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Joint Standing Committee on the National Disability Insurance Scheme
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Thank you for providing Northcott with the opportunity to provide a written submission following the recent Public Hearings held in Newcastle on 5 & 6 May 2014, which we attended.

About Northcott

Northcott was established as The NSW Society for Crippled Children in 1929 by the Rotary Club of Sydney. Northcott's purpose is to build an inclusive society where people can live the life they choose. This is achieved by assisting people with disabilities to develop their skills and achieve their goals - including their potential for independence and ability to participate in their community. Northcott supports over 13,000 people with disabilities and their families across NSW and the ACT. Northcott employs over 600 staff, providing more than 100 services from 25 sites and offices across NSW and the ACT. Northcott provides services to people with a broad range of disabilities including physical, intellectual, sensory, acquired and degenerative disabilities.

Northcott has been providing support to people with a disability for over 80 years. Our services broadly fit into six streams: Accommodation, Individual and family support, Employment and life skills, Recreation and respite, Therapy, Equipment and technology.

Northcott's Submission

This submission is based on our extensive history in providing services to people with a disability across NSW and the ACT, and our current and recent experience in the provision of disability services and support under the NDIS in the Hunter trial site. Our submission answers the questions posed in the public hearing information document sent to hearing registrants on 29 April 2014.

How has your business model changed with the shift from block funding to a competitive market?

The shift from block grant arrangements to delivery under the NDIS has moved our delivery model from something quite holistic to far more fragmented service delivery. We now have a process where people's support needs are 'deconstructed' to particular line items and hours of service that we need to deliver to for a fixed price. There is a significant tension here with holistic, person centred service if a person wishes to choose a service from us for which they do not have funding.

Under program-based funding, resources were allocated to programs with specific parameters. There was some capacity to work flexibly or creatively within those parameters to develop additional service offerings, for example, parent support groups covered by early childhood funding. Teams tended to work within structures which were centred around the program funding. Under the new scheme, our resources are seen as more skills/discipline specific rather than program-bound. These can be accessed by individuals as they are needed, drawn from all over the organisation. This new model offers greater flexibility for people to access the workers or skills they need, though removes some capacity for us to offer the 'extras' that program funding used to allow.

Also linked to our move away from program boundaries for teams, we are moving away from a model of Program Coordinator roles where the Coordinator is the frontline manager for a given team and has experience and expertise specific to that program area. We are moving now to a model of Facilitator roles, where the Facilitator works with an individual to coordinate their supports, wherever in the organisation (or beyond the organisation) these are located.

We are also moving towards much greater use of technology systems to streamline service delivery and achieve cost efficiencies. We are implementing much more rigorous containment of service delivered for cost paid, creating less scope for extra or over servicing.

Under the old system, growth was often dictated by what services were being put out to tender in which locations. We would base a decision on whether to tender for a given service on whether this suited our mission and expertise. Our growth was limited by which tenders we won and what parameters were placed on the funding arrangements for these. The NDIS, once fully implemented, will give us a greater ability to decide where and what type of support offering we want to deliver based on our own business intelligence and expertise. We are already seeing this to some degree within the Hunter trial site as we decided what we wanted to lead into the market based on our own capacity and expertise. At this stage, the Agency still dictates a lot of this by determining the supports that will and won't be funded for an individual, but we seem to have more capacity to act and plan this way than we have done previously.

A large part of our current service offerings may be found to fall under 'Tier 2' supports. These include information and referral services, diagnosis support, community development, community playgroups, supported playgroups and some aspects of our parent education programs. While NDIA and ADHC intentions around how Tier 2 supports will be procured or funded (over and above Ability Links NSW, which cannot meet all of the Tier 2 needs currently met) remain unclear, we cannot know how our business model will need to change in relation to these areas.

Recommendation: That the NDIA and ADHC agree on a plan and timelines for the delivery of all Tier 2 supports and communicate this to the sector as a matter of priority.

What proportion of your business revenue do you anticipate will be accounted for from NDIS packages at the end of the trial period and at full scheme rollout?

