

Submission
No 261

**INQUIRY INTO IMPLEMENTATION OF THE NATIONAL
DISABILITY INSURANCE SCHEME AND THE PROVISION
OF DISABILITY SERVICES IN NEW SOUTH WALES**

Organisation: Early Childhood Intervention Australia

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Inquiry into the implementation of the National Disability Insurance Scheme and the provision of disability services in New South Wales

**EARLY CHILDHOOD INTERVENTION
AUSTRALIA SUBMISSION**
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Early Childhood Intervention Australia (ECIA)

Who we are

As the peak body for early childhood intervention professionals, ECIA represents its members at a state / territory and national level in advocating for the rights of young children with developmental delay and disability, and their families, to have access to high-quality early childhood intervention services and supports.

ECIA has a collaborative relationship with the NDIA and other relevant government departments and organisations, as we work together to build capacity and improve services. We provide relevant, contemporary information and resources to professionals working in the field of ECI, along with professional development opportunities.

Early Childhood Intervention Australia (ECIA) over the last 12 months has transitioned from a federated state / territory based organisation consisting of four member Chapters, into a national single entity company limited by guarantee.

The Chapters that transitioned represent the geographical areas of WA/NT, QLD, NSW/ACT and SA. ECIA VIC/TAS is not affiliated with ECIA, the national entity.

We acknowledge the previous work in this state conducted by the ECIA NSW/ACT Chapter and referred to in this submission.

What we support

ECIA endorses a framework of evidence-based practices that promote, encourage and support principles that drive positive outcomes for children and families. These practices include:

- **Family centred and culturally responsive practice**, which creates culturally inclusive environments for families from all backgrounds, and recognises the central role of families in children's lives.
- **Inclusive and participatory practice**, which recognises that children, regardless of their needs, have the right to participate fully in their family and community life.
- **Engaging the child in natural environments**, to promote inclusion through participation in daily routines, at home, in the community, and in early childhood settings.
- **Collaborative teamwork and capacity building practice**, where the family and professionals work together as a collaborative and integrated team around the child, to build the capacity of the child, family, professionals and community.
- **Evidence base, standards, accountability**, to ensure ECI services comprise of practitioners with appropriate expertise and qualifications who use intervention strategies that are grounded in research and sound clinical reasoning.
- **Outcome based approach**, which focuses on outcomes that parents want for their child and family, and on identifying the skills needed to achieve these outcomes.

These practices lay the foundation for each individual's successful participation as a valued member within our diverse community. This has been articulated in the *ECIA National Guidelines on Best Practice in Early Childhood Intervention*.

What is Early Childhood Intervention?

Early Childhood Intervention (ECI) is the process of providing specialised support and services for children age 0 to 6 with developmental delays or disabilities and their families, in order to promote development, well-being and community participation.

ECI Services provide parents and families with the knowledge, skills and support to meet the needs of their child and to optimise the child's development and ability to participate in family and community life.

ECI Services provide individually tailored supports to the child including therapy, education, counselling, service planning and coordination, warm referrals to community and mainstream services. Services are focused on supporting the child in their natural environments and in their everyday experiences and activities.

About this submission

To inform this submission, ECIA circulated a detailed survey to all Executive Officers and Senior Managers of NSW early childhood intervention service providers. We received 10 detailed responses with an average time taken to complete a response being 30 minutes.

ECIA regularly consult with the NSW ECI sector through our Managers' Forums and regional ECI Forums. This is the fifth submission we have prepared in the last 18 months, having consulted widely with the ECI sector about the following formal submissions:

- Productivity Commission's Inquiry into NDIS Cost;
- Parliamentary Inquiry into the provision of services under the NDIS ECEI Approach;
- Inquiry into support for new parents and babies in New South Wales;
- McKinsey & Company's Independent Pricing Review of the NDIS.

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The accessibility of Early Childhood Intervention (ECI) services and Early Childhood Early Intervention (ECEI) Approach services for children for children with developmental delay and disability age 0-6 and their families

The Early Childhood Intervention Pathway for Children age 0-6 under the NDIS

The Early Childhood Early Intervention (ECEI) Approach, developed by National Disability Insurance Agency (NDIA) in 2016, is the pathway to supports for children age 0-6. The ECEI Approach is delivered by Early Childhood Partners (EC Partners, the Partner). EC Partners have been rolled out in the majority of jurisdictions across Australia, contracted by the Agency to provide Early Childhood Early Intervention services.

