



Sunnyfield
disAbility Services

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24 January 2018

**Sunnyfield submission to the Home Parliamentary Business Committees
Joint Committees - Joint Standing Committee on the National Disability
Insurance Scheme - Market Readiness**

Sunnyfield disAbility Services is a leading trusted provider, delivering person centred active supports for over 2,000 people with primarily an intellectual disability in NSW and the ACT. The Sunnyfield community is proud of its family, Member-based, and trusted 65 year history, and is a champion in supporting the efficient, effective and sustainable introduction of the NDIS.

We at Sunnyfield are doggedly committed to making the NDIS work by identifying, documenting, and quantifying the issues; constructively and persistently raising the issues with the right people; offering and being part of the solutions to address and resolve; and ensuring mutual benefit and sustainability for all key stakeholders, particularly clients, families/guardians and the disability support sector, and in the best interests of our society.

Sunnyfield's submission to the terms of reference on the market readiness for provision of services under the NDIS, is as follows.

A. The transition to a market-based system for service providers

Issues: Disability sector providers' NDIS experience is that it is too complex and bureaucratic, causing huge additional administration costs and consuming working capital. Providers are not invited to be part of the solution.

Recommendation: NDIS processes need to be transparent, simpler and easier to use. Participant NDIS plans should be extended until their new NDIS plans are activated.

The NDIS implementation has become fraught with complexity and bureaucracy that is distracting from and impeding the delivery of quality services to participants, while threatening the viability of providers. The mainly not-for-profit disability support sector providers are trying to make the NDIS work adding significant, unfunded, administrative resources to deal with NDIA bureaucratic processes. With limited financial reserves, this jeopardises the ability to continue to deliver quality support services, let alone invest in growth of new services.

A vital issue is the growing NDIA funding debt being carried by support providers in NSW for services delivered, but unable to be billed, causing significant financial strain on the not-for-profit disability support sector. Sunnyfield, and other disability sector providers, are continuing to provide support services to participants in an extremely responsible manner as removing these unfunded services would be devastating for people with disability. The NDIA has been failing to fund these vital services to the estimated value of over \$100m in NSW alone. This is particularly problematic for self-managed participants.

This issue primarily arises when a participant's existing NDIS plan expires and they have not received or activated their new NDIS plan; and from billing errors and service booking delays caused by a variety of issues with the NDIA portal. For Sunnyfield the total outstanding NDIA debt for services rendered to NDIS participants was at the end of December 2017 approximately \$6m. It is not acceptable for the not-for-profit sector to carry such NDIS debt working capital deficits. To resolve the funding gap issue the NDIA has agreed on 7 December 2017 to extend all participant's existing NDIS plans expiry dates until a new NDIS plan is



activated in the NDIA portal, or alternatively to advance funds to later be reconciled; however this is occurring at a slow rate.

Due to the complexity of NDIA processes, significant extra skilled staff resources are required. To resolve each NDIA portal billing error, requires a manual corrective adjustment form submission to the NDIA which can take approximately 30 minutes per error. So for 8,000 errors it could take up to 4,000 hours or \$200k in unfunded cost. Many of these errors could be resolved directly by NDIA staff working together with provider staff, and addressing portal or service booking issues.

The NDIA's shared independent living (SIL) quoting tool and process is another example. For each participant with intellectual disability, it takes Sunnyfield on average approximately 30 hours to complete the SIL quote. For Sunnyfield's almost 190 SIL clients, that is approximately \$285k of unfunded, non-recoverable, cost.

The SIL quoting tool does not cover the non-SIL activities of the clients' time, usually Monday to Friday from 9am to 3pm, when they may attend work or community access activities. If the participant does not attend another support service, or the other provider has a different understanding of who is being funded at what level, the SIL quote can be inadequate. The lack of visibility through the NDIS portal to providers of a SIL participant's whole of life routine and support needs, is increasing the level of unfunded supports that most often the SIL provider ends up providing (estimated unfunded cost \$70k per client p.a.).

It is difficult for providers to invest and have the resources to dedicate to growth and new innovative business models when their organisations financial viability and future viability is at real risk.

To date very few for profit organisations have entered the disability support services market, with many saying it is not financially viable to do so at this time in its early market development, a period of disruption.

B. Participant readiness to navigate new markets

Issues: Families, guardians and clients' NDIS experience is that it is inconsistent and too difficult.

Recommendation: The participant entry process needs to be clearer, simpler and consistent in all regions; with participants/guardians having the right to review a draft of their NDIS plan. The NDIA needs to provide additional funded support for people with intellectual disability, people with significant mental health issues, and people from CALD and Aboriginal and Torres Strait Islander backgrounds, who have greater difficulty accessing the NDIS.

