



## **Australian Government**

Australian Government response to the  
Joint Standing Committee on the National Disability Insurance Scheme (NDIS) report:

Inquiry into market readiness for provision of services under the NDIS

February 2020

## Introduction

The Australian Government welcomes the Joint Standing Committee on the National Disability Insurance Scheme's (the committee's) report to the Inquiry into Market Readiness for provision of services under the NDIS (the Report).

The Report examines a range of issues relating to the readiness of National Disability Insurance Scheme (NDIS) participants, providers and the workforce in the NDIS market, and market stewardship responses by the Government. The Report received submissions from 102 individuals and organisations, and six public hearings were held between March and July 2018.

The Report contains 29 recommendations to the National Disability Insurance Agency (NDIA), the Department of Social Services, the Australian Bureau of Statistics (ABS), the Australian Skills Quality Authority (ASQA) and the Department of Education, Skills and Employment (DESE). The recommendations cover a number of issues relating to market readiness, including:

- market roles and responsibilities of government
- access, planning and review resources and processes
- participant pathways, including tailored pathways for specific cohorts
- workforce
- market information
- market stewardship, development and interventions
- pricing
- Specialist Disability Accommodation (SDA).

The Australian Government is committed to supporting people with disability, ensuring that they can attain the highest possible health, wellbeing and community engagement outcomes throughout their lives. While the NDIS is designed to assist people with disability to achieve their goals while exercising choice and control, it is acknowledged that a number of challenges relating to the market have emerged during the transition period.

The Australian Government supports 14 recommendations, partially supports one recommendation, and supports in-principle 12 of the 29 recommendations made in the committee's report. The Australian Government notes one recommendation and does not support the remaining recommendation.

## Recommendations made by the Committee

1. 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.

### Supported

The Australian Government is working with states and territories to develop full scheme market roles and responsibilities, including for market stewardship. These are being considered by the Disability Reform Council (DRC).

Development of NDIS market roles and responsibilities (including workforce development) for full Scheme was initiated in the context of the Productivity Commission recommendations to publicly clarify roles, the commencement of a new NDIS body - the NDIS Quality and Safeguards Commission (NDIS Commission) - on 1 July 2018, and jurisdictions moving to full Scheme.

2. 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.

### Supported

Targeted training of 7,000 planners and Local Area Coordinators (LACs) has been conducted as part of the Pathways work to support the reform implementation. The NDIA's New Starter Program (NSP) includes this training and frontline staff that commenced with the NDIA and its Partners in the Community were upskilled throughout the year. This training has a strong focus on participant-led planning, customer service skills, rapport building and disability awareness. This includes how participants can access services and implement their plans.

The NSP has been progressively implemented nationally from July 2018 with further enhancements during 2019. It is a six week blended program with over 19 modules including a specific module on Plan Implementation and Monitoring, which all frontline staff must complete prior to engaging with participants. This module focuses on plan implementation, understanding and explaining a participant plan, using informal/community/mainstream supports to realise goals, understanding the Price Guide, flexibility in plans and using the participant portal. The refreshed NSP has a stronger focus on the NDIA values, building empathy and behaviours that help to support our participants.

There is now a much stronger connection between NDIA planners and LACs, who will become a consistent point of contact for the participant. This will be further improved from March 2020 when joint planning will be progressively rolled out across Australia commencing with Queensland. Face-to-face planning support is now offered to participants to assist during the critical pre-planning and plan implementation stages.

Between July 2018 and June 2019, a significant amount of time and effort was placed on improving disability awareness training and cultural competency training for frontline staff. The new training and development modules for staff and LACs were developed in conjunction with peak disability bodies.

All NDIA planners and LACs will undertake the improved disability awareness and cultural competency training during the next twelve months.

3. 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.*

### **Supported**

The NDIA recognises the significant value Support Coordination brings to participants and the NDIS, including positively contributing to self-direction, participant choice and value for money outcomes.

Support Coordination can be provided in three different levels:

- Level 1 – Support Connection
- Level 2 – Coordination of Supports
- Level 3 – Specialist Support Coordination.

As at 31 December 2019, the NDIA Quarterly Report highlighted that 38 per cent of active participants with approved plans had support coordination in their plan.

The Government is also bringing forward legislative amendments to assist decision-makers to make consistent decisions relating to the circumstances in which support coordination should be funded in plans. These amendments will be informed by the *2019 Review of the National Disability Insurance Scheme Act* (the Tune Review) and recognise that support coordination is seen by many participants, particularly in the early years of a plan, as a vital support that allows them to maximise the benefits of their NDIS supports.

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

### **Supported**

From September 2018 to June 2019, a range of service improvements were implemented for participants, including initiatives to improve the planning and plan implementation processes, face-to-face planning meetings and a consistent point of contact. A consistent point of contact means participants can easily contact their NDIA local area coordinator or planner and work through any questions they might have. Further enhancements to support improved planning and plan implementation, including joint planning meetings, will be progressively rolled out over the coming months. Joint planning meetings will also focus more on plan implementation and ensure that effective referrals are made to LACs, support coordinators and other supports.

