

Deliver **THE PROMISE**
Get the NDIS on track

NDS National
Disability
Services

2019 Election Platform

March 2019

Deliver the Promise: Get the NDIS on Track NDS Election Platform, 2019

As we prepare for the federal election, the disability sector is facing significant challenges, with many NDIS disability providers struggling to remain viable.

The NDIS, introduced with bipartisan political support in 2013, built on nearly 100 years of work by disability service organisations across the nation.

These not-for-profit providers were typically led by parents whose children faced profound challenges. These organisations, who NDS represents, worked tirelessly to promote and establish this reform alongside Australians right across the country.

After six years, there are growing problems that need to be addressed urgently if the NDIS is to succeed.

In particular, the red tape that is choking parts of an already-fragile disability sector, and creating significant stress for people with disability and their families, needs urgent attention. The inadequately-designed portal system that leaves service providers out of pocket - with resources diverted from disability services to propping the system up – must be fixed now. At the same time, the impact of NDIA policy on the sustainability of some services demands immediate attention.

The massive transformation of the disability sector is occurring with insufficient investment to support this transition. In fact, there appears to be little knowledge or understanding of just how mammoth the change is and the risks associated with it. Without a vibrant, sustainable disability service sector, there is no National Disability Insurance Scheme.

The resilience of the disability sector has been astonishing, but the cracks are beginning to show. Just 27 per cent of our members believe NDIS systems and processes are working well. The financial impact of the transition is placing both services and organisations in jeopardy – and if they fail, Australians with disability will have less choice and control of services, not more.

Some years ago, following my appointment to the Commonwealth body that advised COAG on the establishment of the NDIS, I said that the measure of success for NDIS would be if it can:

- change for the better the experience of the young family starting out on their journey with a child with a disability;
- reduce the isolation and exclusion of the young person with a disability;
- remove the lack of certainty and distress of ageing parents as they struggle with “who will take care of my child when I am gone”; and
- change for the better the experience of people with complex needs who face the most challenges, the greatest barriers to social acceptance, and sometimes, the poorest quality of life.

This is still our challenge. To succeed, we need to continue the bipartisan support that created the NDIS, and work together to fix the policy and design problems so it can deliver on its great promise.



Joan McKenna-Kerr. Chair, NDS

The National Disability Insurance Scheme (NDIS) promises a better life for half a million Australians with disability.

But the way it's being implemented means:



1 in 10

disability service providers discussed **closing** in 2017



of service providers made **a loss or deficit**



More than **1/2** say they will have to

reduce the quality of services under NDIA prices*

Without disability service providers, the NDIS won't work.

To get the NDIS on track we need:



1. Independent Pricing by July 2019

To reflect the real cost of supporting people with disability in every corner of Australia.



2. Less red tape

So the focus of the NDIS is on people not bureaucracy.



3. Real sector safeguards

To support a dynamic, diverse disability sector that provides the choice and quality of supports the NDIS promised.



4. Better NDIS planning

So NDIS plans are flexible, allow local decision making and give participants the supports they say they need.



5. A focus on employment and a National Workforce Strategy

To support NDIS participants into jobs AND build a workforce that can meet demand.

The NDIS promised to deliver choice and control for Australians with disability. Faults in the way the scheme is being implemented mean it is failing to deliver on its promise. The NDIS needs a healthy, diverse and vibrant disability sector to succeed. Ahead of the 2019 Federal election, Australia’s disability service providers have identified where the NDIS is falling short, and what needs to be done to get it on track.

1. Inadequate prices set by the NDIA

Many disability organisations are going backwards, and many say prices are inadequate to deliver high-quality personal care, community participation and complex supports.

Current prices are not high enough to ensure staff are adequately trained, and are insufficient to ensure complex clients are appropriately supported. These prices are inadequate to ensure provider sustainability and insufficient to enable service provision to expand to meet future service demand or for the development of new and innovative services.

A number of organisations have already ceased operating, while other organisations are withdrawing from the provision of one-to-one support or are no longer providing disability services. Many more are exploring mergers in order to ensure the future survival of services that people with disability in their region need.

The promise of the NDIS was a diverse and vibrant service sector that dramatically improves access to services, and the range and type of services available to people with disability. Without an urgent overhaul of the current pricing regime, many more services will cease to operate.

Consistent with recommendations made in the Productivity Commission’s Report on NDIS Costs, NDS strongly recommends responsibility for price setting to be transferred to an independent price regulator by no later than July 2019. We also urge the NDIA to begin trialling price deregulation as soon as possible.

“It is challenging to continue to conduct a profitable enterprise when [the NDIS] sets the fee for our company’s services – particularly without any prior knowledge of the services we provide and associated costs involved. Not all services are created ‘equal’.”

1. Action: Independent Pricing by July 2019

We need NDIA pricing to be set by an independent body to reflect the cost of providing high-quality services that meet the needs of every Australian with disability.

2. Complex design problems and too much unnecessary red tape

The costs of compliance with regulation and other costs providers incur in properly supporting clients and their families are, in many instances, well beyond the capped funded service prices currently mandated under the Scheme.

The interface with mainstream health, transport, housing and justice systems needs to dramatically improve. The National Disability Strategy must be urgently updated and include clear performance measures. State Governments need to remain engaged in the provision of supports for people with disability as part of their ongoing commitment to provide mainstream services.

