

# National Disability Insurance Scheme Literature Review

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## **Introduction**

The National Disability Insurance Scheme (NDIS) is a new healthcare initiative by the Australian Government which “...provides insurance cover for all Australians in the event of significant disability” (Productivity Commission [PC], 2011a, p. 2). The NDIS came into effect in recent years due to ongoing requests from the disability sector for a new funding structure for people with disabilities (Commonwealth of Australia [COA], 2012). This research paper documents the progression of the NDIS from 2008 to September 2014. It includes key moments in the history of the NDIS and the specific changes disability service providers have encountered during this process.

## **2008 - 2010**

In 2008, the Australian Government asked the public for feedback regarding the proposal of a “...National Disability Strategy” and their lived experience of disability (COA, 2008, p.1). It received over 700 submissions from people with disabilities and their respective organisations (COA, 2009). In 2009, the “Shut Out”<sup>1</sup> report revealed that people with disabilities encountered numerous barriers which prevented them from actively participating in their community (COA, 2009). This led to the Rudd Government asking the Productivity Commission to conduct an inquiry into a long term disability care and support scheme (COA, 2012; PC, 2011a). During 2010 and 2011, the Productivity Commission conducted 23 public hearings<sup>2</sup> across Australia and received over 1,000 submissions which is “...the largest community response in its history” (National Disability Insurance Agency [NDIA], 2014a, p.3; PC, n.d.).

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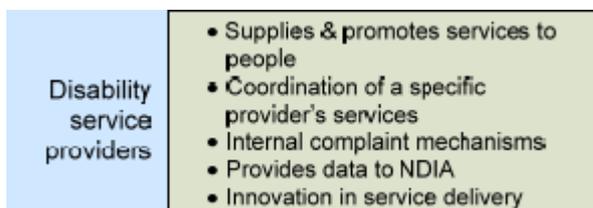
<sup>1</sup> “*Shut Out: The Experience of People with Disabilities and their Families in Australia*” (COA, 2009).

<sup>2</sup> Public hearing draft reports available at <http://www.pc.gov.au/projects/inquiry/disability-support/public-hearings>

## 2011

The Productivity Commission's report was presented to the Australian Government on July 31, 2011 and released to the public on August 10, 2011 (NDIA, n.d.-a; PC, 2011a). The overall message was, "Current disability support arrangements are inequitable, underfunded, fragmented and inefficient and give people with disability little choice...a coherent and certain system for people with disability is required" (PC, 2011a, p. 5). Disability service providers were given the option of registering with the NDIS via the National Disability Insurance Agency. Their role is outlined in Figure 1.

- Figure 1: Disability service provider's role in the NDIS



Source: *Disability care and support: Productivity commission inquiry report - overview and recommendations* (PC, 2011a, p. 41).

By agreeing to register with the NDIS, disability service providers would need to be prepared to undergo a variety of changes. These suggestions include: approaching practice in a new way, adjusting to the fee-for-service model, provide "high quality performance" and considering information technology (IT) needs (PC, 2011, p. 51). The implementation of the NDIS may require disability service providers to:

- "train and recruit new staff" (PC, 2011b, p. 930).
- introduce capacity building in practice.
- undergo regular quality monitoring
- identify potential workforce shortages and methods of reducing them.

The NDIS also creates new prospects for disability service providers. These involve:

- directing funds to “wider disability concerns” (PC, 2011a, p. 51).
- an increase in funding and the opportunity to use new methods of service provision.
- applying for grants to assist providers to trial new approaches to practice.
- The promotion of “best practice throughout the disability sector (PC, 2011a, p. 52).
- New quality frameworks and national standards.

Following this report, the Council of Australian Governments (COAG) gave their approval and their Select Council on Disability Reform decided to have the NDIS operating by 2013 - a year ahead of schedule (NDIA, n.d.-a).