In order to deliver the commitments to improve the NDIS, the NDIA is currently filling an additional 800 Australian Public Service (APS) positions capable of exercising delegations under the NDIS legislation, taking the APS Average Staffing Level (ASL) to 4,000 from 1 July 2020.

Across the NDIS network, including partners in the community providing local area coordination and early childhood early intervention services directly to participants, there are currently around 11,500 people engaged to deliver the NDIS.

The Government has and will continue to monitor and adjust resources to meet the needs of the NDIS and the people it supports.



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

### **Supported in-principle**

The NDIA continually monitors staffing levels and rebalances the workforce according to emerging priorities and trends to meet the demands of implementing the Scheme. The NDIA reports on staffing numbers in the Annual Report.

6. 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.

### **Supported**

The Australian Government supports the service enhancements being developed by the NDIA and the measured approach to implementing these improvements to support particular participant cohorts and provide a quality participant experience.

The NDIA has implemented a range of improvements to enhance participants' experiences with the NDIS, including: the Complex Support Needs Pathway (CSNP); a dedicated psychosocial disability service stream; a dedicated hearing service stream; service enhancements to meet the needs of specific cohorts; and enhancements to the Early Childhood Early Intervention (ECEI) approach.

#### *Complex Support Needs Pathway*

The CSNP is designed to provide skilled support for people with disability who experience personal and situational factors that are beyond the scope of general NDIS disability support models. The CSNP works with specific participant groups including young people in residential aged care (YPIRAC), children and young people with disability living in accommodation outside of the family home, and other participants who are transitioning from Commonwealth, State and Territory agencies and are determined to be high-risk.

Some key elements of the CSNP include:

- dedicated planners skilled in supporting participants with complex support needs
- effective plan implementation and regular monitoring of plans to assess plan utilisation
- regular contact with support coordinators to ensure access to disability supports and mainstream services are meeting the participant's needs.

New participants who meet the complex support needs criteria will be referred to the Pathway. Existing NDIS participants assessed as having complex support needs will be transferred to the Pathway.

The CSNP is being expanded to include health and justice liaison officers (HLO and JLO) nationally to provide a collaborative service system response for people with complex needs exiting the hospital and justice systems, and there is currently a recruitment exercise underway to double the number of YPIRAC planners to 80 by the end of March 2020.

### *A dedicated psychosocial disability service stream*

A dedicated psychosocial disability service stream will provide a more integrated, outcomes-focused approach to supporting people with psychosocial disability.

Developed with consultation from Mental Health Australia, the new service stream includes the employment of specialised planners and Local Area Coordinators; better linkages between mental health services and NDIA staff and partners; and a focus on recovery-based planning and episodic needs.

The service stream has been rolled out and is being supported by a range of mental health initiatives that were approved by DRC in October 2019, including:

- the employment of specialised planners and Local Area Coordinators with expertise in psychosocial disability
- better linkages between mental health services and NDIA staff and partners
- a focus on recovery-based planning and episodic needs.

The streamlined access process continues to successfully support people with psychosocial disability by:

- verbally beginning their access request with a support worker or a trusted person
- providing consent for their support worker or a trusted person to be the NDIA contact for the duration of the access process; and
- re-testing access to the NDIS with the support of a trusted person (where required).

Foundation psychosocial disability training for NCC staff, Access Delegates, planners and LACs will improve their understanding of mental health and psychosocial disability.

Production of a bespoke Evidence of Psychosocial Disability form, and access guides and fact sheets for applicants, General Practitioners and Mental Health Professionals will smooth the access pathway for potential participants.

Collaboration with the Mental Health Coordinating Council produced *reimagine.today*, a website for NDIA staff and NDIS applicants that aims to support both understanding of psychosocial disability and how to apply to access the NDIS.

The NDIA has also developed a Psychosocial Capability Framework that will be progressively implemented over the next three years.

This work is also closely aligned to the design and implementation of the complex support needs pathway.

In addition, the Government is committed to improving the NDIS for people with psychosocial disability. DRC agreed, at its meeting on 9 October 2019, to an approach to improve NDIS access for people with psychosocial disability and the experience of participants with psychosocial disability in the NDIS. These DRC agreed initiatives include:

- a joint examination of access to the NDIS for people with primary psychosocial disability.
- improved linkages and referral to mental health supports and the community mental health sectors for those who are not eligible for the NDIS
- enhancing the role of Local Area Coordinator staff and Community Connectors to undertake assertive outreach and to provide support to increase access to the NDIS for people with psychosocial disability
- enhanced NDIS planning and support to better respond to the episodic nature of psychosocial disability, including quicker plan adjustments
- establishing a new psychosocial disability recovery framework to better support NDIS participants towards wellness and independence

- strengthening information sharing and working arrangements between the Commonwealth, state and territory governments and the NDIA
- developing operational protocols to support better linkages, referral and coordination of supports through the NDIS, mental health and other relevant service systems.

