

12 July 2017

National Disability Insurance Scheme (NDIS) Costs Study
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2600

Dear Sir/Madam,

Thank you for the opportunity to make a further submission to the Productivity Commission's (the Commission) 2017 Study into the *National Disability Insurance Scheme (NDIS) Costs*. This is an extremely significant and timely review to ensure the sustainability and quality of supports available through the NDIS.

CSSA is the Catholic Church's peak national body for social services. Our interest in the Commission's NDIS Study comes from our commitment to a fairer, more inclusive Australian society that reflects and supports the dignity, equality and participation of all people. Our 52 member agencies employ around 10,000 people, with 5,900 volunteers, directly assisting some 450,000 people across 650 sites nationally and are the frontline service providers caring for and assisting the vulnerable and disadvantaged in our society.

More than half of our members deliver services to people with a disability, and are committed to continue building the capacity of individuals with a disability, their families and communities under the NDIS. This submission draws on the experience of the CSSA NDIS Network Group consisting of 19 member agencies located across urban and regional Australia, who offer a vast range of services including support coordination, short-term accommodation, personal support, psychosocial disability support, community inclusion and Allied Health services. This group includes agencies with years of experience in the trial sites, as well as those who have recently and are currently transitioning to the NDIS.

The draft findings and recommendations presented in the Position Paper show the Commission has listened to the concerns and advice of the sector. CSSA is pleased to see consideration of the feedback provided in our previous [submission](#) following the Issues Paper and a Roundtable meeting between the Commission and CSSA member representatives. Overall if implemented, CSSA believes these recommendations will improve the sustainability and effectiveness of the NDIS in ensuring greater choice and control for recipients of disability support services.

A summary of our major recommendations, as further detailed in **Attachment A** are outlined below.

1. **CSSA agrees with the Commission's finding that the speed of scheme rollout has put considerable pressure on the capacity of the NDIA (Draft Finding 2.1)**, leading to compromises in the planning process, lack of support for participants and inadequate communication with providers. There has been a natural slowing of the rollout due to the sheer number of participants entering the scheme. CSSA believes that improvements in the planning process can mitigate many of the issues which have been attributed to the speed of rollout.
2. **CSSA supports the Commission's calls for a much greater focus on the quality of the planning process (Draft Recommendation 4.1)**, to ensure all participants receive an appropriate plan to provide reasonable and necessary supports, and reduce the impact and administrative burden of correcting inappropriate plans. The implementation of the NDIS must be re-aligned to the original vision of providing individualised support and greater consumer choice and control.
3. **CSSA strongly supports the Commission's recommendation for an immediate and transparent review of the NDIA's current price caps by an independent price monitor (Draft Recommendation 6.1)**. This is especially critical for core services such as personal support and short term accommodation which remain inadequately priced, risking market failure. CSSA supports the recommendation to move to an independent price regulator.
4. **Government intervention is necessary in thin markets to ensure availability of supports for all Australians (Draft Finding 6.1)**. CSSA supports the Commission's focus on this area, and calls for flexible approaches allowing for local solutions.

To outline our comments in more detail, we would be pleased to organise further meetings between the Productivity Commission, CSSA and local service providers. Please contact Liz de Chastel, Director of Social Policy on Telephone 02 6188 6943 or liz.dechastel@cssa.org.au, should you wish to discuss further any issues raised in this submission or to organise site visits.

Yours sincerely,



for

Fr Frank Brennan sj AO

Chief Executive Officer

ATTACHMENT A

Below are more detailed comments provided under the Commission's key headings in the Position Paper. CSSA has commented on the issues of major relevance to our members.

2.1 The rollout of the scheme so far

The speed of the rollout is creating problems

CSSA agrees with the Commission's finding that the pace of the scheme rollout has put considerable pressure on the capacity of the NDIA and providers, risking the sustainability of the scheme.

CSSA supports the Commission's concern that implementation of the NDIS needs to be re-aligned to the initial vision of promoting participant choice and control, and early intervention and investment to meet individual needs, rather than focusing on speed and cost of rollout.

Focusing on improving the planning process, so that adequate time is taken to ensure participants receive a plan that appropriately reflects their support needs, will be crucial in addressing these concerns.

4.3 How is the planning process tracking?

The role of pre-planning support

CSSA supports the Commission's recommendation (Draft Recommendation 4.1) to improve planning processes. The experience of CSSA members suggests that flexibility in adjustment of plans is much needed, so that participants can more easily update and amend their plans as their circumstances change, without triggering a full review.

The Commission is right to acknowledge the dissatisfaction and detriment associated with significant use of phone planning. CSSA recommends a review of this policy with a view to discontinuing use of phone planning except where requested by participants.

