

Submission

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Outsourcing Community Service Delivery

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Inquiry into Outsourcing Government Community Service Delivery

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Table of Contents

Executive Summary by Terms of Reference.....	3
Driving forces in Disability Services in NSW.....	7
Stronger Together II.....	7
Living Life My Way.....	7
National Disability Insurance Scheme.....	8
Person-centred services - a profile of the disability sector in NSW.....	8
Investing in NGO Growth and Sustainability.....	10
Capacity.....	11
Innovation.....	11
Returns on investment.....	11
Connections.....	12
Rural and regional areas.....	13
Transitioning services in the current environment.....	14
Listen to the needs of individuals.....	15
Collaborative processes.....	15
Provider engagement and information exchange.....	15
Adequate Resourcing.....	15
Clear policy and procedures.....	16
Assuring quality services.....	17
Quality Standards and Continuous Quality Improvement.....	17
Service Monitoring.....	18
Workforce.....	18
Property and assets.....	19
The use of technology.....	19
National Disability Services.....	20

Executive Summary by Terms of Reference

National Disability Services (NDS) welcomes the opportunity to provide input to the Legislative Assembly Committee on Community Services' Inquiry into Outsourcing Community Service Delivery.

There has never been a more important time for people with disability in NSW. Decisions made in the next 12 months will define a new way for the disability sector and give people with disability greater voice, choice and control over their lives.

NDS agrees with the Committee's statement, "The non-government sector is playing an increasingly important role in the delivery of housing, disability and home care services to people of New South Wales." and strongly believes that the non-government sector in NSW is best placed to deliver these services in the midst of great change.

Historically the disability services sector in NSW has grown out of need. Many of the 450 plus organisation providing disability services in NSW have grown from the seed of a few concerned individuals, families and carers of people with disability, who have banded together to fill a gap in the lives of their loved ones. As other families have joined, the organisations have grown and have been nurtured by the community in which they have their roots.

This rich history has established the resilience and resourcefulness of non-government service providers who are both ready and willing to face the challenges of the future.

Investment in the non-government sector is rewarded with returns that are not achievable from investment in for profit organisations or government run services.

NDS' submission focuses on what is needed to ensure the non-government sector is best placed to support the outsourcing of community services currently provided by government.

Recommendations have been made throughout the document and are summarised under the terms of reference below.

Summary by Terms of Reference

A) State Government processes, outcomes and impacts of transferring housing, disability and home care services from Government to non-Government agencies

NDS strongly supports the NSW Government's commitment to disability services in NSW, especially through the second phase of *Stronger Together* which saw an additional investment of \$2 billion in the sector. NDS also supports the ongoing Living Life My Way consultations with people with disability their families, carers and the broader disability sector. (pp. 7)

These commitments recognise the importance of people with disability, their families and carers, and highlight that the outsourcing of government services should be focused on these groups to enable greater voice, choice and control over their lives. (pp.7)

NDS will continue to work with the non-government sector and NSW Government to embed person centred approaches into all services for people with disability. (pp.7)

The non-government sector has undertaken a number of strategies to build its capacity to absorb the increased numbers of service users that will be reliant on them through outsourcing government services. (pp.11)

B) The development of appropriate models to monitor and regulate service providers to ensure probity, accountability and funding mechanisms to provide quality assurance for clients

NDS and the NSW Government are working in partnership to introduce a quality framework to ensure that all disability service providers are able to meet and demonstrate their compliance with the National Disability Service standards. Significant resources have been committed to the development of resources, training and quality systems. (pp. 17)

This quality framework should apply to all current disability service providers, and those who enter the service system, to ensure there is a consistent and transparent yardstick by which service quality can be assessed. (pp. 17)

C) The development of appropriate levels of integration among service providers in rural and regional areas to ensure adequate levels of supply and delivery of services;