The Council also agreed an approach to address interface issues between the NDIS and mainstream mental health systems, information sharing and concurrent supports, and to the establishment of a Psychosocial Disability Recovery Framework to support recovery and episodic needs. The Government is working collaboratively with states, territories, the sector, consumers and carers to develop and implement this work.

The Government will also bring forward legislative amendments to provide greater clarity on when a person with a mental health condition is eligible for the NDIS, recognising that some conditions may be episodic or fluctuating in nature, and to ensure supports provided through the NDIS are directed towards supporting recovery and improved health and well-being. The passage of this legislation is intended to be implemented by 1 July 2020, alongside the new NDIS Participant Service Guarantee and other legislative amendments recommended in the Tune Review.

#### *A dedicated hearing service stream*

A dedicated hearing service stream to support children to move quickly from diagnosis to early intervention to avoid the risk of developmental delay.

The first phase of this service stream was implemented in August 2018, focusing on prioritising NDIS access for children from birth to six years with a hearing loss.

The NDIA is continuing to work to progressively implement the hearing stream for participants aged seven to 64, including consulting with key external stakeholders in the deaf community to provide input across key life transition points.

In addition, work is ongoing to assist clients in the Commonwealth's Hearing Services Program to understand whether they might benefit from testing access to the NDIS and potentially access supports that are not available under the Hearing Services Program. Safeguarding services for young children and vulnerable persons receiving services through the NDIS remains a priority of Government. Children aged between 0-6 will continue to receive hearing services, including an initial hearing assessment, device fitting and maintenance through the Hearing Services Program.

#### *Service enhancements to meet the needs of specific cohorts*

Service enhancements to meet the needs of a range of cohorts, including Aboriginal and Torres Strait Islander peoples, people from culturally and linguistically diverse backgrounds, people living in remote and very remote communities and people who identify as LGBTQIA+.

The NDIA is continuing to work closely with stakeholders to ensure that the NDIS service approach supports culturally appropriate responses that meet the needs of a range of diverse population groups.

The NDIA is also focusing on building expertise and providing coordination to support remote service delivery, and build key relationships with Aboriginal and Torres Strait Islander representative groups. This includes progressing the Remote Community Connector model in a wide number of communities in Queensland, the Northern Territory, South Australia and Western Australia. The Connectors are now available to assist service delivery teams by improving access to the scheme for participants in a culturally sensitive manner, and the expansion of the model is currently being rolled out.

The Department of Social Services is exploring opportunities to work with Indigenous organisations to build capacity and capability for NDIS service delivery in community.

In addition, the NDIA released its Cultural and Linguistic Diversity Strategy in May 2018.

On 1 May 2019, initial resources about interpreter services were released. The resources have been designed to target key stakeholders to raise awareness of NDIA interpreting best practice.

LGBTQIA+ online training is available for all staff and partners. The NDIA is currently working on face-to-face training, which commenced being progressively rolled out from the end of 2019.

On 8 July 2019, the Aboriginal and Torres Strait Islander online learning training module was launched during NAIDOC week. This online module is mandatory for all staff and partners. Face-to-face training was tested in select locations, and is expected to start being progressively rolled out to targeted Service Delivery and Partner locations by the end of 2020.

Culturally and Linguistically Diverse training is being developed and is expected to start being progressively rolled out by the end of 2020.

In May 2019, the Government committed \$20 million to expand the Community Connectors program, which is expected to be implemented during 2020. This expansion will build on the existing program for indigenous communities, and identify best practice in engagement with other rural and remote communities, as well as culturally and linguistically diverse communities.

#### *Enhancements to the ECEI Approach*

Enhancements to the existing Early Childhood Early Intervention (ECEI) Approach to deliver a nationally-consistent model of childhood intervention services are underway. A prioritisation framework and ECEI booklet for parents and carers was released in May 2019. ECEI Practice Leads are in place nationally to provide specialised support and build ECEI capabilities across the NDIS and Early Childhood Partner workforce. Practice Leads are mobile across their respective states and territories.

On 26 June 2019, the Government announced a six-month remediation plan to resolve delays and backlogs currently being experienced in the ECEI Pathway. This included an increase in the capacity of the NDIA's national access team so that they can continue to closely monitor progress and timeliness of access decisions. The NDIA is also providing additional support to Early Childhood Partners in areas experiencing delays by redirecting available NDIA planners to assist with planning activities.

