

Submission  
No 284

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

**Organisation:** Macarthur Disability Services Ltd

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## **TOR (a) Choice and Control**

Funding under the NDIS is more portable than was the case under previous arrangements. However, current NDIS pricing policy has led to some service types becoming unviable. As a consequence, services providers are withdrawing from that market segment. This is especially the case for people with complex support needs such as challenging behaviour where risks cannot be adequately managed within the price set by the NDIA. People with a disability wanting a 1:1 service also find their choices restricted due to the current pricing for such supports.

Some NDIS participants are also being forced to change programs and providers as a result of no or inadequate provision being made in their plans for transport. Lack of adequate transport funding has forced people with a disability to leave their friends and other social supports. This is especially the case for people living in supported accommodation and their Supported Independent Living (SIL) provider is no longer able to provide transport for residents to attend community access programs due to cost.

The scheme aims to shift control and choice regarding supports to participants and their carers. However, this is not the case for all participants. Choice making is a skill in and of itself. In some cases, participants and their supporters require skill development to assist with this. This is the role of a support coordinator, however there are a number of participants and their carers who do not gain access to support coordination. This could be resolved by planners completing assessments to ascertain whether support coordination would be of benefit to a participant. At this point in time, there is too much subjectivity used to determine whether a participant and their supporters require this intervention.

## **TOR (b) Complex Support**

The NDIS pricing for people with complex support needs is inadequate for those people requiring 1:1 support to ensure appropriate management of risk. The current price for assistance with social and community participation makes it unviable for services to provide support to people with complex support needs including behaviours of concern. In some cases, people need 2:1 support while accessing community facilities, however, there is no provision for this level of support in NDIS plans.

In addition, under the 2018/19 NDIS pricing which commenced on 1 July 2018, the NDIS price for 1:1 community based, social and recreational activities support for people with complex needs is \$49.63 per hour (weekday); for 1:2, the price for the same support type is \$29.75 per hour, per person – that is a total of \$59.50 per hour. Clearly the NDIA, through its pricing is attempting to discourage 1:1 services which would seem at odds with the underpinning principles of giving people with a disability greater choice and control. For many people with complex challenging behaviours, being part of a group (even a small group of 2) is not an option as it can trigger behavioural incidents which put support staff, other service participants and members of the community at risk of harm. The setting of the NDIS prices for this cohort underestimates the risk and will further reduce the support/service options for people with complex challenging behaviours.

The skills required to work with people with complex support needs are not given sufficient weighting under the NDIS – support staff are required to have deep understanding of detailed Behaviour Intervention and Support Plans and/or medical procedures for which there is no capacity for an appropriate level of training and development under the current NDIS prices. In addition, the new reporting and procedural requirements introduced with the NDIS Quality and Safeguards Commission add a considerable administrative burden to service providers delivering supports for people with complex challenging behaviours – there is no additional funding available to offset the costs of meeting such compliance requirements.

Put simply, the provision of services to people with complex support needs (due to behavioural or medical issues) is not viable. Where possible, some organisations continue to support people with complex needs at the expense of their bottom lines – if these providers cease services to such individuals, they will find it next to impossible to access support elsewhere. As a consequence, people with complex needs find that their control and choice over services and supports are extremely limited.

#### **TOR (d) Privatising Government Services**

The transfer of NSW Government Case Management services has left many people with a disability without case management support. Ageing Disability and Home Care (ADHC) defined case management as “a collaborative process in which an individual's needs are assessed, a plan is developed and services agreed upon which are tailored to meet individual needs”.

Some people with and NDIS plan have funding for support coordination which is designed to assist people to implement their Plan and develop capacity to better manage their supports. However, the inclusion of support coordination in plans appears to be inconsistent – many people do not know to ask for support coordination during their planning meeting and therefore miss out. While providing a valued service, support coordination does not replace case management. It is thought that people with a disability and their carers will develop the capacity to manage their own supports – given the complexity of the NDIS as it stands at present, this is a tall order.

Ultimately, this often leaves an unfunded support gap for people with a disability, leaving service providers to deliver case management type support without funding to do so. In essence, the NDIS is relying upon the good will of service providers to deliver case management support for people with a disability without payment – the delivery of support using “un-billable hours”.

### **TOR (e) Eligibility**

Eligibility is a critical issue, especially for people with a psychosocial disability. Prior to the NDIS, programs such as Partners In Recovery (PIR) and Personal Helpers and Mentors (PHaM) provided non clinical support for people with a mental illness (psychosocial disability) living in the community. Support provided under these programs was based upon the “recovery model” which involves people being assisted to develop capacity by building on an individual’s strengths. The inclusion of people with a severe and persistent mental illness in the NDIS target group has seen the funding for PIR and PHaM transferred to the NDIS. However, many people who have traditionally been supported by PIR/PHaM are being refused access to NDIS funded supports – anecdotally up to 40% of participants are being assessed as ineligible for the NDIS. Without the ability to access support through PHAM and PIR, some people have seen a deterioration of their mental health and have required the involvement of local acute community mental health support. The inability to access psychosocial support through the NDIS will put State funded community mental health services (NSW Department of Health) under additional pressure.

### **TOR (f) Oversight**

The NDIS has seen a two tier regulatory system introduced to the disability support sector. People who are able to self-manage their NDIS plans are able to engage non registered support providers who are not required to meet the compliance demands that are associated with being an NDIS registered provider. Prior to 1 July 2018, registered NDIS providers were required to successfully undertake the “Third Party Verification” (TPV) to maintain their capacity to work in the NDIS environment – unregistered support providers were not required to participate in the TPV process. No additional funding was provided through the NDIS to cover the expenses of obtaining TPV, it was expected that service providers would meet this cost within the largely inadequate NDIS set prices. Obviously unregistered providers did not incur any TPV compliance related expenses.