In addressing outsourcing of services in rural and regional settings, the NSW Government should engage with the local community, service providers and other stakeholders to identify potential risks to ongoing service sustainability. Rural and regional settings present particular issues because of their isolation, workforce and available community resources. However, it should be recognised that many of these issues can be resolved by effectively tapping into the resources and resilience of the local communities. (pp.13)

The NSW Government's introduction of the Ability Links Coordinators will provide the opportunity to further enhance local community linkages. The coordinators will be able to facilitate the outsourcing of services in some areas. They will, however, need to be effectively resourced and embedded in the community and have manageable caseloads to be sustainable. (pp.13)

D) Capability frameworks ensuring that community agencies are not overly burdened by regulatory constraints;

NDS recognises the need for service providers to be accountable for the funding they receive to provide services to people with disability on behalf of the government. The NSW government approach to Red Tape Reduction has reduced the administrative and compliance burden for the non-government sector, in some respects. However, there are further opportunities to reduce the administrative and compliance burden for organisations. (pp. 18)

E) Enhanced capacity building and social integration in the delivery of services by local providers;

Disability service provision is entrenched in the community. The majority of disability service providers have grown organically from families, carers and their roots in the community. The non-government sector is well placed to grow these community linkages and add significantly to the quality and quantity of service provision through the additional resources they can tap into. These resources include; volunteers, donations and philanthropy and community good will. All of these lead to improved outcomes for people with disability. (pp.12)

There is still additional work to be done in the fostering of new models of service, adapting services to better meet the needs of individuals and providing real choice for individuals in settings where there may be fewer options. Ability Links Coordinators will support this process of accessing services. (pp.11)

F) Future employment trends, expectations and pay equity for women employed in the non-Government sector;

NDS has undertaken a number of projects to support the growth of the disability workforce, the skilling of the workforce and the development safe and effective workplace practices for the sector.

It is recognised that access to a stable and effective workforce is a necessary component in the expansion of service provision in the sector. Any outsourcing of services will also have implications for staff currently employed in the delivery of ADHC provided services. (pp.18)

NDS will continue to be involved in workforce planning to recruit and retain staff in the sector with the NSW Government, especially through CareCareers. It is also imperative that the NSW Government pay its share of the wage and salary increases brought about by the National Equal Remuneration Order and Modern Award rulings. (pp. 18)

G) Incentives for private philanthropy in the funding of community services;

For many years the non-government sector has had to rely on their ability to access funds, donations and volunteers from the community. The capacity of providers to access these services depends largely on the linkages established with the community. (pp. 11)

NDS support the NSW Government's exploration of other mechanisms to support the development of philanthropy such as social capital bonds and shared asset models to encourage parents of people with disability to invest in their future care. (pp.11)

H) The use of technology to improve service delivery and increase cost effectiveness;

The NSW Government should continue to support the introduction of effective business management and finance systems and other back-office technologies to increase efficiency. Standardisation of systems and the provision of basic platforms from which providers can link into current systems, such as the Service Portal and video-conferencing are also welcomed. (pp. 19)

l) A comparison of the management and delivery of similar services in other jurisdictions; and

NDS, as a National organisation is able to draw on the experience of our members across multiple jurisdictions.

The outsourcing of services should take into account the experience gained through the outsourcing of other NSW programs, such as Day Programs and out-of-home care, the role out of programs through *Stronger Together* and disability service outsourcing conducted in other states.

Driving forces in Disability Services in NSW

Decisions regarding the outsourcing of disability services must be made within the context of the current disability environment.

Stronger Together II

NDS commends the NSW Government for its significant investment in the disability services sector throughout *Stronger Together*.

The additional \$2 billion investment through *Stronger Together II* has impacted enormously on the non-government disability service system and has resulted in unprecedented growth in the scope and scale of disability services. The first five year phase of *Stronger Together* saw the capacity of disability service providers increased by 40% with a further 33% increase set for the second five years¹.

Under *Stronger Together* there has been a sharp increase in the amount of services delivered by ADHC funded non-government disability service providers. Over 93% of all Day Programs, 80% of Respite and 61% of Supported Accommodation are now provided by the non-government sector².