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

#### **Supported**

The NDIA has upgraded the NDIS external facing website to provide an improved online experience for participants, providers and the wider community. The NDIS website is one of the NDIA's most popular communication channels and receives over 1.6 million page views per month. The upgraded website went live on 22 January 2019.

The upgrade features include:

- a simplified structure aligned to the new participant pathway
- a new and adaptable design, making it easier to access the site on mobile devices
- improved search functionality, making it easier to find local information sessions, partner and NDIA office locations and roll out details
- new inbuilt accessibility features such as contrast and font resizing to ensure everyone can engage with the NDIS
- clearer layout of information to explain key NDIS information and processes
- a redesigned provider section incorporating the Provider Toolkit

- introduction of an Easy Read Employment section.

The NDIA has aligned the delivery approach of the website upgrade to the Digital Transformation Agency's (DTA) Digital Service Standards and Design and Delivery Framework. The NDIA is also working with the DTA to share learnings and improve online accessibility across the Australian Public Service.

Following positive feedback from the release of the upgraded website, the NDIA is continuing to improve the website, with current projects including redesigning the provider section of the website, delivering additional easy read information. The NDIA will be running a range of consultation and user feedback activities with a wide variety of stakeholders, including providers and people with intellectual disability to inform and test these improvements prior to their public release.

8. 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.

### **Supported in-principle**

The ABS advises that the collection of information on the age, hours of work and incomes of the NDIS workforce using ABS instruments is likely to place a significant burden on respondents and may not yield the required information.

The Australian Government recognises the need for better information on the NDIS workforce. To address this need, the Department of Social Services is working closely with other Australian Government departments and agencies, including the Australian Taxation Office, the Department of Education, Skills and Employment, and the Department of Health to understand and report the profiles of the disability sector workforce and the barriers to transition to full Scheme.

As part of the Boosting the Local Care Workforce Program (BLCW Program), the Government launched an online NDIS Demand Map (at [blcw.dss.gov.au](http://blcw.dss.gov.au)) on 23 March 2019 to provide data on the demand for NDIS services and workforce by region, including for disability care workers and allied health professionals.

The information will be updated regularly as the Scheme rolls out and to accommodate feedback from industry. This addresses concerns about the lack of information that may potentially prevent disability service providers from entering, expanding or diversifying in the NDIS market.

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

### **Supported**

The Australian Government released the Growing the NDIS Market and Workforce Strategy on 23 March 2019. Building on the initiatives set out in the Strategy, the Commonwealth and State and Territory Governments are developing a coordinated national approach to workforce development. This national approach will bring together and build on existing initiatives through extensive consultation with participants and the sector to foster and grow a capable NDIS workforce.

Given the growing demand for quality health and human services, the national approach will be considered within the broader context of the care workforce, including aged care, childcare and veterans' affairs. This will ensure the Government is capitalising on initiatives to grow a capable care workforce, lifting and improving service delivery across Australia.



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| 10. The committee recommends the Australian Skills Quality Authority undertake consultations with the industry, state and territory governments on the adequacy of current Vocational Education and Training (VET) programs offered in disability care. |
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### **Supported in-principle**

The Australian Industry and Skills Committee (AISC) provides advice to the Council of Australian Governments Skills Council on the implementation of national VET policies, and approves nationally recognised training packages for implementation in the VET system. The AISC has established a Disability Support Industry Reference Committee (IRC) to update national competency standards (the training package) in the area of disability support.

The Australian Government is committed to a national vocational education and training sector that puts industry at its core. The Australian Government is investing \$51.4 million in pilot Skills Organisations, to trial new approaches to expand the role of industry in the national training system. Skills Organisations will be piloted in three key priority industries, mining, digital technologies and of relevance, human services care.

The Department of Education, Skills and Employment will recommend that the AISC and Human Services Care Skills Organisation Pilot considers findings and recommendations of the report from the Joint Standing Committee on the NDIS through the current work, as well as any future work commissioned.

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| 11. The committee recommends the NDIS 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. |
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### **Partially supported**

The NDIS Commission, together with the Department of Social Services, will be developing an NDIS Workforce Capability Framework. The design of this capability framework will involve extensive consultation and will consider the training and skill requirements of the NDIS workforce to deliver safe and high quality supports for participants.

The Australian Government works with states and territories through the Council of Australian Governments Industry and Skills Council, which Council has tasked skills officials to work alongside disability officials on developing and supporting a consistent approach to skills development for the NDIS, with a report back to skills ministers at the next meeting.

States and territories have responsibility for managing their own training systems. The majority of states and territories provide an entitlement to a minimum Certificate III level qualification, and a number further fund access to a second qualification at this level, allowing individuals to re-train in response to changing economic needs. The Australian Government supports state and territory training systems by contributing \$1.5 billion per year through the National Agreement on Skills and Workforce Development, as well as through national partnership agreements.

