction Disability Services and Autism Spectrum Australia.

There is also non government capacity to support people with complex medical support needs. Currently, the Department funds services for young people who live in residential aged care settings who do not have an intellectual disability but whose medical requirements necessitate a medical model of accommodation.

The five biggest providers of young people in young aged residential centres are Northcott, Wesley Community Services, House with No Steps, Royal Rehabilitation Centre and Disability Services Australia.

In addition there are 11 non government organisations that provide Community Justice Program (CJP) services to support people with complex needs across the state. This includes supported accommodation, tailored support and drop-in support for clients who have contact with the criminal justice system. The largest providers in this field are Lifestyle Solutions, New Horizons Enterprises Disability Services Australia, and Community Restorative Centre. CJP provides funding, training and tertiary supports to the NGO sector to develop their clinical teams. This is to ensure they have the necessary skills in forensic disability to support this cohort. Staff are also supported to take the opportunity to work in the NGO sector to assist with building their capacity and multiple skilled CJP staff have moved to NGO service providers in recent months. It is understood that NGOs will continue to provide support to this client group under NDIS.

The providers with capacity to support clients with complex requirements tend to be larger providers who also provide a suite of other services in the disability sector area such as supported accommodation, respite services and clinical services. Coverage across specialist areas is not uniform across NSW, with each provider tending to concentrate in certain geographic areas for different specialist areas.

Question 3: What are the conditions for staff that will transfer to the non-Government sector?

The NDIS (NSW Enabling) Act allows for the transfer of staff from the Government to the non-Government sector. A key objective of the Act is to ensure that implementation of the National Disability Insurance Scheme is managed in NSW in a way that promotes service continuity for people receiving disability services and community care supports. The Act protects key employment entitlements for transferred staff.

The Act allows for an employment guarantee period to be set and the terms and conditions of employment of a transferred employee under an industrial instrument that cannot be varied during the employment guarantee period, except by agreement or in accordance with applicable industrial law.

The Government has agreed that staff who transfer to a non-government operator (NGO) will receive:

- a. A transfer payment of up to eight weeks for ongoing (permanent) staff, based on completed years of service.
- b. An employment guarantee period of two years from the date of transfer for ongoing employees, and a maximum of six months for temporary and casual employees.
- c. Maintenance of existing superannuation arrangements, including membership of defined benefit superannuation schemes.
- d. Recognition of prior service, transfer of sick leave, and the option to cash out some, or transfer all, accrued annual and extended or long service leave.

What is the timing for the transfer of disability services?

The timeframes for the transfer of Family and Community Services (FACS) group homes and other disability services are yet to be finalised; however, the process to select a new service provider is likely to commence with an Expression of Interest process in the first half of 2016. Services will not start transferring until late 2016. The transfer of all services will be completed by 30 June 2018.

Has a decision been made regarding disability assets?

NSW is progressing work on transferring services to the non-government sector by 30 June 2018. The approach to the accommodation assets is still being finalised.

NDIS participants must be able to exercise choice and control over the supports they receive and service providers must have the opportunity to develop new and innovative models of support. In some cases, this will mean assets and services are provided by separate organisations. In others, it may mean that both the accommodation and services will be provided by the same organisation, or a joint enterprise, through an integrated model of care.

Under the NDIS the Commonwealth Government will provide a User Cost of Capital (UCC) subsidy as a contribution to the cost of accommodation for people with disability who need integrated housing and support. It is anticipated that the UCC pricing framework will be finalised in March 2016 and the details for operationalising the subsidy completed by May 2016.

There are ongoing discussions occurring between FACS, NSW Treasury and the NDIA on the policy settings and pricing for specialist disability accommodation for NDIS participants needing integrated housing supports. The outcome of these discussions and the final structure of the UCC will inform the Government's approach to the assets associated with the transfer of its specialist disability accommodation services.

Progress on Hunter Residences redevelopment?

On 20 October 2015, Family and Community Services (FACS) released an Expression of Interest (EOI) seeking responses from capable and interested non-government organisations (NGOs) to finance, build and operate 78 new specialist disability homes which will accommodate 390 people currently living in Hunter Residences.

The NSW Government is seeking to fund the construction of new specialist accommodation for the redevelopment of Hunter Residences in a way that matches the approach the NDIS will use to fund disability accommodation in the future.

The NSW Government has already committed \$58M for the purchase of land for 88 new homes and funding to construct the first 10 homes. Separately the NSW Government has indicated its intention to provide a subsidy for up to three years as a contribution to the cost of accommodation for the remaining 78 homes with the balance of costs to be funded via the NDIS and its proposed user cost of capital scheme. This is on top of the \$348.85M that this Government has already committed to support the delivery of new contemporary accommodation and the closure of existing FACS Large Residential Centres in Sydney and Orange, and a number centres operated by NGOs across the State.

In January 2016, a shortlist of applicants was identified and stage one of a competitive dialogue process was held with shortlisted applicants on 19 February 2016.

Stage Two of the competitive dialogue process will be confirmed in April 2016.

Subject to the NDIA's arrangements for the UCC the Request for Tender process will continue during May and June 2016 and is expected to be awarded by 30 June 2016.

Q1. Approved by	Rochelle Waterhouse, A/Director, Community and Sector Engagement Alison Sweep, Director NDIS Coordination
Q2. Approved by	David Coyne, Director Clinical Innovation and Governance Linda Mallett, Executive Director System Development and Reform
Q3. Approved by	Hannah Barnes, Executive Officer Service Delivery Programs Leonie King, Executive Director, Service Delivery Programs
Information current at <u>22 March 2016</u>	
Executive Contact	Samantha Taylor, Executive Director NDIS Implementation