Lessons learnt from the first five year phase of *Stronger Together* were considered for the second phase of funding to ensure its effectiveness. These lessons included:

- Having a stronger focus on individual needs of people with disability.
- Keeping service providers well informed.
- Ensuring effective planning to allow service providers sufficient time to build or acquire resources, recruit and train staff and develop operational systems.
- Minimising wasted resources through unsuccessful competitive tendering processes.
- Identifying how to better measure the outcomes of service delivery for people with disability.

Living Life My Way

Living Life My Way is the NSW Government's commitment to ensuring people with disability, their family and carers are at the forefront and centre of decision making about the supports and services they use. The NSW Government has invested in consultations with people with disability, their families and carers and disability service providers to develop practical options for changing the current NSW disability system to be more person-centred.

Findings from the consultations include:

- Overwhelming support for person centred practice and planning from people with disability, families, carers and service providers.

¹ Department of Family and Community Services (2011), Annual Report 2010-2011: Ageing Disability and Home Care Section

² Ibid

- The transition to personalisation has significant implications for the service providers who will need resources and support to transition³.

On 24 April 2012 the Hon. Minister Constance launched the second phase of Living Life My Way consultations which will include further engagement with the disability sector in NSW. During the launch, Minister Constance confirmed his confidence in the disability sector, stating, "...everybody involved in disability in this state is up for the challenge."

National Disability Insurance Scheme

Despite the significant additional investment by the NSW Government through *Stronger Together II* it must be recognised that this will not be adequate to meet the needs of every person with disability in NSW.

To meet this need, the Productivity Commission's report on Disability Care and Support recommended the implementation of a National Disability Insurance Scheme (NDIS) to be administered through a National Disability Insurance Agency⁴. NDS is a strong supporter of this recommendation.

The introduction of an NDIS will further promote choice, voice and control for people with disability. A large component of this is people with disability being able to choose who provides the supports and services they need and want.

Person-centred services - a profile of the disability sector in NSW

A concerted and cooperative effort from government and disability service providers over the last five years has seen a dramatic increase in scope and scale of services available for people with disability in NSW.

Understanding the profile of disability service users is complex as there is no average person with disability, but rather they are individuals each with their own needs, hopes and aspirations. Person centred service delivery needs to be a key consideration when the NSW Government is making decision about outsourcing services and NDS is concerned that the terms of reference for this inquiry exclude service users.

A person centred approach requires a system which supports people to express their needs, interests, hopes and dreams and the ability to make plans which increase their independence and fulfilment⁵.

The Productivity Commission in its report into the contributions of the not-for-profit sector has observed the significant value of the individualised approach adopted by many not-for-profits in their models of service delivery, citing the positive returns of such approaches for clients as well as overall service efficacy⁶.

³ NSW Government (2012), Living Life My Way – putting people with a disability at the centre of decision making – Outcomes of statewide consultations

⁴ Australian Government Productivity Commission (2011), *Disability Care and Support*

⁵ Helen Sanderson Associates (2005). *Essential Lifestyle Planning for Everyone*

⁶ Productivity Commission (2010), *Contribution of the Not-For-Profit Sector*

Non-government disability service providers have been providing person-centred services for decades and understand the positive life outcomes people with disability experience as a result.

However, there is currently little information available on how satisfied people with disability are with their service providers. NDS Members feel that too often service users don't provide them with honest feedback for risk of losing their service or funding. While the establishment of individualised funding where a person with disability can move freely between service providers should go some way in addressing this issue, the NSW Government should seek a solution to better address this issue.

Investing in NGO Growth and Sustainability

To ensure quality services are provided by the non-government sector, significant investment is needed.

Building a strong and sustainable sector

NDS has built a strong relationship with the NSW Government and works collaboratively with the government to support the growth and sustainability of the non-government disability sector.