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| 12. 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. |
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### **Supported**

The NDIS Commission, the NDIA, the Department of Social Services and relevant jurisdictions provided clear and consistent information regarding the provider registration process available

to providers in NSW, SA, TAS, NT, ACT, VIC and QLD prior to the implementation of the NDIS Commission in those jurisdictions.

In both the 1 July 2018 and 2019 transitions, the NDIS Commission engaged directly and extensively with providers across incoming jurisdictions in the lead up to transition. This involved targeted communication setting out the registration obligations for providers and the steps to apply for or renew that registration, as well as comprehensive advice relating to new behaviour support and reportable incidents requirements, and new worker screening requirements. In addition to this, the NDIS Commission has forged a broad range of relationships with a range of regulatory and industry bodies in each jurisdiction to ensure consistent and clear information was provided about the registration process ahead of, and during, the implementation of the NDIS Commission in each jurisdiction.

Providers registered with the NDIA ahead of the rollout were automatically migrated to become registered NDIS providers with the NDIS Commission. Providers were then issued a new certificate of registration and provided with information about how and when to renew their registration with the NDIS Commission.

Information about the registration process is available to all providers on the NDIS Commission website.

The NDIS Commission has worked extensively with the NDIA and state and territory governments to closely manage transition issues and risks. Further to this, a robust and effective communication plan regarding provider registration, including information packs for those providers that had not yet engaged with the NDIS Commission was implemented in the lead up to transition. Communications regarding regulatory arrangements will continue for both existing providers and new organisations who may later decide to deliver registered NDIS supports and services.

These processes will be in place to ensure a smooth transition for Western Australia when it becomes a participating jurisdiction from 1 July 2020.

13. 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.
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#### **Noted**

The Australian Government in consultation with states and territories will determine the terms of reference for any future Productivity Commission review. The Australian Government, and states and territories have agreed in-principle to a review of the NDIS Quality and Safeguarding Framework to be undertaken in a two-stage approach with an initial report tabled and considered by the DRC in 2022 and a final report tabled in 2025 to the DRC.

This timeframe will allow for consideration of the implementation of the recommendations arising from the 2019 Tune Review of the NDIS Act, including the NDIS Participant Service Guarantee, and the Royal Commission into the Violence, Abuse and Neglect of People with Disability (Disability Royal Commission).

14. The committee recommends the NDIA publish yearly updated Market Position Statements for each jurisdiction.
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### **Supported in-principle**

The original Market Position Statements were designed to remain relevant throughout NDIS transition for projections for demand, supply and expenditure. In addition, current performance updates on the progress of participants, provision of supports and the funding by the NDIA in each jurisdiction are available via quarterly reports and dashboards.

The Scheme Actuary has also commenced releasing additional insights data and reports publicly between Quarterly Reporting cycles to provide current demand and supply information in specific areas. This will be expanded during 2020.

The NDIA and the Department of Social Services will continue to publish targeted and specific market information through various channels, including the NDIS website and through the Boosting the Local Care Workforce program and NDIS Demand Map.

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

### **Supported**

The NDIA published the Western Australia Market Position Statement on the NDIS website on 19 December 2019.

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

### **Supported in-principle**

Feedback on the Market Insights program highlighted a more dynamic and interactive format is needed for sharing market information.

The NDIA is therefore focused on providing a regular release of updated market-related information through the Council of Australian Governments (COAG) quarterly report process. This includes, for example, publication of updated disaggregated data on Specialist Disability Accommodation (SDA). This is based on the SDA market data release plan developed in consultation with the SDA Reference Group.

In addition, the NDIA is sharing data in a range of formats on its website. The NDIS Market Report, published on the NDIS website, is part of a series of publicly shared reports released by the NDIA as part of the Agency's commitment to sharing specialist data in addition to the comprehensive quarterly and other reports regularly released to assist stakeholders to understand market trends. The NDIS Market Report compares a number of market indicators across geographical regions and participant characteristics, and it shows the NDIS market is experiencing encouraging growth across most regions.

The Department of Social Services has also designed a revised NDIS Market Key Performance Indicator (KPI) Framework to measure market effectiveness at a granular level by NDIS Region, provider registration group, and where possible participant demographics. The NDIS Market KPI Framework will provide market intelligence on specific submarkets, regions and cohorts.

17. 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.

### **Supported**

The NDIS is available in all regions across Australia with the exception of Christmas Island and Cocos (Keeling) Islands where it will be available from 1 July 2020.

NDIA experiences over the past six years and feedback from local providers informs the development of provider engagement and readiness activities, identifying information required and key topics for new, existing and prospective providers.

Western Australia was the last state to roll out the national NDIS. The WA Provider and Market Engagement plan was implemented from early 2019. This includes tailored information and support based on the profile of the provider, including more intensive engagement with providers supporting large numbers of participants given their influence on participant experience and outcomes. Similar provider engagement activities continue across Australia.

