

Submission
No 342

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

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National Disability Insurance Agency Submission

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***Inquiry into the implementation of the
National Disability Insurance Scheme and the provision of
disability services in NSW***

The National Disability Insurance Scheme (NDIS) is now fully operational in New South Wales (NSW), with almost 90,000 people experiencing the life changing benefits of the NDIS. Much has been achieved during the trial and transition periods in NSW, but undoubtedly there is much more to do.

What has been achieved?

The NDIS is a world-leading, once in a generation social and economic reform.

Based on insurance, not welfare principles, its purpose is to improve economic and social outcomes for Australians with a significant and permanent disability and to provide them with reasonable and necessary supports.

A significant achievement is the number of people who are now benefitting from the Scheme. As at 30 June 2018, 183,965 Australians had a plan in place, including 89,622 people from NSW. Of those from NSW, 27% (or 24,140) were not previously receiving support from either the NSW or Commonwealth governments. Ninety-six per cent of eligible NSW participants have now successfully transitioned into the NDIS. This is a significant achievement given the ambitious rollout schedule in NSW. It reflects the strong working relationship between the NSW Government and the National Disability Insurance Agency (NDIA).

A significant financial commitment is being made through the NDIS to these people to improve their life. In the 2018 financial year, more than \$4.3 billion has been committed to providing reasonable and necessary supports for those with a plan. This constitutes a significant investment in providing participants with the ability to exercise choice and control and to live an ordinary life. These people are now able to choose the services and supports they need, marking an important shift from the block-funding model that existed before the NDIS.

As a result of the NDIS, participants, and their families are saying that the NDIS is helping them in many ways. Participants have reported improved outcomes across multiple life domains, with the highest impact felt within the domains of choice and control, daily living activities and health and wellbeing.

Ninety-two per cent of parents of pre-school aged children from NSW are saying that the NDIS has improved their child's development; 88% say the NDIS has improved their child's access to specialist services and 85% say the NDIS has increased their child's ability to communicate what they want. Sixty-five per cent of families and carers of participants from NSW aged 0 to 14 are telling us that the NDIS has improved their ability to help their child develop and learn. For participants aged 25 and over, 69% say that the NDIS has helped them with their daily activities and 66% say the NDIS has helped them with choice and control. As evidence of the exercise of choice and control, 21% of NSW participants are either fully or partly self-managing their plan. The NDIS is also helping families and carers of people with disability to be able to work. This is good for them and good for the economy. Of those families and carers of participants aged 15 to 24, 51% are working in a paid job. Of these, 75% are in permanent employment. While it is early days, these are impressive statistics.

The NDIA is committed to providing participants and their families, carers and providers with a high quality service. The experience of those participating in the Scheme improved by four percentage points in the last quarter, with 88% of participants rating their overall experience with the NDIA as either 'Good' or 'Very Good'. While more can and is being done to improve people's experience with the NDIA, the vast majority are satisfied with their NDIS experience.

A vibrant and competitive provider market is integral to supporting participants to achieve choice and control, and their goals. At 30 June 2018, there were a total of 16,755 providers across Australia offering a range of supports, representing a 17% increase on last quarter.

More than 8,485 of these providers were operating in NSW. As participants' confidence and capacity to implement their NDIS plans increases, the disability workforce required in NSW is anticipated to grow from 24,750 – 30,250 FTE in 2016 to an estimated 48,400 – 59,200 in 2019.

These achievements should be acknowledged and celebrated as an affirmation of the intention of the Scheme – empowering people to choose and achieve their goals in inclusive communities and workplaces.

What more needs to be done?

But while much has been achieved, the roll out of the NDIS remains a work in progress.

Lessons have been learned from the speed of the roll-out and the issues that arose in the move from trial to transition on 1 July 2016. The NDIA is now actively working to address these issues.

Improve the quality of the participant experience

The first and most critical priority for the NDIA is being able to deliver quality plans to participants that produce a high quality outcome for each individual participant and to ensure that it is done in a way that makes the participant feel understood and valued. A new general participant pathway has been designed and will be rolled out from October 2018. NDIS participants will have face-to-face planning meetings that deliver easier-to-understand, accessible plans, supported by a consistent, single point of contact. The new pathway was designed with comprehensive input from participants, and was successfully piloted in Victoria with more than 1000 participants.