A large part of this work is the Industry Development Fund (IDF) which was established by the NSW Government in 2010 to build the capacity of the sector to deliver on the NSW disability services reform agenda. NDS jointly manages the IDF with Ageing Disability and Home Care (ADHC) and is committed to work with government to roll out programs across all funded disability service providers.

The purpose of the IDF is to invest in the non-government disability sector to make it a more integrated, efficient, innovative, robust and responsive service system that supports and encourages person-centred, individualised support to people with disability.

To date, the IDF Governance Board has allocated approximately \$6.7 Million to projects that support the reform of the non-government disability services sector and build the capacity of services. Projects planned or currently underway include:

- **The Aboriginal Resources and Pathways project** - an initiative to identify and promote effective ways for disability services to provide support for Aboriginal people with disability and their families in a culturally appropriate manner.
- **Disability Safe** – established to inform the creation of a consistent approach to reasonably practicable risk management in disability services.
- **Fraud Prevention Training for NGO staff** – providing strategies for the combatting of fraud and corruption in the non-government disability services sector.
- **Regional Leadership and Development Networks for NGO Board Members** - conducted by the Australian Institute of Company Directors to build the management capacity and leadership of Boards.
- **Leadership Development Program** – tailored and sector specific development and training program for emerging leaders in the non-government disability services sector.
- **Good Governance** – a suite of programs, training opportunities and resources to assist disability sector organisations to review their current governance practices, personnel and skills and develop more effective operations.
- **Progress for Providers** – a survey offered to all 450 AHDC funded disability service providers to assess the sector's state of readiness for the introduction of personal budget, individual funding and greater personal choice for people with disability.
- **Person-Centred Thinking Projects** – development of a suite of projects, resources and training opportunities to assist the non-government disability services sector to prepare for more individualised and person-centred practices based on an appreciation of fundamental human rights.

- **Supported Living Fund** – development of a suite of resources and training for disability service providers eligible to provide the Supported Living Fund.
- **Quality Framework** – a program to develop a sector-wide quality framework for all ADHC funded disability agencies in NSW to support organisations to meet the National and State Disability service standards and to foster continuous quality improvement.

The collaborative initiatives listed above further build the capacity of the disability service sector in NSW to ensure they can not only deal with but thrive under the coming changes.

Capacity

The significant depth and capacity built over the last five years through the commitment of the NSW Government to supporting the growth of the sector has resulted in a sector well placed to deliver services and absorb the increase in service delivery created through outsourcing.

The non-government sector is well positioned to accommodate the increased numbers, new models and person-centred approaches provided that any transition process is well planned, adequately resourced and collaboratively undertaken.

Innovation

One of the best assets of the non-government sector is its ability to be innovative. However, too often innovation in service delivery has been stifled through stiff guidelines and strict output based reporting requirements. Current funding does not allow for innovation and it is only through the hard work and dedication of the non-government sector that innovation happens.

NDS is supportive of the introduction by ADHC of output based acquittal reporting, the encouragement of innovation through the Minister's NSW Disability Industry Innovation Awards, and the more flexible approaches to service monitoring. All have contributed to a sector that is better positioned to explore alternative service models, adapt funding to better suit individual need and utilise savings generated through efficiency and innovation in other areas.

Returns on investment

The 2010 Productivity Commission report into the contribution of the not-for-profit sector highlighted the significant value that can be created by harnessing the good will of the communities in which services operate⁷. In a review of the publically available financial statements of some of the larger disability service providers in NSW, the additional monetary value created by the sector and returned to service delivery ranged from 20% to over 100%. This means that for every dollar funded by government an additional dividend was reinvested into service delivery of up to the same amount.

This dividend includes donations, bequests and returns on investment, but excludes the various non-monetary contributions of volunteers, donations of goods and services and the

⁷ Productivity Commission (2010), *Contribution of the Not-For-Profit Sector*

deferment or reduction of costs, taxes and other allowances such as access to salary sacrifice and other allowable reductions as a charitable or not-for-profit entity. Some larger NDS member organisations are reporting over 1000 volunteers contributing to the operation of services, fundraising and general community engagement.