People with disability do not exist in a bubble; they are part of society and the NDIS was designed to improve their engagement with mainstream and not just specialist disability services.

Service providers continue to be frustrated with NDIS systems and processes. Nearly three quarters (73 per cent) of respondents to NDS's 2018 State of the Disability Sector Report either disagreed or strongly disagreed that NDIS systems and processes were working well.

Providers and participants find engaging with the Agency's myplace portal to be extremely time-consuming, particularly given the frequency with which the Scheme's procedures and rules change. Communication is haphazard and questions and issues are not always followed up or responded to.

“It costs money to be able to meet all the requirements of government, but we aren't able to set the actual pricing to be able to recover the true cost of support. We are a price taker, and government set all the rules and processes that are administratively burdensome. Providers can't actually charge what it really costs to deliver good services.”

2. Action: A review of NDIA red tape

The focus on the NDIS needs to be on people, not internal government processes.

3. Inadequate market stewardship

Providers are acutely concerned about the emergence of thin markets and the impact for NDIS participants. Thin markets represent a particular threat for groups with complex needs and those living in rural and remote areas of Australia.

NDS members, in particular their Boards, are consistently telling us that they are concerned that currently-available market data is either too general or too out-of-date to support good business decision-making, including the development of potential new services.

The lack of a systematic approach to market stewardship should be a concern to all NDIS stakeholders – governments, the NDIA, the NDIS Quality and Safeguards Commission, disability service providers, participants and their families and carers. Over the coming year, the need for improved data, clarity about market interventions and a systematic response to emergencies need to be addressed.

“Market failure is a current reality. We are having to restrict community access services delivered one-on-one, even though demand is growing. Some participants are only being offered supports in groups with a 1:5 support ratio, even though they could benefit from supports delivered in smaller groups or 1:1. This is undermining choice and control.”

3. Action: Real sector safeguards

We need proper safeguards and mechanisms in place to support a dynamic, diverse disability sector that provides the choice and quality of supports the NDIS promises.

4. Flexibility that reflects national diversity and allows for local decision-making

Providers and participants need greater consistency in plans and reduced waiting times for plan reviews. The NDIA must ensure that all NDIS participants have the right to review a draft of their plan prior to its finalisation, to reduce errors, and to extend the length of plans.

Plans need to reflect local conditions and take account of transport, health, accommodation and employment challenges, among other local issues.

All participants who need support coordination should receive funding for it in their plans. Alternative funding mechanisms for remote participants need to be trialled urgently.

The Commonwealth Government must work with the sector to remove uncertainty in the provision of supported employment options and ensure viable business models so that, as part of a range of employment options, these services can remain viable.

“NDIS keep changing the rules and there is no consistency between planners, areas and local offices. Incorrect information given to participants by planners and LACs is compromising service delivery and problems are then blamed on providers.”

4. Action: Better NDIS planning

NDIS plans must be flexible, allow local decision-making and properly reflect the supports participants say they want, not what the government says they need.

5. More employment assistance and a workforce strategy

The NDIS was intended to support people with disability to be economically, as well as socially, engaged in their community.

A **work-first** approach should be taken in NDIS planning to ensure the inclusion of employment supports for school leavers or adults where appropriate, which they can use to access School Leaver Employment Support (SLES) or supported or open employment.

Access to open employment should be complemented by NDIS supports that may not be provided by Disability Employment Services. The new DES funding model needs to take into account the supports required to assist people to gain and retain employment. It currently only considers the probability of achieving employment, irrespective of supports required. As a result, some participants will be disadvantaged. The new crowded DES marketplace is likely to force providers to withdraw from certain regions as it will not be financially viable to remain.

Cost impacts arising for Australian Disability Enterprises (ADEs) due to the Supported Employment Services (SES) Award review should be included in future pricing for ongoing employment support in these settings.

The pricing model must reflect the true costs of providing supported employment and any cost shortfalls arising from the reduced productive output of workers with significant disability.

A **National Workforce Strategy** needs to be progressed as a matter of urgency.

Providers consistently emphasise that, as the NDIS roll out vastly increases demand, recruitment and selection have become more challenging.

Some 63 per cent of providers identified disability support worker recruitment as extremely or moderately difficult in the **State of the Disability Sector Report 2018**. This is an increase from 42 per cent just one year earlier.

The merits of a funded, portable training entitlement for disability workers should be explored.

“Many Australians with disability want to work, yet the employment rate of Australians with disability is low and static. This must change. The exclusion of people with disability from the workforce is bad for the Australian economy and a cause of poverty and social isolation.”

“Finding the right skills and competencies of support workers to match client interests/needs is becoming more difficult, particularly in regional areas where the pool of good and available staff is smaller.”

“The rate of pay and security of employment (guaranteed hours) make it difficult to recruit and retain support workers.”

5. Action: A focus on employment and a National Workforce Strategy

We need NDIS plans to support employment for participants, and a National Workforce Strategy to make sure the sector can deliver high-quality services for people with disability in every corner of Australia.



Level 6, 369 Royal Parade
Parkville VIC 3052

03 8341 4300
nds@nds.org.au
www.nds.org.au