Face-to-face engagement is supplemented with provision of information through a range of channels, including the NDIS website, provider newsletters, webinars, email and portal communications.

18. 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.

### **Supported in-principle**

The Department of Social Services is supporting the transition of the disability sector through the Jobs and Market Fund (JMF) and the BLCW Program. These programs build on the success of the Sector Development Fund (SDF), which provided over \$112 million to support the transition of participants, providers and the workforce to the NDIS. Together, these programs provide both individual business transition support through the BLCW Program, and address collective market and workforce needs through the JMF.

#### *BLCW Program*

The \$33 million BLCW program, which commenced in May 2018 is administered by Ernst & Young (EY) through a grant agreement.

Under the BLCW program's Transition Assistance Funding initiative, current and future NDIS providers could apply for funding of up to \$20,000 (GST exclusive) to help transition to the NDIS operating environment. From August 2019, 277 organisations received funding of approximately \$5.5 million under the first round. In January 2020, 446 organisations were awarded approximately \$9 million funding under the second round.

#### *JMF*

The objective of the JMF is to address collective market and workforce needs to support the growth of the NDIS market and workforce in capacity and capability to meet the needs of NDIS participants. The JMF has been designed based on a review of the SDF, analysis of NDIS market and workforce needs, and targeted stakeholder engagement.

Funding under JMF targets specific market and workforce needs to support providers entering and operating within the NDIS and workforce development including development of information and resources and activities to address key issues such as thin markets and Aboriginal and Torres Strait Islander service provision, and will facilitate co design with stakeholders.

Grant rounds and procurements under the JMF are informed by evidence of market and workforce needs, including the findings and recommendations of the Joint Standing Committee's reports.

19. 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.

### **Not Supported**

The Australian Government does not consider the NDIS Commission to be the appropriate body for setting prices or monitoring price setting. The Australian Government is committed to price deregulation once the NDIS market is sufficiently mature. As part of its response to the Independent Pricing Review, undertaken by McKinsey and Company in 2017, the NDIA Board indicated that a Pricing Reference Group (PRG) would be established to improve transparency and accountability. The PRG has commenced operations.

The NDIA is currently finalising the renewed terms of reference and membership of the PRG to increase the number of independent experts and to further increase transparency of pricing decisions in upcoming Annual Price Reviews.

The refreshed PRG will provide the NDIA Board, through the CEO, with timely, accurate, insightful and accessible pricing advice to enable informed decision-making, mitigations and interventions including:

- the scope, consultation activities, deliverables and timing for market reviews where price regulation is already in place or is likely to be needed to meet Scheme objectives
- the development of alternative approaches to price setting that will address market failure in thin markets
- monitoring markets when prices have been deregulated.

There are three current PRG members who have been independently appointed, with the NDIA currently expanding this to five independently appointed members, chaired by the NDIA. Each of these independent members bring a depth and diversity of experience to enhance the advice provided to the NDIA CEO and Board regarding pricing changes.

The first meeting of the newly refreshed PRG was scheduled for 20 February 2020.

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

### **Supported in-principle**

The NDIA continually reviews the appropriateness of its price control arrangements as part of the Annual Price Review cycle, and other market reviews that it undertakes from time to time, including as part of the Western Australia Market Review, the Review of Therapy Pricing Arrangements and the Annual Price Review.

From 1 July 2019, providers saw increases to remote and very remote plan funding and price limit loadings; changes to billing for travel, cancellations and non-face-to-face services; and a temporary loading for attendant care and community participation supports – including group based supports – to assist organisations transitioning to the NDIS. Significant increases to attendant care and therapy pricing included a minimum increase of almost \$11 per hour for therapists and up to a 15.4 percent price increase to the base limit for attendant care and community participation.

The Independent Price Review (IPR) made 25 recommendations, and the NDIA has taken steps to address all recommendations. In some instances where the outcome has not yet been fully realised, these have been included into the ongoing pricing strategy and review program. The NDIA has now closed out the IPR and continues to review NDIS pricing arrangements on an annual basis. This process includes the Pricing Reference Group, robust market reviews, and engagement with the sector.

DRC has also commenced a project on pricing that will consider ways to improve the effective operation of the market for NDIS services.

21. 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.

### **Supported**

The Independent Pricing Review made several recommendations related to the pricing of supports for people with complex needs. The Independent Pricing Review consulted with over 1,000 people to develop these recommendations, including allied health professionals and peak bodies.

In response to these recommendations, the NDIA undertook more detailed work on complexity pricing. This work involved six providers across the country whose client base is largely made up of people with more complex needs, along with wider consultation (provider interviews) to test emerging findings. Recommendations regarding pricing for complexity were considered by the Pricing Reference Group in the first week of October 2018.