The NDIS was not designed for people with intellectual disability, people with significant mental health issues, and people from CALD and Aboriginal and Torres Strait Islander backgrounds or for the many senior citizen families that support these people and particularly people with intellectual disability with no family representative utilising the Trustee & Guardianship service. The complexity of understanding and navigating the administrative and bureaucratic process, and with the only option to manage funding via the NDIA portal, is putting this large group of vulnerable people at risk.

Participants and their representatives report it is onerous to collect all substantiating evidence to input into the planning meeting; and Sunnyfield has seen material inconsistencies in the NDIS planning process and requirements across participants with similar profiles and needs. With no opportunity to review a draft of their NDIS plans, a number of participants are receiving plans that are not well suited or have errors. For people with intellectual disability operationalising their NDIS plan can be difficult, particularly with regards to authorisation of the necessary quoting and contractual obligations; and the difficulties in contacting NDIA personnel to assist to resolve their issues or working with the NDIS portal, exacerbating these problems.

The NDIA needs to urgently improve the NDIS portal to simplify and make user friendly. The portal should have forward planning data notification regarding the participants' plan status – approved supports, use of supports, financial information and impending plan expiry date – available to the participant, guardian and where the participant approves, relevant service providers.

Without the above NDIS system user friendly basics in-place, it is hard for many to even contemplate shopping around for different support providers to exercise greater choice and control of supports.

C. The development of the disability workforce to support the emerging market

Issue: There is a Disability Sector Workforce shortage – around 60% of disability service providers had moderate to extreme difficulty recruiting disability support workers (source: NDS 2017 State of the Disability Sector Report). Average working hours remain low and working conditions are under pressure, making it tough to attract and retain staff. In addition, the NDIS one-to-one very low pricing does not allow for the comprehensive training needed for a person to safely deliver quality supports for people with moderate to severe intellectual disability.

Recommendation: The NDIA should fund National Disability Services (NDS) to develop and deliver an NDIS National Workforce Strategy to attract, develop and retain a sufficient workforce of diverse people with the right values and expertise to ensure the NDIS is delivered in full and on-time. The NDIA also needs to drive cultural change within its own organisation, to create vastly improved streamlined systems and processes, and reduce the ever growing NDIA bureaucratic processes – cutting unnecessary red tape. NDIS fixed pricing needs to cover the costs of delivering disability supports.

D. The impact of pricing on the development of the market

Issues: NDIS pricing for one-to-one supports, Supported Employment, transport for people with severe disability, and property costs for centre-based, community and social activity supports is financially unviable.

Recommendation: The NDIA needs to increase NDIS pricing with immediate effect in participant 'My Plans' and billable on the NDIA portal for one to one supports by at least +10%, Supported Employment by +\$5k p.a., transport for people with severe disability to be above the standardised rate, and to cover property costs for centre-based community and social activity supports.

The current NDIS one-to-one (and one-to-two) pricing is not viable to support people with intellectual disability. Providers are leaving this market segment and therefore participants will either not have provider choice or will be forced into groups where their support needs will not be met. One-to-one (and one-to-two) participant funding at \$44.72 per hour is not sustainable, as the formula used by the NDIA to calculate it has assumptions that are unachievable – 95% staff billable hours, supervision ratio of one Manager to 15 FTE direct reports, and 9% total overhead cost.

DSS/NDIS funding for Supported Employment is insufficient (by an estimated \$5k p.a. per participant), and over time has declined (in real terms) to a current average of \$11.7k p.a. At this funding level, disability enterprises are finding it difficult to be viable. Meanwhile there is the potential impact of more than doubling the cost to government (to \$34k p.a. per participant) if disability enterprises shutdown (in part due to not being able to afford to pay the potentially substantial FWC pay increases resulting from the BSWAT high court case) and the participant accesses NDIS funded community access activities instead of participating in supported employment. In addition, Local Area Coordinators and NDIA Planners are not steering participants as a preference to employment options which are a planned NDIS outcome and more cost effective to the NDIA.

At an average of approximately \$2.5k per annum (or \$6.85 per day per client), NDIS transport funding is insufficient for people with severe disability who are unable to conveniently or practically utilise public transport options. This therefore restricts their options to participate in community activities and reduces their ability to access medical and other vital services. The funding for transport needs to increase based on the participants needs.

NDIS pricing for social and community participation does not recognise the cost differential in providing services for community-based versus centre-based. The addition of property costs places centre-based activities viability at greater risk, especially in city areas; and thus is reducing options for people with disability, particularly for those that are not suitably skilled to participate in community-based activities.

The implementation of all NDIS pricing changes must be activated by not only issuing a new NDIS price guide, but also changing the value of participants' existing NDIS plans. Example: increased NDIS Short Term Accommodation pricing was effective October 2017; only new NDIS plans issued after January 2018 contained the new rates; so while providers can bill the NDIS at the new rates, participants with existing plans do not have the funds to pay.

E. The role of the NDIA as a market steward

Issue: The NDIA is stifling new entrants and current incumbents from innovation by the ever growing list of NDIS registered provider restrictive rules; fixed maximum pricing; unviable low pricing for some supports; administration in unnecessarily tracking some participant services by the hour; growing unfunded NDIS administration burden; and services delivered payment gap.