Various mechanisms have been proposed to value this social return on capital and the social dividend reaped by government funding. The total value of an investment into an effective not-for-profit organisation reaps a far greater return in both outputs and outcomes as illustrated by the following calculation:

NFP Dividend on Government Investment =
Quantum of services delivered
+ Volunteer contributions
+ Donations and fundraising
+ In-kind equipment and services
+ Reductions in costs through allowances
+ Community linkages & enhanced outcomes

The inquiry should note that private philanthropy can be best harnessed when true partnerships can be seen by the investor. This does require the investor to see the 'value added' which can be created by their contribution. However, philanthropists will often seek clarification that any investment is worthwhile and offers a clear return on investment for all parties, which is not necessarily recurrent in its financial gift. The exploration of social capital bonds and other mechanisms for increasing the available pool of funding and investment in the area is welcomed by NDS members.

Connections

Of critical importance is the explicit recognition that the non-government sector is achieving quality outcomes for people with disability, their families and carers through their ability to mobilise community support.

Effective service delivery involves the establishment of linkages between service providers and the broader community. Very often, non-government providers have strong links with their communities and therefore have access to the resources of that community, known as 'social capital'.

It is clear that the NSW Government sees the linkages between people with disability and their communities as very important, seen through the introduction of the Ability Links program.

Announced by Minister Constance on 15 February 2012, Ability Links is an exciting step in NSW's preparation for a NDIS and move towards a system which assists people with disability and their families and carers to exercise greater choice, voice and control at the point of entry into the disability services system. Ability Links coordinators based in local communities across the state and will work with people with disability and their families and carers to build their capacity to engage with the service system and the community. Ability

Links Coordinators will also have the crucial role of working alongside mainstream service providers and communities to support them to become more inclusive⁸.

NDS is generally supportive of the NSW Government initiative to introduce Ability Links Coordinators throughout the state but cautions for the need to ensure that these roles are firmly embedded in the community, sustainably supported and that mechanisms are in place to ensure that conflicts of interest do not arise and the roles maintain their independence.

Rural and regional areas

Social capital is often best utilised by non-government organisations in rural or regional areas as they are often integral members of the communities in which they operate. Utilising their communities can fill the gap between supply and demand that services in rural and regional areas are often battling. However, it must be noted that few service providers can provide all the needs of any one person and very often the needs of individuals are met by multiple entities. Meeting people's needs through integration is best achieved through collaborative rather than competition.

For this reason, the outsourcing of service delivery in rural and regional settings needs to be progressed with more caution and collaboration than in metropolitan settings to avoid unnecessary strains on their communities. An NDS Member in a regional area has highlighted the difficulty of attracting and retaining therapy services and how the departure of one therapist may impact on the delivery of services by a number of organisations to multiple individuals and their families.

Some of the risks and development priorities that must be considered by government when considering outsourcing services in rural and regional areas include:

- Improving assessment, referral and service entry pathways (this is applicable across the state, not just in rural areas).
- Ensuring that adequate assessment resources are available.
- Better identifying service system demands and communicating these to providers in a timely way, to facilitate longer term strategic planning for smaller providers.
- As distance (geography and physical access) is the critical factor in the delivery of many services in rural and regional settings, the support and provision of transport services, mobile services, outreach and home based service models must be adequate.
- Improving access to mainstream and community based services as part of the broader person-centred approach.

Often in rural and regional areas there are limited numbers of service providers. To develop capacity in this area, new non-government disability service providers need to be created. This would require a commitment to creating new entities and could be achieved via asset-based community development within communities. In order to flourish, these new organisations would need start-up funding.