On 1 February 2019, the NDIA announced new price control arrangements for providers delivering assistance with self-care activities (one-to-one) and assistance to access community, social and recreational activities (one-to-one). The new price controls are not directly linked to a participant's level of complexity but instead to the skill level of the staff member who delivers each required support, in line with the Social, Community, Home Care and Disability Industry Award 2010 (SCHADS Award).

An important role for the NDIA and the Pricing Reference Group is to continually monitor the effectiveness of the price changes in meeting the needs of participants, and recommending any pricing adjustments where necessary.

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

### **Supported**

The Market Intervention Framework is now called the Market Enablement Framework (MEF). It was published on 26 November 2018.

The MEF gives clarity around how the NDIA is monitoring and enabling the market. Monitoring processes are already being used across a number of jurisdictions and lessons learned from provider exits are being used to inform and update the provider exit procedure.

The MEF encompasses several processes for supporting the development of ineffective markets, markets that will not transition freely and markets where there are limited or no providers. It also covers provider exits and, where needed, potential market interventions to assist participants to access the supports they need.

MEF processes are being developed and used to address longer-term market issues and failures, where more bespoke solutions will be required. The NDIA recognises that no two situations will be the same and processes will need to be tailored to suit individual circumstances. These processes will provide a guide for future market challenges and can be adapted as needed.

23. 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.

### **Noted and supported in-principle**

The NDIS provides individual plans and funding directly to participants to enable them to exercise choice and control. The Multi-Purpose Services (MPS) Program provides integrated health and aged care services for regional and remote communities, often involving payments by governments directly to providers. There are challenges in adapting the MPS model to the individualised funding model of the NDIS (particularly with respect to individual choice and control). The NDIA may consider testing interventions of this type as part of its work on implementing alternative commissioning approaches, as part of work on thin market trials.

At the meeting of 13 December 2019, DRC agreed to use a more flexible approach to address market challenges in the NDIS, recognising that a ‘one-size-fits-all’ approach to delivering the NDIS is not suitable to address market gaps faced by certain geographic locations, particular cohorts or disability support types.

DRC agreed to initial projects that will address thin markets in all jurisdictions including in Anangu Pitjantjatjara Yankunytjatjara (APY) Lands, North Queensland, the Top End, Wentworth and Walgett in New South Wales, Fitzroy Crossing in Western Australia, and Tasmania, and to address specific needs, such as disability support types which includes deepening the behavioural support market in Victoria and the Australian Capital Territory, and professional groups such as allied health.

DRC noted that work on the initial projects will occur from late 2019, and that a comprehensive rollout plan will be developed and brought to the DRC for agreement in June 2020.

The Government is also bringing forward legislative amendments to give the NDIA more flexibility to undertake market intervention on behalf of participants who are otherwise unable to exercise choice and control over their NDIS supports. These amendments will be informed by the Tune Review and will ensure that all participants in the NDIS, irrespective of market challenges or supply gaps, are able to access the benefits of their NDIS supports. It will also provide the NDIA with increased flexibility in these circumstances to encourage positive market behaviour.

24. 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.

### **Supported**

Maintaining Critical Supports (MCS) is the overarching term used to describe a range of interventions to build capabilities of individuals, service systems and markets to protect participants from finding themselves without disability-specific supports critical to their wellbeing, particularly while the disability supports market adjusts. These arrangements continue the Australian Government’s commitment to refine and build the capability of the sector. Success will require the continued collaboration with all jurisdictions to ensure that all people with



disability have access to appropriate mainstream services, such as health and housing, critical to their wellbeing and safety.

There are a number of elements that contribute to a strengthened MCS approach.

The NDIS Market Enablement Framework (MEF) was published in November 2018. The NDIA monitors the market and ensures unexpected market failure in sub-markets or of larger providers is managed in a way that supports the critical service needs of affected participants. The MEF provides guidance where the NDIA considers a market intervention is required.

The CSNP provides skilled support for people with disability who experience personal and situational factors that are beyond the scope of general NDIS disability support models. CSNP participants include YPIRAC, children and young people with disability living in accommodation outside of the family home, and other participants who are transitioning from Commonwealth, state and territory agencies and are determined to be high-risk. Key features of CSNP include an end-to-end experience for participants provided by dedicated planners skilled in supporting participants with complex support needs, effective plan implementation and regular monitoring of plans to assess plan utilisation and regular contact with support coordinators to ensure access to disability supports and mainstream services are meeting the participant's needs.

The Pathway is being expanded to include health and justice liaison officers (HLO and JLO) nationally to provide a collaborative service system response for people with complex needs exiting the hospital and justice systems.

The establishment and delivery of the Exceptionally Complex Support Needs Program (ECSNP) commenced from November 2019. Following a competitive grant round it has commenced implementation in Western Australia, Queensland, New South Wales, the Australian Capital Territory and Victoria. The Tasmanian Provider is expected to be appointed in February 2020 and alternate sourcing strategies have been developed for South Australia and the Northern Territory, with an appointment expected in March 2020.