Improvements to the participant experience include:

- Clear links to other service systems to make sure that people get the supports they need from other services like housing, education, employment and health systems;
- Stronger connections between NDIA planners and LACs, who will become a consistent point of contact during the participant's journey;
- Face-to-face planning support will be offered to participants to assist during the critical pre-planning and plan implementation stages;
- LACs and Planners will undertake improved disability awareness and cultural competency training to increase their ability to engage with and support the unique situations and diverse needs of participants;
- An easy to understand plan that is simple, accessible and explained by planners;
- Key information and communication material will be provided in Easy English and in languages other than English to help participants use their plan;
- Improvements to systems, including updates to the participant and provider portals and NDIS website to make the experience of engaging with the NDIS clearer, simpler, and more intuitive;
- A dedicated specialist team established for participants with complex support needs to improve access support, connections and coordination across multiple service systems, including community, mainstream and informal; and

- Service enhancements for Aboriginal and Torres Strait Islanders, the LGBTIQ+ community, people living in remote and very remote locations and culturally and linguistically diverse communities.

The NDIA has already implemented a series of immediate actions to improve the participant planning experience. This includes face-to-face planning for participants as a default (where this is the person's preference), a number of portal improvements for participants and providers, and new communication products and tools to support the planning process.

The NDIA is also piloting a range of improvements to the process for reviewing a participant's plan in Toowoomba in Queensland and Coffs Harbour in NSW to ensure participants, their families and carers are supported through this important part of their NDIS journey.

The Early Childhood Early Intervention (ECEI) approach provides nationally consistent support for children aged 0-6 with developmental delay or disability, including their families and carers. As at 30 June 2018, 7,768 children are being supported by this approach, including 3,578 in NSW. The NDIA will implement a number of improvements to the ECEI approach aligned to recommendations from the Joint Standing Committee on the NDIS inquiry into the *Provision of services under the NDIS Early Childhood Early Intervention Approach*, including:

- the development of an improved evaluation and monitoring framework;
- improvements to information and resources for supporting children and families; and
- improvements to training and resources for NDIA staff and partners.

As part of the ECEI approach, six early intervention partners have recently been appointed in NSW, following the completion of the transitional ECEI arrangements in NSW.

In addition to the Pathways work, other specific initiatives are underway to improve the experience for participants with particular disabilities:

- **Psychosocial:** The NDIA has been proactively working with Mental Health Australia to develop a psychosocial disability service stream to better address the specific needs of participants with psychosocial disability. This includes their needing more specific pre-planning; being supported by a trusted family member or adviser; interacting with a specialist planner who genuinely understands their disability; building an ongoing, empathetic and trust-based relationship with a LAC; recognising the episodic nature of psychosocial disability; and proactively supporting a recovery ethos.
- **Hearing:** The NDIA has been proactively working with hearing providers to ensure that Australia's world leading approach to hearing is leveraged to make a difference in the lives of people with a significant hearing impairment. The NDIA has taken action in three main areas to ensure hearing services successfully transition to the NDIS, including:
 - Developing a revised hearing stream to streamline access for children aged 0 to 6, including supporting Australian Hearing to play an active role in providing parents with outcome focussed information on the choices available to them;
 - Creating a dedicated team and process to clear a backlog of children with hearing impairment awaiting access and plan determination; and
 - Setting appropriate funding and pricing arrangements for early intervention hearing supports.
- **Autism:** An Autism Advisory Group (AAG) has been formed to work with the NDIA to understand key issues in relation to autism. The AAG has set four priorities for the next 12 months:

- Exploring the most appropriate approach for assessing NDIS eligibility and improving outcomes for people with autism;
- Improving the NDIS participant experience for people with autism;
- Enhancing the skills of NDIA staff, LAC and ECEI staff; and
- Providing greater mainstream and community inclusion for people with autism.

The NDIA is also working to improve the experience for participants in a range of complex situations, including Young People in Retirement and Aged Care (YPIRAC) facilities; as well as the exit of individuals from hospital care and jails.

Around 6,100 people who are under the age of 65 (defined as young people) are currently in residential aged care facilities across Australia. As at 30 June 2018, 3,314 NDIS participants who are under the age of 65 are in retirement or aged care facilities, including 1,888 in NSW. While the aim is to reduce this number to zero, this constitutes 2% of all NSW participants in the Scheme. Of these 1,888, 79% are aged above 55 years, 4% are under 44, and 3 NDIS participants are under the age of 24. The NDIA is proactively working with participants, their families and the NSW Government to identify alternative accommodation for these participants, where that is their preference.