## **2012**

The Australian Government Federal Budget in 2012 promised “\$1 billion over four years for the first stage of the NDIS” (COA, 2012). A COAG meeting on July 25, 2012 supported an ‘in-principle agreement’<sup>3</sup> with Tasmania, the Australian Capital Territory and South Australia to be involved in the July 2013 launch (NDIA, n.d.-a; COAG, 2012, p. 1). The other states of Australia followed suit soon after this (NDIA, n.d.-a). On November 29 2012, the NDIS bill was introduced to the Australian Government by Prime Minister Julia Gillard (Australian Associated Press, 2012). The COAG also released its regulation impact statement in December 2012<sup>4</sup>.

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<sup>3</sup> “...A legally enforceable, but incompletely specified, agreement between parties that identifies the fundamental terms that are intended to be or are agreed upon” (Wiktionary, 2014).

<sup>4</sup> <https://www.coag.gov.au/sites/default/files/National%20Disability%20Insurance%20Scheme%20-%20Consultation%20Regulation%20Impact%20Statement.pdf>

## **2013**

In March 2013, the *National Disability Insurance Scheme Act 2013* came into effect (NDIA, n.d.-a; Australian Government ComLaw [AGCL], n.d.). The main objective of this Act is to assist people with disabilities in choosing their own supports and participating in community life (AGCL, n.d.). Section 9 of this legislation defines disability service providers as “registered providers of supports”<sup>5</sup> (AGCL, n.d., p.17). Section 69 Part 3 states that providers can either manage funds or provide supports for people with disability (AGCL, n.d.). They must also abide by the rules of the NDIS or is more formally known as terms of business. The NDIA terms of business for registered support providers are:

- abiding by the relevant legislation, NDIS policy and procedures, code of ethics/conduct.
- upholding competency in supports and continuing professional development and education.
- working with participants in the development of “service agreements” (NDIA, 2013, p. 1).
- providing sufficient notice when services are removed
- “Providers must not accept any offer of money, gifts, services, or benefits that would cause them to act in a manner contrary to the interests of the participant.” (NDIA, 2013, p. 2).
- manage conflicts of interest as they arise.
- Financial and complaints records are to be kept for 5 years minimum; all other records according to State or Territory law.
- Providers need to charge NDIS participants accordingly and report serious incidents.
- Providers need to make available any relevant information to the NDIA upon request and undergo reviews.
- Providers cannot be a representative for the NDIA or make comments on their behalf.

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<sup>5</sup>“...registered plan management provider means a registered provider of supports who is approved in relation to manage the funding for supports under plans” (AGCL, n.d., p. 17).

- A NDIS participant’s confidentiality may only be broken in order to prevent threats, deal with criminal offences, inappropriate conduct and “preparation or conduct of proceedings before any court or tribunal” (NDIA, 2013 p. 5).

In May 2013, the Federal Budget promised to “...provide \$19.3 billion over seven years” in order to launch the NDIS across the country (COA, 2013). In July, a number of trial sites were established across Australia. The first participants were: 15-24 year olds in Tasmania, 13 years and under for South Australia, people up to 65 years of age for Barwon in Victoria and the Hunter region in New South Wales (NDIA, n.d.-b). The “Practical Design Fund” grants program was established during this time to assist people in transitioning to the NDIS (NDIA, n.d.-c). A list of these projects can be accessed via the NDIA website<sup>6</sup>.

One of these grant funded projects focused on disability service providers alone and included 68 interviews with disability organisations from Australia and overseas (Laragy, Ramcharan, Fisher, McCraw, & Williams, 2013). The main issues that arose for these organisations were: funding deficits, budgets were stretched to “maximise their support” and tensions regarding work hours (Laragy et al., p. 6). The guide contained seven key themes, main issues and response which are described in Figure 2.