The ECEI Approach was designed on universal access principles meaning that there are no eligibility requirements to access ECEI supports, as in there is no requirement for a diagnosis of disability. Early Childhood Partners accept all requests for support relating to concerns about the development of children aged 0-6.

The Early Childhood Partner assesses the child's development and works with the family to:

- Explain the nature of the delay and build family capacity on how to support the child's development at home and in the community;
- Refer to relevant community and mainstream supports such as Community Health, Early Childhood Education and Care, and Community Services;
- Provide best practice interim ECI services and monitor the child's development.

If the EC Partner determines that the child requires longer term supports, and the child meets the NDIS eligibility criteria for an individualised package funding (see definition of Developmental Delay in section 9 of the *NDIS Act 2013*), then the Early Childhood Partner would start the NDIS access process. Once access to the Scheme has been approved, the Early Childhood Partner works with the family to develop an NDIS plan. After the child's NDIS plan is approved the Partner supports the family to activate and commence purchasing services using approved NDIS funding.

NDIS Transition for the ECI Sector in NSW

In NSW the ECEI Approach was trialled in the Nepean Blue Mountains from July 2015. For a detailed review of relevant issues please read the University of NSW research report commissioned by ECIA NSW/ACT, entitled *Early Childhood Intervention Review: Nepean Blue Mountains/Hunter Trial Sites*ⁱ.

NSW ECI Sector transition to the Sector: Research and Evaluation

ECIA NSW/ACT commissioned, with grant funding, two key research and evaluation reports about the transition of NSW ECI providers and families to the NDIS which we commend to the Health and Community Services Committee, these are:

- ❖ An evaluation of the transition to the ECEI Approach under the National Disability Insurance Scheme in NSWⁱⁱ
- ❖ Research into the implementation of the NDIS in early childhood intervention sector in NSWⁱⁱⁱ

The NSW transition was different to other states due to the large number of children accessing services funded by the NSW government which needed to transition to the NDIS under the ECEI Approach. The NSW Government and the NDIA agreed to put in place transitional arrangements through the current ECI service system in NSW. Fifty-two ECI Service Providers were selected and agreed to act as ECEI Transition Providers. Year 1 ECEI Transition Providers commenced their transition from 1 July 2016 for designated areas and Year 2 providers from 1 July 2017 for the remaining areas.

In line with the Bilateral Agreement between the Commonwealth and New South Wales; Transition to a National Disability Insurance Scheme (Bilateral Agreement), ECEI services were required to prioritise children currently accessing NSW Government ECI services by way of a list of children deemed eligible to access the Scheme, the defined children list. NSW Transition Providers provided ECEI services in a local government area for which they were historically funded by NSW Government to deliver ECI services. The NDIA funded Transition Advisers to provide guidance and advice to the Transition Providers relating to NDIS legislation and business rules.

Finalising the NSW Transitional ECEI Approach

Both Year 1 and Year 2 ECEI Transition Providers finalised their ECEI role on 30 June 2018. A tender round for Early Childhood Partners or ECEI Services in NSW was announced in November 2017. A decision about the successful applicants was expected in March 2018 which would give the new Early Childhood Partners 3 months to scale up before taking over from the ECEI Transition Providers. The announcement was made on 31 May 2018.

Not all children were able to transition to the NDIS before the Transition Providers finished up their role, as some were waiting for an access determination or a plan approval and others were waiting for an initial or planning meeting eg. Transition Providers sent out letters to the families who would need to transition across to the new EC Partners on 4 June 2018.

The recently appointed EC Partners are scaling up to deliver services and prioritising the aforementioned transition families based on need. Please see FAQ on *NDIA's NSW website ECEI section^{iv}* about transition arrangements for NSW. We note that ECIA has received feedback from rural and remote ECI services providers suggesting that the roll-out of EC Partners has been delayed in all areas of NSW, rural and metropolitan.

Meanwhile in order to support the transitioning families described above, and in order to provide support for newly inquiring families, the outgoing ECEI Transition Providers are using income to provide:

- initial advice to enquiries and referral to EC Partners;
- Immediate supports to families such as supported playgroups while they are waiting to interface with the EC Partner.