The NDIS is designed to complement, not replace, existing government services by providing supports that are reasonable and necessary and are required for individuals to achieve their goals. The Productivity Commission's report on *NDIS Costs*, the Parliamentary Joint Standing Committee on the NDIS' inquiry into *Transitional arrangement for the NDIS* and the NDIA have all recognised that the interface between mainstream services and the NDIA are not always as clear as they might be.

The NDIA is working closely with state and territory governments and the Commonwealth through the Council of Australian Governments (COAG) to determine the responsibility of service systems for providing a range of services and supports, and to establish transparent and consistent decision-making processes for people with disability who are accessing supports and services across multiple service systems. The interface issues that are of immediate priority include health, justice, mental health, personal care in schools, transport and child protection.

The NDIA is also committed to working with peak bodies and specific national disability organisations. They are the lifeblood of the disability sector and must be supported in their work. This is the responsibility of all governments.

In addition to the NDIA's commitment to improving the quality of the participant experience, the NDIA's Information, Linkages and Capacity Building (ILC) policy is aimed at connecting people with disability to their community, including those people who are ineligible for the NDIS.

ILC provides grants to organisations to deliver activities in the community that increase the capacity of communities to be more inclusive and diverse, and therefore benefits society at large. The NDIA's investment in ILC is growing and community organisations in diverse locations are delivering a varied scope of projects. On 30 April 2018, the NDIA announced over \$18 million in ILC funding for 55 projects in NSW.

The NDIA is adopting a more strategic and programmatic approach to ILC investment from the 2019-20 financial year. Initial engagement around the approach was recently conducted with state and territory governments and leading sector organisations. Getting ILC investment right is crucial for all people with disability, as well as for Scheme sustainability.

Grow a competitive market of providers with innovative supports

As the Scheme is rolled out at scale, the well-being of participants requires that there be a vibrant market of safe, quality providers who can supply participants with reasonable and necessary supports at a market price. This represents a fundamental shift in the way funding supports are provided. Instead of providers having the assurance of regular block funding, participants have the ability to choose a provider by exercising choice and control. Choice and control is a fundamental premise of the Scheme.

Notwithstanding the challenge this poses to providers, the number of providers who have registered to provide disability supports in NSW has risen by 97% from 4,301 at the end of June 2017 to 8,485 at the end of June 2018. But despite this growth, some providers have found the transition from block funding to individual funding directed by participants challenging. Initiatives are underway to provide more information to help grow the market of providers.

- **Launch Market Enablement Framework:** Work has continued on providing information on how specific markets are monitored for the adequacy of supply. This is particularly important in thin markets where the risk exists that supply will not be sufficient.
- **Establish a Market Insights Team:** A market insights team has been established to provide localised insight on where opportunities exist to expand the market.
- **Enhanced Provider Finder:** The Provider Finder tool has been enhanced to improve the search functionality, so that providers can be easily found and engaged by participants.
- **Release Supported Disability Accommodation (SDA) Provider and Investor Brief:** The Productivity Commission estimated that SDA will be provided for 28,000 participants or around 6% of Scheme participants. The eligibility criteria are clearly defined. The responsibility for housing for other NDIS participants rests elsewhere. Currently accommodation is only available for around 15,700 participants, and even in those cases, accommodation might not be fit for purpose. The NDIA is, therefore, keen to encourage more innovative accommodation models to meet this demand. Feedback from potential providers indicated that they needed more information on the way prices would be set in future, given the longer term, infrastructure-like nature of the investment that is required. A paper was released to address this issue and further market information is being shared. Work is ongoing. Strong feedback from potential providers indicate this initiative is paying dividends. The Department of Social Services (DSS) has also commissioned KPMG to review the SDA Pricing and Payments Framework.
- **Implement the Independent Pricing Review (IPR):** In June 2017, the NDIA Board, in responding to feedback that pricing for some supports needed to be reviewed, commissioned McKinsey & Company to undertake an Independent Pricing Review. After extensive consultation, the IPR was delivered on time, providing 25 recommendations. The NDIA Board released its in principle support for all 25 recommendations in early March 2018, noting that more detailed work was required to ensure rigorous implementation. An update provided in April 2018, announced changes to the proposed release schedule, particularly in relation to implementing therapy price changes. This also reflected the fact that Western Australian providers were not initially consulted during the IPR because, as at that stage, no decision had been made that Western Australia would join the Scheme. In June 2018, proposals for the implementation of the first phase of changes were released for implementation on 1 July 2018, along with the annual pricing review. The implementation of the IPR is ongoing.
- **Improve the provider pathway:** A new provider pathway will be implemented based on extensive consultation and feedback from providers. This will make it easier for providers to transact with the Scheme and connect with participants. Providers reported they wanted

more consistent and clearer information and policy guidance, easier resolution of issues (if they arise), and improvements to the portal and payment processes.