Recommendation: The disability sector must be a part of the solution (not perceived as part of the problem), and encouraged to invest in growth and innovation to create a strong, diversified and viable efficient new customer focussed marketplace.

During the introduction of the NDIS, the longstanding incumbent organisations in the disability support sector were demonised as a key contributor to the problems of the old state based disability support system, despite the fact that many organisations contributed scarce funds in their overwhelming support to the campaign to bring about change to introduce the NDIS and it's person centred and individualised funded philosophy.

Very little investment has been made by government to harness the disability sectors knowledge and to develop the essential commercial expertise, organisational business systems, and capacity for organisations to deliver the NDIS; let alone invest in the much needed disability support sector capability and resources for growth in order to facilitate the NDIS increased marketplace. The majority of the disability support sector is willing to adapt, change, and commercialise their approach, given adequate time, to make the NDIS a success for the benefit of people with disability and their families.

The NDIA needs to create a disability sector advisory (pro-bono) group, with sector representatives from diverse backgrounds and expertise. In addition to the inclusion of the sector peak body NDS, it should include knowledgeable sector/participant group representatives with commercial expertise to assist the streamlining of the NDIS to be user friendly and sustainable.

The many and very complex NDIS implementation issues are generating significant additional administrative workload, and angst for support service provider staff involved. Whilst disability support sector managers have been involved in staff development and training to assist, adjust and embrace the new NDIS world, no one was prepared for what has now evolved. Good staff are leaving the sector rather than be bogged down in the trenches with massive, muddy, bureaucratic red tape.

F. Market intervention options to address thin markets, including in remote Aboriginal communities

No Comment.

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

Issue: There is insufficient supply of SDA housing stock, and it is extremely difficult for clients in real need to access Supported Independent Living (SIL) support funding and SDA.

Recommendation: The NDIA SDA initiative requires a minimum 20 year lifecycle of funding, higher rates in city regions, and consistent participant application, if financiers and developers are to invest in this new market with sustainable risk. Short Term Accommodation also needs SDA funding support appropriate to its location.

Due to lack of surety in participant residents having SDA funding, the 10 year limited timeframe for SDA funding, additional geographic funding weighting being insufficient, and lack of recognition of more creative housing arrangements for SIL clients (eg. for apartment living), there has been limited interest from the Community Housing Provider (CHP) and property developer market in investing to build more affordable SDA homes for people with disability. SDA funding should also apply to short term accommodation and take into account the differentials in property real costs in cities compared to regional and country areas.

There is an inconsistency in clients securing access to NDIS SDA, where for example two clients in a four resident home have SDA funding and two do not. The time limited 10 year funding period for SDA is inhibiting CHP and property developer investment in SDA housing stock.

The establishment of new SIL homes is proving impossible currently and it is difficult to fill SIL vacancies despite a Sunnyfield Expression of Interest (EOI) list of over 100 potential new clients. Sunnyfield has been trying since May 2017 to progress a cohort of four new clients, however there are NDIA barriers involved. House client (and family) cohort matching is vital to the success of a SIL home but currently NDIS policy is that a participant can only get SIL funding added to their supports when their existing NDIS plan expires and is renewed. In practice it is unlikely to be able to identify four residents that want to live in the same locality, are all well matched, and have NDIS plan review dates within two months or so of each other. In addition, participants seeking to fill a suitable SIL vacancy cannot get SIL funding, creating participants in desperate need and SIL services that are unviable.

H. Provider of last resort arrangements, including crisis accommodation:

Issue: There are inadequate and insufficient provider of last resort arrangements, including crisis accommodation.

Recommendation: The NDIA needs to define a clear and easily accessible pathway for participants to secure SIL funding for those who have demonstrated a real and urgent need.

Sunnyfield has over 100 people with disability on a EOI list in need of shared living, yet have not been able to progress for months as there is an undocumented process and no clear instruction on what assessments and documentation are required.

Non-emergency change of circumstance NDIS plan reviews are not encouraged or prioritised by the NDIA, meaning that adding SIL funding is delayed until scheduled plan reviews, so virtually impossible to co-ordinate SIL funding for a compatible group.

I. Any other related matters:

Further Recommendations:

***The NDIA needs to promote and encourage people with disability to choose employment participation in their NDIS plan in keeping with the Productivity Commission enquiry into Disability Support target outcomes for the NDIS. Where in practice, since the introduction of the NDIS employment rates for people with disability have and continue to decline, increasing the cost of the NDIS.**

***The NDIA needs to streamline all NDIS processes, and significantly reduce the complex and high administration burden. These practices increase the overall cost of the scheme, increase unfunded provider administration, are not viable for providers operating within the fixed pricing regulations and are a barrier for participants, families and guardians.**

Report Submission by:

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