As identified by the Commission, better pre-planning support for participants, and appropriate training for planners, will assist in improving the planning process. Appropriate time must be allowed for the planning process, so that participants' plans appropriately reflect their real support needs. Time must be allowed for planners to understand participants' current supports (both natural and paid supports) and their access requirements, to ensure that key services are not missing from participant's completed plans.

CSSA recommends that the planning process have a review period to allow participants to view and comment on a final draft of their plan before it is confirmed. This would improve the accuracy and quality of participant plans and the efficiency of the overall scheme by reducing need for future amendments.

Improving planners' performance

CSSA supports the Commission's recommendation that the NDIA ensure planners have a general understanding of different types of disability (Draft Recommendation 4.2). CSSA members have noted that the suitability of participants' plans vary significantly depending on the knowledge of the planner. It is imperative that planners have a suitable understanding of different types of disability.

Members in the ACT trial site noted the previous existence of specialist planning teams who produced better outcomes for participants with a psychosocial disability or other complex needs. Despite their success, these specialised planning teams were disbanded during the trial for unclear reasons. It is recommended that specialised planning services be reinstated to ensure suitable plans for participants with a psychosocial disability or other complex needs.

5.1 Linking people to the right services

Is the funding for ILC adequate? CSSA agrees with the Commission that funding for Information, Linkages and Capacity Building (ILC) is extremely important in ensuring connection and continuity of service, particularly for people who do not qualify for the NDIS, but are dependent on the support of community programs funded through the ILC component. Increasing the level of funding for ILC during the transition will assist in ensuring this continuity of service and maintain these crucial community supports.

5.2 The NDIS and other disability services

Continuity of support is less straight forward in practice

CSSA supports the Commission's recommendation for all governments to make public their plan for the services they will continue to support beyond the NDIS (Draft Recommendation 5.2). This will provide greater clarity and accountability for state and territory governments in preventing service gaps for people currently accessing disability or mental health services who are not eligible for the NDIS.

In particular, many CSSA members providing psychosocial support services have (or are in the process of) transitioning clients who are eligible for the NDIS, and require direction on how services for those who are not eligible will continue. Policy clarity on this is required urgently.

6.1 Pricing of disability supports

Is there a better way to set prices?

Inadequate price caps is a crucial issue continuing to undermine the capacity of providers to deliver core services, and so risking the overall sustainability of the scheme. CSSA strongly supports the Commission's call for the establishment of an independent price monitor to conduct an immediate review of NDIA price caps, transitioning to an independent price regulator (Draft Recommendation 6.1).

CSSA members have worked extremely hard to improve their systems and gain efficiencies in transitioning from block-funding to individualised funding. However, regardless of any level of efficiencies, price caps for certain core services are fundamentally inadequate as they do not account for award conditions and staffing costs, and will lead to market failure for these services if not appropriately addressed.

For example, current price caps for short-term accommodation do not account for weekend penalty rates and are based on lower staff to client ratios than is required for clients with complex needs (who for some members make up the majority of clients accessing their short-term accommodation services). One CSSA member in a regional area has had to close their short-term accommodation facility on public holidays as the price does not cover staff wages for these days. Another member in a trial site is receiving considerable referrals (leading to long wait times) for their short-term accommodation service, as other large providers are withdrawing services and cherry picking customers, leaving vulnerable clients with complex needs without adequate and timely support.

There needs to be greater options and flexibility within the short-term accommodation pricing model, to allow agencies to appropriately charge for complex clients requiring higher staff ratios, group situations and personalised quotes (such as charging for hours of service required). Short-term accommodation provides crucial support for carers and families often experiencing crises or immense stress. These issues have been raised by providers with the NDIA, but have not been addressed in their pricing reviews to date.

Similar issues exist with price caps for personal support services, which do not allow an adequate return for service cost. These are crucial support services which are financially unviable under current pricing. The inadequate price levels for these core services is putting immense pressure on providers, and posing significant risks for ongoing quality and safety of services, as the margins are inadequate to cover necessary levels of staff training and supervision. Inadequate price caps have also inhibited growth for core services at a time when supports are needed to increase.

As such, CSSA strongly supports an *immediate* independent review of pricing, and transfer of power to set price caps to an independent body, which will address issues of the NDIA's conflict of interest.

It is suggested that the NDIA grant block interim funding packages for service types where it has been established that pricing is inadequate, to support continued provision of these crucial services while an independent price review is undertaken.

To support the sector towards deregulation of prices, it is suggested that examples be readily provided of what is already being offered in the market under different service types and prices.

6.3 Thin markets

How can thin markets be minimised?

CSSA agrees that it is extremely important for governments to intervene to ensure vulnerable people in areas of thin markets are able to access quality support services.

CSSA members in regional areas have identified the extremely high cost of travel as a key operation issue in these markets which needs to be addressed (for example, a member identified travel costs of \$9000 for which the NDIS only covered \$1800). Providers in regional areas face greater challenges in recruiting and training a quality workforce, and ensuring accessibility of services.