⁸ NSW Government (2012), *Ability Links*

Transitioning services in the current environment

A number of lessons have been learnt on the transitioning of services in other jurisdictions. For example, the experiences of moving to self-directed funding models in disability service provision in other states such as Victoria and Western Australia⁹, or the current transitioning of out-of-home care services to the non-government sector in NSW which is part of the larger Keep Them Safe reforms, a five-year plan to overhaul the state's child protection and wellbeing systems following the Wood Special Commission Inquiry into Child Protection Services in NSW¹⁰.

The out-of-home care reforms follow the realisation that many children were not receiving appropriate supports. At the time, nearly 80% of children in statutory care were receiving services directly provided by the government. Vulnerable children were not being allocated caseworkers and many children and carers only saw a government worker once per year.

The decision to improve services to children in statutory out-of-home care by transferring case management to the non-government sector, was initiated following recognition of several key differences in the structure and operational capabilities between the government and non-government sectors. The most significant of these was the recognition that statutory authorities carry statutory responsibilities which include significant and sometimes cumbersome reporting and regulatory mechanisms. By contrast, non-government organisations were characterised by their ability to be more flexible and creative in their approach to service delivery, and to be more responsive to changing community needs while maintaining a strong local focus¹¹.

The disability sector in NSW also has extensive experience in transitioning multiple services, both from government and between providers. Including:

- The restructuring of the Department of Ageing Disability and Home Care to the much larger Department of Human Services and then the Department of Family and Community Services;
- The transition of day programs from ADHC-run to ADHC-funded services within the NGO sector to promote greater choice for service users.
- The devolution of large residential centres towards more individual accommodation options.
- The introduction of for-profit organisations within the early childhood sector following the establishment of Helping Children with Autism and Better Start for Children with Disability packages, and the need for ADHC-run and ADHC-funded services to respond to this.
- The introduction of the Self-Managed Model in day programs.

Experience gained from the above has led NDS and its members to identify a number of imperatives for successful transitions within the human services context outlined below.

⁹ NSW Government (2012), *Living Life My Way*

¹⁰ Wood (2008), *Keep Them Safe – a shared approach to child wellbeing*

¹¹ Goward (2011), *Ministerial Address to open the NSW Child Protection and Wellbeing Interagency Conference: Reforms, two years on*

Listen to the needs of individuals

The needs of service users must be actively listened to and service users should be consulted and involved in the early stages.

Lack of consultation with people with disability has been a major issue throughout previous reforms and these mistakes should not be repeated.

Collaborative processes

The best outcomes for individuals will be achieved through collaborative planning within realistic timeframes.

A strength of the non-government sector is its shared common goal to ensuring people with disability have the best life possible. The sector demonstrates this in many ways, not least through the cooperation and commitment of organisations' executives in the day to day business of NDS, the development of policy and approaches, lobbying government, being engaged in committees, working parties, and advisory groups to government and other agencies.

In the past, tendering has proved to be a destructive and disruptive process. NDS is supportive of the NSW Government's move away from tendering processes toward more collaborative models such as panels. This avoids diverting resources from service delivery and the reduced trust and lessened cooperation amongst service providers.

Provider engagement and information exchange

Consultation with the non-government sector at an early stage is essential. The sector should be kept well informed of the relevant facts to ensure appropriate business decisions are made and to create a productive dialogue early in the process.

Adequate Resourcing

Fiscally, the NSW Government should not be approaching the outsourcing of service delivery as a short term cost cutting or cost shifting exercise. This is not a cost neutral exercise and the government will need to fund it appropriately.

The transition cannot be dependent on philanthropy for success. While the non-government sector has traditionally been highly successful in appealing to individuals, businesses and communities to supplement government funds, fundraising for an amount of this nature would be extremely difficult and would need to involve a substantial and sustained increase in community giving¹².

The non-government sector is concerned that the outsourcing of government service delivery will create increased risk for them. This stems from the belief in some areas that the current services being provided by government target service users with complex or high level needs. Non-government service providers need assurance that crisis management and emergency response safety nets will be retained.