• Figure 2: Workforce Guide Summary

Themes	Main Issues	Responses
Communication		-Use IT to maintain effective communication. -Transparency between worker, consumer and service provider.
Organisational culture, values and expectations	- differences in expectations for each service provider e.g. number of workers, type of support offered	- staff training regarding expectations of workers - holding “Open Days” for service providers (p. 11). - mentor programs
Recruitment	- type of qualifications workers need  - “low wages; poor working conditions” (p. 17).	- “develop recruitment strategies that suit the area and workers targeted” (p. 17). - volunteer programs - university student work placements  - ask employees regarding preferred work hours - trial period for permanent workers

<sup>6</sup> <http://www.ndis.gov.au/document/204>

	<ul style="list-style-type: none"> <li>- concerns regarding casual work</li> <li>- balancing job security, flexible support and “financial viability” (p. 18).</li> <li>- consumer and worker compatibility</li> </ul>	<ul style="list-style-type: none"> <li>- involve consumer in worker selection process</li> <li>- consider pros/cons when choosing worker.</li> <li>- use IT to match worker and consumer.</li> </ul>
Flexible, responsive and creative work	<ul style="list-style-type: none"> <li>- Providers need to ensure workers adhere to policy &amp; procedures while developing their self-confidence &amp; resilience.</li> <li>- overtime hours</li> <li>- unpaid work pressures</li>   <li>- meeting the needs of Aboriginal and CALD (Culturally and Linguistically Diverse) people</li>   <li>- rural and remote areas</li> </ul>	<ul style="list-style-type: none"> <li>-</li>   <li>- negotiate work hours</li> <li>- “Allow time-in-lieu and ‘nine day fortnights’...work/life balance” (p. 23).</li>   <li>- consider historical/cultural issues surrounding the NDIS for Aboriginal and Torres Strait Islander people with disability e.g. speaking with elders,</li> <li>- recruit Aboriginal and CALD workers using culturally appropriate methods.</li>   <li>- draw on community networks for rural and remote service delivery</li> <li>- reimburse workers for travel time.</li> </ul>
Training, mentoring and support	<ul style="list-style-type: none"> <li>- role changes for workers</li> <li>- training</li> <li>- supervision</li> </ul>	<ul style="list-style-type: none"> <li>- offer workers new learning opportunities e.g. training, conferences, courses</li> <li>- share new knowledge with workers</li> <li>- provider regular supervision</li> <li>- peer support meetings e.g. lunches, team building days</li> </ul>
Recognition and incentives	<ul style="list-style-type: none"> <li>- retention of staff</li> </ul>	<ul style="list-style-type: none"> <li>- rewards e.g. vouchers, lucky dip.</li> <li>- provide a range of leave options</li> <li>- “positive feedback” (p. 37).</li> </ul>
Career pathways	<ul style="list-style-type: none"> <li>-workers may leave if career opportunities are not available</li> </ul>	<ul style="list-style-type: none"> <li>- provide additional responsibilities during work hours</li> <li>- when managers are on leave, allow others to step into the role to gain experience.</li> </ul>

Source: ‘Making it work: A workforce guide for disability service providers’ (Laragy et al., 2013).

## **2014**

In February 2014, the NDIA Board released their strategic and corporate plan. One of the deliverables of the strategic plan was to support the disability services market in order for providers to “...deliver high quality and effective support” (NDIA, 2014c, p. 7). A toolkit was also released to educate organisations about the planning to be done in order to register with the NDIS<sup>7</sup>. The key changes included: adopting a person-centred approach and new marketing focus, hiring staff with relevant skills and flexible hours, willingness to work with others, new financial management systems and moving away from block funding (National Disability Services [NDS], 2014). The toolkit highlights seven areas of practice that organisations need to consider when signing up to the NDIS. These are presented in Figure 3.

In May 2014, the NDIA released more information for disability service providers regarding their suitability for the NDIS<sup>8</sup>. The requirements differ across states yet all providers must be registered and approved by the Australian Government (NDIA, 2014b). In relation to individual funding, it can only be implemented successfully for providers according to their sustainability (Purcal, Fisher & Laragy, 2014). They also need to consider alternatives to the NDIS in order to uphold people with disability’s rights and their level of choice (Purcal et al., 2014). In July 2014, new trial sites opened in the Barkly region in the Northern Territory, Perth Hills in Western Australia and the whole of ACT (NDIA, n.d.-b).