A member providing services across large regional areas has found use of block-funding to allow an effective cultural approach to delivering services to Indigenous communities in rural areas. Use of block-funding could be retained in such cases to ensure availability and suitability of services.

As recommended by the Commission, discontinuing in-kind arrangements will be important particularly in regional areas, as current arrangements limit long-term choice for participants and disadvantage non-state providers.

We know from our “*Dropping off the Edge*”¹ research that many communities bear the burden of multiple and entrenched disadvantage, so responses to individual needs must be shaped by the context of their local community. There needs to be flexibility in models to respond to these needs, acknowledging that communities face different issues and local solutions are the most appropriate.

6.4 Other factors affecting provider readiness in transition

The Commission has sought feedback regarding changes that would encourage greater supply of disability supports (Information Request 6.2).

Ensuring price caps that reflect true service delivery cost for key support services is vital in encouraging greater supply of supports. Without this, agencies will not be able (let alone attracted) to delivering core services. Similar services in aged care offer a higher and more sustainable service price.

7.2 What will the size of the workforce need to be by scheme roll out?

The Commission’s finding (Draft Finding 7.1) that the disability care workforce is unlikely to be sufficient by 2020 is consistent with the experience of many CSSA members who are facing significant difficulties in recruiting the number of staff required. It is particularly difficult to recruit appropriately qualified staff.

CSSA supports the Commission’s recommendation (Draft Recommendation 7.1) that all governments, along with the NDIA, clarify and make public their roles and responsibilities in developing the disability care workforce and partnering with providers to implement these plans.

In discussion of workforce needs, the Commission suggests greater use of a casual workforce could be a solution to addressing the need for flexibility in peak times of service support. However, CSSA warns that increasing casualisation of the workforce has significant implications for maintaining quality of services, continuity of support workers and services (which is often very important to NDIS participants) and shifting of risk onto a vulnerable workforce.

¹ Dropping off the Edge 2015 – Report by Catholic Social Services Australia and Jesuit Social Services <https://dote.org.au/>

7.3 What can be done to improve workforce readiness?

Respite plays an important role in facilitating informal care

Responding to the Commission's Information Request (7.2) regarding respite care, CSSA members have found that the demand for respite care remains high under the NDIS. Members report acute need for respite care in particular areas, and growth in provision of respite care in other areas.

9.3 Flexibility of governance arrangements

CSSA notes the Commission's recommendation (Draft Recommendation 9.1) regarding NDIS Category A Rules, including the Specialist Disability Accommodation Rules. CSSA members are concerned about the implementation of these Rules in particular, as providers face barriers in jurisdictions where the state government holds a significant stock of accommodation and strictly controls participant access to Specialist Disability Accommodation. This significantly limits participant choice and control and restricts the potential benefits of a market-based approach.

9.4 Western Australian NDIS

CSSA supports the recommendation (Draft Recommendation 9.2) to make public as soon as possible any agreement on arrangements for Western Australia to join the NDIS. Certainty about the future structure of disability services in WA is needed immediately for providers to conduct business planning and ensure continuity of support services.

9.7 Monitoring the performance of the NDIS

Are performance monitoring and reporting arrangements appropriate?

CSSA supports the Commission's recommendation that the NDIA publicly report the number of unexpected plan reviews and reviews of decisions, timeframes and outcomes (Draft Recommendation 9.3), which would provide greater accountability of the NDIA. CSSA members in the trial sites have reported that many participants have experienced unexpected plan reviews – with many plans being returned with less funding, and sometimes without participants or the provider being notified. Providers have been facing increased, unfunded administrative burden in order to re-prove necessity of particular supports due to these unscheduled reviews. CSSA supports the recommendation (Draft Recommendation 9.4) for increased performance reporting with greater alignment to the scheme's objectives, and assessment of plan quality.

9.8 The rollout timetable

CSSA strongly agrees that the NDIA "needs to find a better balance between participant intake, the quality of plans, participant outcomes and financial sustainability" (Draft Recommendation 9.5), and would encourage the NDIA to see providers as part of the solution in addressing these issues.

CSSA members have noted that there is already a natural delay occurring in the scheme rollout, due to the large number of participants entering the scheme. The NDIA has not completed transition for the target level of participants in all jurisdictions.

Improving the planning process to ensure accuracy and quality of participant plans will aid in the rollout process. The primary focus should not be the speed of the rollout and simply transitioning as many people as soon as possible to the NDIS, but ensuring that every participant receives an appropriate plan that will meet their personal support needs.

More time needs to be taken in the planning process to ensure understanding of the previous supports each participant has received (both natural and paid) and what they will reasonably require in the future. This would support greater quality and accuracy of plans that actually address client needs, leading to greater overall efficiency of the scheme as it reduces the ongoing administration burden of reviews, amendments and impact of inappropriate plans.