¹² PriceWaterhouseCoopers (2011), *Disability Expectations: Investing in a better life, a stronger Australia*

The sector also rightly anticipates costs and workforce issues associated with the transition. Mechanisms will need to be put in place to ensure that organisations are adequately and appropriately supported to make the necessary adjustments to cover new costs and support their workers through the changes.

Clear policy and procedures

Processes behind service access, entry and assessment will need to be clarified. At present, the sector is broadly aware of changes on the horizon in relation to person centred approaches and what they will mean for service delivery in general terms. At this stage, however, the mechanisms for these changes remain unknown. For this to be successful, information must be communicated to the sector in a timely manner.

Assuring quality services

Everyone wants to be assured that the services a person with disability is receiving are safe and effective. While disability service providers in NSW generally provide high quality, safe and effective services, NDS is the first to say that there is always room for growth. There are a small number of disability service providers who do not provide the expected level of quality services and NDS is looking for opportunities for development for these providers.

Many non-government service providers in NSW have undertaken significant work to establish best practice, externally accredited quality programs. For all service providers, quality of service is ultimately determined by how well it meets the needs and expectations of service users.

The NSW Government also requires assurance that the services it funds are properly governed and the funds are used to achieve the agreed outcomes for clients.

To gain this assurance, two key processes are required:

1. The establishment of expected standards of service, and quality improvement processes to bring organisations up to and beyond these standards; and
2. Establishing measurement and reporting mechanisms that allow an organisation or others to determine that they are meeting the standards.

These two points are central features of the funding agreement for ADHC funded services. The establishment of a comprehensive quality system and effective service reporting and monitoring frameworks are ongoing pieces of work for the sector.

Quality Standards and Continuous Quality Improvement

NDS has been working with ADHC on the details of a quality framework to provide service providers with appropriate resources to meet the revised National Standards for Disability Services and to implement continual quality improvement. This will ensure non-government service providers are ready for the outsourcing of community services.

NDS and ADHC will offer a range of supports to assist disability services providers including:

- **A new chapter of 'It's Your Business' dedicated to quality management** – The development of the chapter is part of the broader NDS Good Governance Program to support boards to effectively govern their organisations.
- **Expert advice** – In addition to the existing Panel of Experts, NDS will seek quality expertise that will be available to the sector along with expert advice in a range of other areas of core business.
- **Quality tools** – A range of quality tools will be made available to assist service providers to self-review and continuously improve their quality of service.
- **Panel of third party verifiers** – NDS is currently establishing a panel of third party verifiers from which service providers can choose.
- **Quality expertise and networks** – NDS is intending to appoint a Quality Manager who will provide expert advice to the sector and establish quality networks to engage disability services providers throughout NSW.

This range of resources will assist organisations at whatever stage of their maturity in the quality process. The expected result will see disability service providers quickly adopt the revised National Standards for Disability Services and embed quality improvement processes across all levels of their organisations.

NDS believes that Third Party Accreditation is overdue and the non-government sector welcomes this approach to continuous quality improvement. This approach must be consistent and equitable.

The move toward a person centred service system with individualised funding will have implications for quality assurance and monitoring. NDS is working with ADHC and other key bodies such as the NSW Ombudsman to determine the appropriate mechanism for monitoring services that may be brokered out or provided by individuals outside of the current service sector.

Service Monitoring

NDS acknowledges that appropriate models to monitor and regulate the non-government sector to ensure probity and accountability of funding and effective service delivery are essential. Any effort expended by government and service providers in regard to monitoring and accountability should be in proportion to the risks presented without the burden of unnecessary red tape.

It is the responsibility of the organisation's board to ensure that monitoring requirements are in place and reported to appropriately. This will achieve a quality, sustainable system that does not undermine service delivery. Outsourcing community services to the non-government sector will alleviate the tension that exists with ADHC being both a service provider and regulator.

Improvement is also needed for financial management and reporting. NDS is aware that there are improvements to these developments underway.

Monitoring the expectations and needs of service users is vital and a broader framework for this needs to be developed.