Workforce issues impacting on the delivery of Best Practice ECI services

During the bulk of the transition of the NSW ECI sector to the NDIS there has been limited staff movement. As of May/June 2018 there has been a marked increase in staff movement between agencies in response to the introduction of the EC Partners, the winding down of ECEI Transition Providers and the fluctuating demand for ECI services as demand for services ebbs and flows due to rates NDIS plan approvals. However, the demand for ECI services and workforce availability is not equally distributed amongst metro, regional, rural and remote service areas.

ECI workforce composition has changed significantly as a direct response to family preference for therapeutic services. In the pre-NDIS NSW ECI model most ECI services employed highly skilled Early Childhood Educators experienced in building family capacity to support child development.

Due to high demand for ECI services there is significant pressure on ECI services to quickly build a workforce that is able to deliver ECI best practice as lack of required staffing compromises families' ability to use their NDIS package funds and limits their choice and control over services they want.

In order to meet increasing demand for ECI services, NSW ECI service providers are hiring new Allied Health graduates in the disciplines of Speech Pathology, Occupational Therapy, Physiotherapy and Psychology. Once employed, the new graduates need to be trained in ECI best practice as many have not worked in the paediatric space and have limited experiencing working with children with disability and developmental delay and their families. On average, the training and capacity building process is anything up to 12 months. This represents a significant investment in building workforce capacity to deliver ECI services as many staff are not able to meet billing targets inherent in the NDIS ECI pricing model during the initial period. See provider sustainability section for discussion on billing targets and implication for ECI best practice service delivery.

The nature of employment in ECI has changed significantly as it is common practice across the NSW ECI sector to employ staff on contracts rather than permanent positions or to carry less permanent staff. As previously mentioned staff are also required to maintain minimum billable hours. The focus on billing and financial sustainability has shifted the emphasis of ECI services away from realising outcomes for the family to only the child.

ECI services also report significant difficulty in recruiting the required mix of appropriately qualified and experienced staff in rural and remote NSW. ECI service providers are considering new ways of attracting staff such as sharing relocation costs, overseas recruitment and greater use of allied health students and allied health assistants.

Due to short term contracts and billing targets, staff retention has become a significant concern for ECI service providers. Many graduates and experienced staff are choosing to become sole practitioners delivering ECI services under the NDIS due to greater flexibility and the promise of better wages, which may or may not be realised.

As of 31 March 2018, there are 1053 registered early childhood intervention NDIS service providers.^v It is not clear how many are active, however we do know that 25 per cent of NDIS registered providers of early childhood services are delivering 89 per cent of early childhood services under the NDIS^{vi} which would suggest that the majority of the 1053 registered providers in NSW are not in fact actively providing services.

ECI services are finding it increasingly difficult to offer student placements due to cost pressures discussed. However, student placements are vital for the development of the workforce. In order to gain a better understanding of the allied health student placements in ECI services, ECIA has commissioned a research project in partnership with the University of Sydney. ECIA is finalising a National Best Practice Project Report which will address, amongst other issues, systemic workforce issues.

Incidents where inadequate disability support result in greater strain on other community services, such as justice and community

During the last two years of the NDIS transition NSW ECI services providers have continuously raised concerns about a gap opening between the NDIS and state government services for children age 0-6 with developmental delay and disability. In order to address this matter ECIA NSW/ACT held two round tables with relevant NSW Government representatives, ECI services and non-government children's service providers and produced a *Position Paper on Gaps in services for children age 0-6 with developmental delay and disability*^{vii} (the Gaps Paper) which we commend to the Committee. The Gaps Paper was formally submitted to the Department of Premier and Cabinet and other relevant NSW government agencies. We are continuing to discuss these issues and are looking forward to a response to our paper.

The Gaps Paper elucidates the issues in detail and provides recommendations. At its core the paper is concerned with "at risk" children including those who are not likely to be eligible for NDIS funding who will be referred out to mainstream and community services due to NDIS eligibility criteria for children age 0-6. Please see Gaps Paper for a detailed description.

By way of summary, the primary at risk groups, are:

- Children with one delay only;
- Children with mental health concerns;
- Developmentally vulnerable children with behaviours of concern;
- Pre-term infants;
- Children from families experiencing vulnerability who may or may not have an NDIS plan.

Under the pre-NDIS NSW ECI service system, ECI service providers received block funding which was delivered in a wide gateway approach which was responsive to family needs and made through informal, local connections. As such NSW ECI services were able to engage directly with all children including those from the at-risk groups outlined above, through natural community relationships and provide ongoing continuity of service with intervention or until mainstream services could be provided. Under the new, NDIS ECEI Approach model Early Childhood Partners will take referrals, work with these families to provide profile development, and some interim supports where appropriate and then pass on as a referral to a new relevant service.