The ECSNP will deliver the following three functions:

- sector and Community Development Activities to support the growth and capability of the disability sector in working with complex participants
- subject Matter Expertise Activities to build systemic capabilities, knowledge and skills of providers who work directly with complex participants
- after Hours Crisis Referral Activities to ensure the availability of specialised and expert skills and experience to perform, or procure, integrated support coordination to participants 18 years and older, who are experiencing a crisis because of an unforeseen, unavoidable or unexpected loss of disability supports.

The NDIA is continuing to work with all jurisdictions to embed escalation mechanisms in each of the respective areas to resolve individual and systemic roles and responsibilities, where a lack of action or agreement has the potential to make the situation critical for the participant or Scheme reputation and where multiple service systems are often involved.

25. 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.

### **Supported**

The NDIA has now finalised its SDA market data release plan in consultation with the SDA Reference Group. The NDIA continues to expand and update SDA market data through its quarterly reports to the COAG. This improved data has been well-received by the market.

Commencing in the NDIS Report to COAG for Q2 2018-19, the NDIS published data on the enrolment of dwellings as SDA (supply). This reporting has been expanded in the Q3 2018-19 report to COAG to provide more granular details on enrolments and SDA data is now included as a separate appendix on an ongoing basis. The publication of demand (participant) data is currently under consideration by the NDIS.

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| 26. The committee recommends the NDIA examine the SDA pricing structure to remove restrictions for participants in their choices of living arrangements. |
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#### **Supported in-principle**

SDA is only intended for those participants with very high support needs and/or extreme functional impairment in a core area, such as self-care, mobility or self-management and where other disability-related supports are unable to be met without provision of SDA. It is therefore anticipated to only cover 28,000 participants at full Scheme. The responsibility for housing for other NDIS participants rests elsewhere, particularly with the states and territories to provide affordable housing. The NDIA must consider the appropriate budget for an SDA-eligible participant according to the *National Disability Insurance Scheme Act 2013* and the *National Disability Insurance Scheme (Specialist Disability Accommodation) Rules 2016*.

Further changes to the SDA Rules are being progressed in response to a review conducted by the DRC. In 2020, the Government will increase the scope of accommodation arrangements available to SDA participants. Changes will be made to the SDA Rules to incorporate flexibility for participants and remove restrictions which are currently preventing some families from living together, giving participants more flexibility to live where they want and with whom they want.

In anticipation of the SDA Rule changes, the NDIA is also addressing financial disincentives or barriers for SDA residents living with non-participants, noting that under current arrangements SDA funds can only be used to support the provision of housing for eligible SDA participants.

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| 27. 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. |
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#### **Supported in-principle**

The Australian Government announced the YPIRAC Action Plan on 22 March 2019 and more recently the Prime Minister announced on 25 November 2019 a revision of the YPIRAC Action Plan targets. This plan outlines concrete steps to reducing the number of YPIRAC.

YPIRAC are a priority group under the SDA Framework, and SDA reforms are a component of the concrete actions outlined in the Action Plan. The NDIA has been making improvements to operational processes for SDA, including establishing a centralised approach that uses senior delegates to assist in fast-tracking SDA eligibility decisions. Priority groups through this process include YPIRAC, those in hospital settings awaiting discharge and those with an offer for an SDA vacancy.

The NDIA is making improvements to planning for YPIRAC.

The YPIRAC team is now part of the Complex Support Needs Branch, with a current team of 39 YPIRAC planners dedicated to assisting people living in aged care with facilitated access and planning. A recruitment exercise is currently underway to increase this number to 80 dedicated YPIRAC planners by end March 2020.



28. 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.

### **Supported in-principle**

Under the *National Disability Insurance Scheme Act 2013* and the National Disability Insurance Scheme (Specialist Disability Accommodation) Rules 2016, a participant's changing goals, circumstances, capacity and supports must be considered at each plan review. This requirement makes the planning process responsive to participant needs and changing circumstances.

In cases where participants are already residing in existing disability accommodation previously funded by a state, territory or the Australian Government at the point they transition to the NDIS, the SDA funding required to continue their current living arrangements will be included in their first NDIS plan.

Once SDA is in a participant's plan it is likely that it will be required in subsequent plans. SDA for existing and new participants is generally not a transitional support and it is expected that most participants who are found eligible for SDA funding will continue to be eligible for it.

29. 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.

### **Supported in-principle**

The NDIA has developed a new SDA Design Standard that will support dwelling pre-certification and pre-enrolment, providing greater surety to providers regarding dwelling compliance.

The standards were released in October 2019. Following some time to complete training against the new standards, the NDIA expects third party assessors to be available in the marketplace by April 2020. A training course for these assessors is now underway. The NDIA will ensure adequate time for the market to transition to the new standards, with a mandatory application date of July 2021 applying for all new dwellings.