Workforce

Outsourcing service delivery raises multiple issues relating to the non-government sector's workforce. The issues include:

- Retaining the current workforce through any interim period of planning prior to outsourcing services.
- Transferring current staff or recruiting new staff to provide additional services.
- Equity of salary and conditions between the non-government sector and government.
- Workforce issues in rural and regional settings.

The NSW Government needs to clearly articulate the expected pressures that the non-government disability sector workforce will face in light of outsourcing service delivery. There is currently a limited workforce in the non-government sector with projections

showing the disability workforce will need an additional 10,000 workers over the next 5 years¹³.

Initiatives such as CareCareers have been introduced to fill the gap, however a number of reports have found that there will be continued pressure on the disability workforce, especially in the attraction and retention of allied health staff¹⁴.

It is possible that current ADHC staff could transition with the outsourced services, however disability support workers in the government sector have conditions of employment that are not generally available in the non-government sector.

In light of the current reform agenda it is likely there will be an increased casualisation of the workforce within the non-government sector. While this may create flexible, part time working opportunities for some, it will create stress for many services. The approved national wage increase must also be considered.

Offering incentives to create innovative cost effective solutions such as back-office sharing might provide an opportunity for increased capacity.

The following workforce implications need to be considered:

- Full funding of wage and salary increases.
- Flexibility in work models can attract return-to-work parents, but the low salary base will see many moving into other industries.
- There are difficulties in attracting males into the sector.

Property and assets

The outsourcing process needs to include a plan for transferring property and other assets as it is far more cost efficient to share equity where already available. Effective services must be adequately resourced, therefore in any transitioning of services the availability of suitable capital (property, equipment, and vehicles) must be factored in. Sufficient maintenance costs must also be factored in.

The use of technology

The use of technology to assist the provision of disability services varies across the sector. Technology is used in the management of workforce and payroll, financial management, client management, rostering, quality management, referral research and training.

Service providers recognise that investment in appropriate technology will be essential if service providers are to effectively manage the future service system. However, to invest appropriately providers need to have an understanding of future demands and requirements. The investment in quality, compliance and reporting systems for example can be substantial and while the sector recognises the reasons this is required, it would like to see that there is no unnecessary diversion of funds away from service delivery.

¹³ National Institute of Labour Studies (2010), *Who Works in Community Services?: A profile of Australian workforces in child protection, juvenile justice, disability services and general community services*

¹⁴ Ibid

NDS plans to support the development of technological resources in the sector in a number of ways including the development of a quality management system that will allow services to adopt a basic level of technology at relatively low cost.

NDS and our members have been involved in the development process for ADHC's new Service Portal and expect that this will enhance communication and reporting while reducing red-tape. While recognising this is the first phase of a longer-term development program, NDS would encourage the developers of the system to engage more thoroughly with service providers to ensure that future developments are compatible with their existing systems.

Technology will continue to provide opportunities to enhance service delivery, increase information flow and support choice through effective decision making.

Priorities for development that will support and enhance any outsourcing processes include:

- A standard data base for client data to ensure that there is consistency and the ability to share data across platforms – this would incorporate a standard data dictionary.
- A services directory including service provider characteristics.
- Improved communication and consultation with the sector and service users regarding the potential directions of the Service Portal.
- Financial management systems for person centred approaches.
- Increased use of social media and other mobile technologies to aid access to services, service choice and service delivery.

NDS is also committing to the development of an integrated network of video conference facilities across the state to support internal and member communication.

National Disability Services

NDS is the national industry association for disability services, representing 750 non-government organisations. Collectively, our members operate several thousand services for Australians with all types of disability. NDS's members range in size from small support groups to large multi-service organisations, and are located in every State and Territory across Australia.

NDS' purpose is to increase the capacity of its members to operate efficient and effective services, and assist members to meet relevant industry and government standards through the provision of information and advice, networking opportunities and access to corporate support. NDS also exists to influence government at both the state/territory and federal levels to provide a policy environment that is responsive to the needs of people with disability and their service providers.