

## **Disability Services Australia**

**ABN 35 002 507 655**

Disability Services Australia (DSA) is a strong supporter of the National Disability Insurance Scheme (NDIS), the rights of people with disability (PwD), and the principles of choice and control for PwD. However, DSA believes that there are some fundamental flaws in the design of the NDIS and the execution of its roll out that are creating a strong risk of market failure within the disability services sector, and effectively discriminate against people with the most complex disabilities.

Our responses to the Productivity Commission Issues Paper and the NDIS 2017 Price Controls Review provide background in support of this statement. Below are the key points raised in our papers which we have provided to the Joint Standing Committee. We strongly encourage the Joint Standing Committee to review these papers, and we would be happy to provide further evidence in support of the issues raised.

### **Responses to Specific Productivity Commission – Issues Paper Questions**

#### **Plan Utilisation and Participant Numbers**

- PwD and their carer's are not understanding their role as a "consumer"
- Portal claiming issues are understating plan utilisation rates
- Fragmented approach to planning, support coordination and community linkages is problematic for NDIS participants and the sector as a whole

#### **Interface between NDIS and Other Service Sectors**

- Interface between NDIS and other mainstream service sectors is not working
- LACs have insufficient training, and appear only to be trained in NDIS requirements/operational processes
- NSW Health is struggling to discharge patients with a disability or acquired disability, where support services are not already in place

#### **ILC and LAC Programs**

- ILC Program is underfunded
- LACs will need to be adequately resourced to review 2,000 plans per day post full roll out, plus meet requirements for linkage and navigation support for people to access mainstream and specialist services
- Will be difficult to recruit, train and retain quality LACs in a competitive market place at the required rate

#### **Workforce**

- Supply and demand factors differ between metropolitan and regional areas, with recruitment being most difficult in regional areas
- Difficult to recruit skilled workers for complex PwD

- Allied Health workers are difficult to recruit
- The modern award, the Fair Work Act and NDIS pricing will make recruitment of 60,000 – 70,000 disability support workers difficult
- Disruptive labour hire platforms are suited to high functioning PwD, or those with engaged and skilled carers. This cohort represents a minority of NDIS participants

### **NDIS Pricing, Provider Readiness and Potential for Market Failure**

- NDIS pricing is unsustainable for service providers
- The premium for complexity is insufficient, and there is a strong risk of market failure in the area of service delivery for complex customers – this includes those with challenging behaviours, and those that require centre based services
- Lack of NDIA consultation with service providers has impeded the ability of service providers to be ready with business systems and processes for the NDIS transition
- Current NDIS pricing will prevent new players entering the market place, other than for allied health services and disruptive labour hire platforms suited to the minority of high functioning participants

### **Quality and Safeguards Framework**

- It is unclear how unregistered providers will know of, and be compliant with, the quality and safeguards “Code of Conduct”
- As most NDIS customers will be able to purchase from unregistered providers, there is a disincentive for service providers to meet compliance and third party verification costs, and register as providers with the NDIA

### **DSA’s Response to NDIS 2017 Price Controls Review**

#### **Price Limits for Attendant Care and Related Individual Supports**

- DSA believes that within this category, there needs to be differentiation in pricing dependent upon the level and type of disability of the person being supported. Whilst not all participants would fit the definition of “complex”, to achieve good outcomes they will need to be supported by staff with appropriate skills and knowledge relating to their disability, and these participants that do not fall in to the complex category would still be considered vulnerable
- At the current rate of \$42.79 for “attendant care” type services, our organisation is unable to provide these services to our customer cohort (primarily intellectual disability, autism and mental health trauma based care) to a level with which we are satisfied. This rate does not allow us to provide sufficient training to our staff, provide adequate supervision, monitor performance, report on incidents, put in place corrective actions where required, and meet the quality and safeguard framework that currently exists within NSW and the subsequent national framework

#### **Comments on the Efficient Cost of Provision**

- The cost of service provision is not just determined by the efficiency of an organisation, but is also impacted by:

- *the disability of the customer/s*
- *the settings in which services are delivered, and appropriateness of the facilities or accommodation available to the customer/service provider*
- *the level and capacity of informal supports available to the customer, including carer engagement*
- *the number of scheme participants the carer supports*
- *the customer's ability to communicate, and to exercise choice*
- *the adequacy and appropriateness of the customer's plan*
- *the customer's previous access to services/ service history*
- *the ability of the customer to be matched with other customers*
- *the cultural diversity of the customer*
- *the life stage of the customer and also the carer/s*
- *the hours of service provided, and the regularity and recurrence of service requirements*
- *the effectiveness of the interface with other service systems e.g. Health, education, justice, housing*
- *the ability to recruit and retain appropriately skilled staff*
- *workplace health and safety requirements applicable to the service delivery context*

These factors are largely outside of the control of service organisations. However, they are not factored in to the efficient pricing model and attendant care rate, and there are many service delivery scenarios impacted by the above factors that cannot be delivered sustainably/profitably with existing attendant care pricing

- The efficient cost of provision model effectively discriminates against those with cognitive impairment, and those with low levels of informal supports
- DSA believes the efficient pricing model and the under pinning assumptions are driving a strong risk of market failure
- This model makes no allowance for any assets or facilities required to deliver services to those with the most complex behaviours and highest levels of disability. Whilst there may be some level of opposition to centre based services in a facility and congregate support models at a philosophical level, if purpose built facilities are not made available to participants with the highest levels of disability, these participants will not be able to leave their homes. They will be denied the choice of some level of reasonable social inclusion currently enjoyed
- DSA strongly disagrees with the assertion that the distinction between community based and centre based supports is arbitrary as the costs are similar. This assertion would only be true for relatively high functioning participants who do not require facilities with special modifications. These participants can and should receive community based services as far as is appropriate for the individual

## **Access to Labour**

- Whilst we are currently able to recruit staff, it is difficult to attract and retain good quality staff at the SCHADS award rate. We are experiencing a trend toward longer "time to fill" rates, and we expect that it will be increasingly difficult to recruit good quality direct support workers as the NDIS rolls out and there is greater demand for services