The most common referral points are:

- Community Health;
- Early Childhood Education and Care; and
- Community services including Family Support and general community services e.g. playgroups.

With regard to access to Community Health paediatric services ECI service providers in rural and remote NSW have advised in August 2018 that waiting lists are at least 12 months and that services provided are usually short term in nature. There are concerns in the sector that the children are missing out on supports now enter the Scheme at a later stage with significantly more complex needs. Wait lists for developmental assessments provided by NSW Health are very significant in many regions across NSW, often more than a 6 month wait.

ECI services report that Early Childhood Education and Care (ECEC) providers are very responsive to the needs of children with NDIS plans and work well with ECI service providers. Funding for Early Childhood Education and Care services has changed significantly on the state and federal level affecting these service providers differently which includes funding for children with developmental delay and disability. NSW Department of Education is due to but has not yet rolled out a new approach to funding community pre-schools to support children with developmental delay and disability.

With respect to community services for children age 0-6 such as general playgroups delivered through neighbourhood centres, ECI service providers report that many of these community service providers encounter challenges in adapting program to the needs of children with developmental delay and disability and their families.

ECI service providers delivering ECI services in the pre-NDIS NSW Government block funding model, provided capacity building supports to community services and ECEC services which enabled successful inclusion of children with developmental delay and disability in these services. Under the NDIS model, ECI services are able to offer these “inclusion supports” to only those children that have an NDIS funding support package. Those children who do not have NDIS packages are reliant on the capacity of other systems to foster their access and inclusion.

We note that Early Childhood Partners play a pivotal role in supporting children who are not eligible for an NDIS package by building capacity with the family and making referrals to NSW Government and community services under the ECEI Approach. ECIA will continue to work closely with the Partners, ECI services and NSW Government about the issues mentioned in this submission.

Challenges facing ECI service providers and their sustainability

Impact on Best Practice

ECI service providers have continuously raised concerns about the increasingly therapeutic and clinical nature of services to children with disabilities and delays due to the service model inherent to individualised funding packages which was first introduced to ECI services with the Helping Children With Autism (HCWA) and Better Start Initiative (Better Start) packages of support for children age 0-6.

Parents could only spend HCWA and Better Start funding on approved services that were predominantly allied health discipline focused. Parents were only familiar with this model and over time parents became increasingly used to working with multiple therapists delivering many hours of therapy a week in isolation. Parents were reluctant to spend package funding on team coordination and parent or agency capacity building and coaching which is best practice in early intervention preferring to spend package funding on face to face therapeutic time with the child. Parents are also choosing centre based services rather than ECI services delivered in their child's environment (pre-school or home) which is best practice as it builds inclusion in the community. However, it is clearly established that greatest outcomes are achieved when the parents build on learning with the ECI practitioner at home during everyday activities.^{viii}

Over time for many families therapy began to be conflated with early childhood intervention due to the individualised package funding model mechanism and due to “deeply held cultural assumption” about real therapy (individual therapy with the child) realising superior outcomes to what parents are able to provide.^{ix} A therapy forward ECI model with its focus on diagnosis, therapy and treatment challenged the family-centred best practice early childhood intervention service model.

ECI services identified that families needed education on ECI best practice and how to choose an intervention type that best suits their child. In order to address this issue ECIA developed free resources explain Early Childhood Intervention and provide guidance on how to choose choosing quality ECI supports.

ECI service providers have responded to the changing family perceptions of ECI through service planning led by peers, families who are experienced in ECI, focusing on inclusion and the role of the family in supporting their child's development. Many are also making greater use of technology to record and celebrate reaching developmental milestones as a way of engaging further with the family.

Market and systemic issues

From 1 July 2018, NSW ECEI Transition Providers have finalised their ECEI role and are now essentially NDIS registered providers reliant on NDIS package funding as their primary funding source.

Many members have expressed concerns about financial viability due to uncertain of numbers of packages available in their service area and because of concerns about the likely timing of NDIS package approvals given that many Early Childhood Partners are in their establishment phase.

This is particularly a concern for smaller ECI service providers based in rural and remote NSW with relatively small catchments where it has proven difficult to hire appropriately qualified staff due to historical shortages discussed in the workforce section.