- **Implement a new provider portal:** The initial portal was not user friendly in the way it was designed. Phase 1 and 2 of changes have been implemented. Further improvements are underway and will be implemented within the next several months.
- **Launch a new online provider toolkit:** This has been designed to improve access to information about becoming an NDIA provider. The first phase was successfully launched. It is in high use, and positive feedback has been received. Improvements will be ongoing.
- **Expanded National Provider Payments Team:** Even though the NDIA's payments monitoring system showed that well over 90% of payments were being paid on a straight through basis, feedback from providers indicated that some providers were unable to lodge payment requests. A dedicated National Provider Payments Team will be expanded to continue working with providers to resolve specific claiming issues while broader improvements are made to the payments system. The establishment of the Team in February 2018 has resolved a substantial amount of payment issues and improved communications with providers to increase understanding of the payments system.

Disability workforce

To meet the needs of NDIS participants, the disability workforce is expected to grow by up to 90,000 full-time equivalent workers by 2020. It is estimated the NDIS will account for one in five new jobs over the next few years. This is good for the economy as well as for participants in their exercise of choice and control.

The Commonwealth Government is making a significant investment in market and workforce readiness activities to support existing providers and disability workers to transition and to attract new employees to the disability workforce. Initiatives include:

- \$110 million to prepare participants and providers for transition to the NDIS through the Sector Development Fund (SDF). Eighty-nine projects have been funded through the SDF to build community capacity and engagement, increase individual support and disability sector capacity and service provider readiness. This fund will also assist with the expansion and diversification of the workforce.
- \$64.3 million to support the growth of the NDIS market and workforce through the new NDIS Jobs and Market Fund.
- \$33 million through the Boosting the Local Care Workforce Program to develop the capacity of existing disability and aged care service providers to operate effectively and expand their workforces and to encourage new providers to enter the NDIS market.

National Quality and Safeguards Commission

The NDIA has worked proactively with the National Quality and Safeguards Commission to ensure a seamless transition from a state based to a national system. The NDIS Commission started on 1 July 2018 in NSW and South Australia (SA) and will progressively commence in other jurisdictions from 1 July 2019 and be fully operational across Australia from July 2020.

All registered providers in NSW and SA will now progressively renew their registration with the National Quality and Safeguards Commission. This will require providers and key personnel to undergo suitability assessments and quality audits against new NDIS practice standards that are relevant to the NDIS services and supports the organisation delivers. The renewal process, together with information collected from complaints and reportable incidents, will inform the Commission on the quality of services and supports, as well as areas to target education or improvement.

The NDIS Commission also has a market oversight function which complements the functions of the NDIA and ongoing responsibilities of states and territories. The Commission will release details on its market oversight function later this year.

In summary

The NDIS is a world-leading, once in a generation social and economic reform that is delivering very positive outcomes for thousands of people with disability across Australia. Many more people with disability are now receiving reasonable and necessary supports they need to live an ordinary life. They recognise the impact this is having on their life and a high percentage are satisfied with the way the Scheme is delivering for them.

However, more can and is being done. The NDIA is working proactively with participants to deliver quality plans that support their living a better life. This means delivering a person-focussed, outcomes oriented, quality planning experience that is fair, equitable and delivers reasonable and necessary supports. Participants must be at the centre of all we do. Providers need to find the Scheme accessible and the NDIA easy to do business with. This is essential to ensuring choice and control for participants. While much has been done to oversee the rapid expansion of providers, more is being done to encourage and increase the number of providers given the anticipated rapid ramp up in the number of participants. The NDIA is also committed to improving its engagement with disability groups to leverage their significant understanding and commitment to the sector and the Scheme. These are essential steps to deliver the Scheme desired by participants and to which the NDIA aspires.