In October 2014, the NDIA released its first annual report since the NDIS commenced in 2013. As of the 30th of June 2014, there are, “approximately 1,350 NDIS registered service providers” which offer a range of supports for each trial site (NDIA, 2014, p. iv). Registered service providers can expect to see an “efficient price...by the NDIA from 1 July 2016” (NDIA, 2014, p. 54). The NDIA also plans make changes to its technology and communication systems and provide further opportunities for registered service providers to be involved in the disability support market (see Figure 3).

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<sup>7</sup> [http://www.nds.org.au/asset/view\\_document/979323127](http://www.nds.org.au/asset/view_document/979323127)

<sup>8</sup> [http://www.ndis.gov.au/sites/default/files/documents/provider\\_registration\\_suitability\\_requirements\\_0.pdf](http://www.ndis.gov.au/sites/default/files/documents/provider_registration_suitability_requirements_0.pdf)

- Figure 3 - NDIA Annual Report Key Performance Indicator (NDIA,

<p>Increased participation of providers in the disability support market</p>	<ul style="list-style-type: none"> <li>• Work is progressing on a market action plan to identify and prioritise areas of work to grow the market and help it make the transition to a competitive basis has been developed and is in the early stages of implementation.</li> <li>• Funding under the Sector Development Strategy has been provided to NDS for a range of activities to support provider understanding of capacity to engage with and transition to the NDIS.</li> </ul>
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- Figure 4: The Readiness Self-Assessment Tool

<p><b>1. Strategy</b></p>	<ul style="list-style-type: none"> <li>• Strategy and strategic planning processes</li> <li>• Business planning processes</li> <li>• Implementation of strategic and business plans</li> </ul>
<p><b>2. Corporate governance</b></p>	<ul style="list-style-type: none"> <li>• Constitution</li> <li>• Roles and responsibilities</li> <li>• Client and stakeholder consultation and feedback</li> <li>• Risk management and compliance</li> <li>• Policies and procedures</li> <li>• Decision-making protocols</li> <li>• Board processes</li> <li>• Board member performance</li> <li>• Board structure and composition</li> </ul>
<p><b>3. Clients and market focus</b></p>	<ul style="list-style-type: none"> <li>• Understanding the organisation's clients and communities</li> <li>• Market research, strategies and planning</li> <li>• Marketing practice</li> </ul>
<p><b>4. Financial sustainability</b></p>	<ul style="list-style-type: none"> <li>• Financial processes and controls</li> <li>• Costing and pricing</li> <li>• Financial software</li> <li>• Budgets</li> <li>• Financial reporting and monitoring</li> </ul>
<p><b>5. People and capability</b></p>	<ul style="list-style-type: none"> <li>• Staff leadership</li> <li>• HR strategy and workforce planning</li> <li>• HR systems, policy and procedures</li> <li>• Staffing and recruitment</li> <li>• Employee learning and development</li> <li>• Employee performance planning and support</li> </ul>
<p><b>6. Information and knowledge management</b></p>	<ul style="list-style-type: none"> <li>• Records and data management</li> <li>• Strategy for Information and Communication Technologies</li> </ul>
<p><b>7. Quality management and improvement</b></p>	<ul style="list-style-type: none"> <li>• Data collection and storage</li> <li>• Data reporting and use</li> <li>• Quality management and continuous quality improvement</li> </ul>

Source: 'NDIS Organisational Readiness Toolkit' (NDS, 2014, p. 8).

## **Summary**

Prior to the NDIS, people with disabilities were disadvantaged in many areas of life due to the ineffectiveness of the disability support system. The NDIS guarantees that people with disabilities will be cared for no matter what their situation is (PC, 2011a). Disability service providers have had to change their approach to people with disabilities and employ new methods of practice. This has been enforced by legislation and the NDIS registration conditions. A total of seven trial sites are now in operation with all of Australia being included in the scheme by 2019 (NDS, n.d.). The Australian Government continues to financially support the NDIS in the Federal Budget and through grant funded programs. Organisations are continuing to implement change as they transition to the NDIS and learn from each other's experiences. There continues to be a lot of media attention on the NDIS which keeps all people involved accountable for their actions. There is still progress to be made yet the end result will be better than the starting line.

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