Due to financial sustainability concerns specialist ECI providers are exploring diversification of their service offer; providing services to children and young people age 7-14 as well as adults.

The move towards diversification may impact availability of highly specialised best practice early childhood intervention services. As a result of the foreshadowed market and systematic pressures ECI services are developing business and service delivery models that ensure ongoing financial sustainability whilst staying true to their core values of building inclusive communities and providing supports that empower children and their families.

NDIS ECI model issues

There are a number of other issues affecting ECI services providers delivering ECI services under the NDIS outlined below including low plan utilisation, the ECI pricing model under the NDIS, costs inherent in ECI service delivery and workforce issues discussed in the workforce section.

NDIA's COAG Disability Reform Council Quarterly Report of March 2018 provides limited insight into plan utilisation which can be summarised as follows. 50 per cent of plans are utilised by 50 per cent, 20 per cent are utilised in the 50-70 per cent range, and 28 per cent of participants are utilising more than 75 per cent of their plans.^x Data specific to ECI NDIS package utilisation is not available. However, ECI services have reported that plan utilisation for the FY 2017-18 is in the 60-70 per cent range. This is largely due to slow uptake of services as parents are become accustomed to NDIS service model. It is expected to improve over time with increasing provider and participant confidence. The impact of low plan utilisation on ECI service providers is having a significant impact on budgets for FY2018-19.

The ECI pricing model under the NDIS assumes a very high efficiency of staff which in practice translates to 5-6 billable hours a day as break-even point for the majority of traditional centre based ECI services. Our members advise us that for each hour of billable service delivery there is an implied half hour of behind the scenes work relating to setup and pack down, as well as research and preparation for the next appointment.

Traditional centre-based ECI services are heavily invested in infrastructure and as such have higher cost and staffing overheads which need to be maintained, such as:

- Insurance premiums;
- Maintenance costs associated with premises;
- Indirect labour costs – recruitment, quality and risk management, Work Health and Safety;
- Administration and payroll;
- Professional supervision;
- Professional development.

There are also pertinent indirect costs such as child protection reporting and case conferencing where there is a duty of care, assisting parents with plan implementation, following up appointments, attending doctor's appointments.

The 2018-19 NDIS Price Guide (the Price Guide) brought more generous allowances for cancellations of therapy services including early childhood intervention. However, cancellation or more aptly disengagement from ECI services, particularly for families experiencing vulnerability, is having a significant impact on the child's development and the sustainability of ECI service providers. ECI providers are having to make the difficult decision about the relative cost of engaging with families who are continuously not engaging. This is of particular concern for in rural and remote communities with relatively smaller client numbers and therefore greater exposure to client disengagement.

The Price Guide also brought changes to travel for therapy. It is too early to tell the impact that this is going to have to have on families and ECI service providers. Providers delivering services in remote and rural regions are able to charge an additional 20 and 25 per cent respectively. However, this does not apply to more distant regional areas that fall just outside the rural definition which involves a 3 hour return trip from a major centre.

ECI services also speak about administrative costs associated with doing business with the NDIA, such as:

- Billing and invoicing for every unit of service including extensive follow-up work for unsuccessful claims.
- Changes to the service model brought about in the new Price Guide requiring revision to forms, service agreements, billing processes and negotiation with participants which come at a significant cost to service providers.
- High administrative costs associated with managing continuously changing service bookings.
- Supporting families to self-manage their NDIS funding support plan.

ECI providers are exploring online platforms to deliver ECI services to children in regional, rural and remote NSW in an effort to cut down on travel costs. There are significant costs involved in setting up, training and adapting materials and practices to the online video conference medium. Many rural and remote communities have poor or limited internet connectivity. Despite the challenges many ECIA members in NSW are successfully delivering ECI services using online platforms such as the Royal Institute for Deaf and Blind Children, Royal Far West and Lifestart.

In order to support our members to transition to the new model for ECI under the NDIS, ECIA has delivered online and face to face training sessions on NDIS planning tailored to the needs of ECI service in close cooperation with a dedicated financial and business services consultant.

References

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- ^x *National Disability Insurance Scheme COAG Disability Reform Council Quarterly Report for 31 March 2018*, National Disability Insurance Agency, page 30 <https://www.ndis.gov.au/medias/documents/report-q3-y5-pdf/Report-to-the-COAG-Disability-Reform-Council-for-Q3-of-Y5.pdf>