On 1 July 2018, the NDIS Quality and Safety Commission became live and with it has come a level of compliance that far exceeds anything that had been in place previously. It is important to acknowledge that a National approach to compliance is welcomed, however, as is often the case, the devil is in the detail. The Commission has introduced an extremely complex reporting framework with tight timeframes around incident reporting and the use of restrictive practices. While the monitoring of serious incidents and restrictive practices is seen as a positive improvement, the administrative burden it creates is significant and will add to the cost of delivering supports to people with a disability. This additional cost must be considered in the context of what the sector sees as inadequate NDIS pricing for most service types – a view that has been reinforced by the Productivity Commission Report into the NDIS Costs (October 2017).

### **TOR (g) Workforce**

NDIS modelling suggests that there is a need to grow the disability workforce from 73,000 FTE to 162,000 FTE (Nationally) by the time that the scheme has been fully rolled out. The disability workforce plays a crucial role in delivering quality services to people with a

disability and it is important that workers in the field are capable, informed and well-supported by their employer. The landscape for the workforce within disability services has changed dramatically and this has led to an exit of a number of experienced staff due to the new work conditions and the added pressure of working under the NDIS. A common concern raised by workers involves not being allocated the time required to provide personalised, co-ordinated, responsive and safe services to people with disability.

The legal employment entitlements of disability support workers are difficult to meet due to the NDIS pricing and many agencies are paying support staff on the lower levels of the award which does not recognise their qualification, this and casualization is contributing to growing financial insecurity for workers. The increased risk of physical injuries, exhaustion, and stress arising from working under the NDIS are also factors encouraging the exit of experienced workers<sup>1</sup> - this has an obvious impact on service quality.

With the exit of this skilled group of people and the reduced training requirements under NDIS for new staff entering the industry, organisations are finding it difficult to manage the duty of care they have to clients and managing the needs of this new group of support workers. This situation leads to stress on all levels and can affect the human rights of clients due to the lack of understanding and awareness of staff on what is appropriate care and what is not.

The NDIS pricing does not provide adequate margin to address the training/skills development of the disability support workforce. Some disability support workers are forced to access important training in unpaid time at their own expense – in an environment where the sector needs to attract many new workers, this is acting as a disincentive to people looking to enter the disability sector.

The work force has moved towards a more casual employment which makes it difficult for people to predicate how much money they will earn from week to week. This along with the condition for many support staff not being paid for their time when traveling from one client to another, staff can find themselves working longer days to earn an average days' pay.

### **TOR (h) Sustainability**

Organisational sustainability under the NDIS is complex. Some support types appear to be appropriately priced by the NDIA, however, the pricing set by the Agency for 1:1 support services and supports for people with complex needs (including people with challenging behaviours and those with psychosocial disabilities) are such that they are not viable. That is, service providers make a loss on every hour of service delivered under the current NDIS pricing schedule. Some service providers have opted to divest themselves of 1:1 services, short-term accommodation<sup>2</sup> (formerly known as respite) and supports for people with

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<sup>1</sup> The quality of individual NDIS plans can lead to people being funded for 1:2 or 1:3 support when in order to manage risks, they require 1:1 (or sometimes 2:1) – leading to workers confronting increased risk.

<sup>2</sup> The NDIS pricing for short term accommodation was increased by the NDIA in response to the McKinsey report into pricing, however, the viability of such services continues to be marginal.

complex challenging behaviours because of the potential for financial loss. Other providers have decided to continue to deliver these unviable services in order to remain true to their mission and make a financial loss as a consequence. Over time, such decisions must have an impact on the financial sustainability of service providers, but as one CEO stated recently, “if we turn our backs on these people, they will be left with nothing”. The current NDIS pricing structure encourages providers to “cherry pick” people with a disability based on the viability of their funding rather than their need for support – some people get the support while other miss out.

While it is understood that the NDIA plans to implement changes to prices in response to the McKinsey Report, the proposed changes are taking too long as providers are under financial stress. The impact of the proposed changes are yet to be determined.

The cost of doing business with the NDIS should not be underestimated. The NDIS’ PRODA system is generally considered unfit for purpose. The interface with PRODA is complex and resource intensive. In preparation for the introduction of the NDIS, many organisations trimmed non-client facing resources to reduce overhead costs only to find that additional resources were needed to manage multiple, complex NDIS transactions.

The introduction of the NDIS Quality and Safety Commission recently, while welcomed in principle, will further add to the administrative burden for service providers – the level of compliance reporting represents a significant increase on previous oversight mechanisms.

### **TOR (i) Service Gaps**

As stated above, the inclusion of people with a psychosocial disability into the NDIS target group has seen some people with severe and persistent mental illness lose non-clinical supports. It is reported that a significant number (up to 40%) of people with a psychosocial disability are being deemed ineligible for the NDIS and with funding for programs like Partners In Recovery (PIR) and Personal Helpers and Mentors (PHaM) winding up as funds are transferred to the NDIS, people are left with few options other than to rely on State funded community mental health services - this only adds work to the already overburdened health services.

For example, one PHaM client who had been doing well with her recovery journey was deemed eligible for the scheme so had her NDIS planning meeting. Sometime later she was informed that she was in fact ineligible for the NDIS and despite having an extensive history of severe persistent mental illness, was left looking to a future without support. This had an adverse effect on her mental health which ultimately saw her admitted to an in-patient mental health facility. The impact on vulnerable individuals cannot be overstated. Surely we can do better than this.