At this stage, we anticipate a similar proportion of revenue from the NDIS to that which we currently receive through government contracts as an overall percentage of total revenue. We are also expecting some growth as previously sub-serviced or under-serviced people are brought into the scheme, as per the Productivity Commission's projections.

There are changing community expectations regarding fundraising, as many potential donors now assume that the NDIS will fully fund all disability supports. If we wish to provide supports to people who are not eligible for the NDIS, provide supports to families and carers or provide supports over and above what has been deemed reasonable and necessary in a person's plan, we will need to be able to source other revenue streams. This will still include fundraising, though the above community expectations and increased competition for the donor dollar are challenges we shall need to overcome.

To what extent is your business strategy contingent on knowing what type of disability persons with NDIS packages have, and the monetary value of their packages?

Our business strategy is not dependent on this. It is more contingent on the specific 'line items' and volume of support for which people will receive funding. The value of a person's overall package is less critical for us than the maximum amount per hour able to be charged for some services, as it is this limitation which may prevent us from being able to cover our business costs, recruit and train appropriate staff, etc. We have heard at a number of community fora that other organisations are seeking staff with lesser qualifications in order to reduce costs. This may not be appropriate in all service types.

Another issue significant to our business strategy centres around knowing when a person or cohort of people will transition to the Scheme. At time of writing, the commencement of Scheme rollout into Lake Macquarie LGA is only six weeks away. We are yet to receive any information about transition schedules for this next group of participants, even though we have a group home situated in the area for which we must undertake business transition planning, as well as supporting our existing residents to know when they can expect to transition.

Recommendation: That transition schedules and other relevant information for people and services in Lake Macquarie LGA be agreed and communicated as soon as possible and before the end of May 2014.

How do you find out about participants with NDIS packages that need supports?

We have made the business decision to allocate additional resources to focus specifically on engagement of NDIS participants. Our principal methods of engagement are:

1. Through direct contact from participants who are aware of our presence in the community as a result of our marketing and community activities;
2. Through participants contacting us because the NDIA has supplied our details as one of a list of potential providers based on the participant's funded supports;
3. Through engaging our existing clients as they transition to the NDIS.

Does NDIS provide you with information or do you ask NDIA for information about the number and type of persons with disability receiving a package in a particular locality?

The NDIA has not provided this information and there have not been opportunities yet, in our experience, to engage with Agency for this information. At public forums attended or delivered by the Agency this information has not been available.

It would be helpful if there were mechanisms that enabled the agency to provide market information as to demand and cohorts of participants, including people receiving packages within particular localities and/or with particular 'line items'. This information would enable us to inform product and service development so that we know that our offerings will meet participant needs. This is particularly important for group based supports – including shared accommodation, group employment assistance, parenting training relating to disability, group social skills development and more – which are difficult to offer without knowing people will be funded for these specific support items.

Recommendation: That the NDIA release aggregate data on a quarterly basis outlining the number of participants with approved plans, the demographic and geographical profile of participants and the number of approved plans with funds allocated against each support cluster and line item. This information need not be limited to the service delivery sector and ought to be made publically available according to a predetermined schedule.

If not, how do you find out about participants who need supports?

We have undertaken population data analysis using sources such as ABS, however the granularity of this data is limited and cannot show us enough about functional limitations or support requirements across the population for us to be able to predict service demand. It is also important to note that, in the current environment of highly itemised individual plans, demand for a particular service offering may not be the same as the rate of funding allocation for that offering.

Our key avenues to find out about participants who are seeking supports are through our marketing and promotion of our services that attracts people to contact us and through our networking with other services that assist people with disability such as

advocacy services. We are also entering into collaborative relationships with other providers to deliver supports jointly for some participants. We expect that these relationships shall develop into referral pathways over time.

Do you as a service provider undertake market research on NDIS participants in the market for your services and if so, how do you gather information?

Under the NDIS this information is difficult to source as people are not tied to services and so cannot be easily approached or targeted for information. It is appropriate that people with disability are included in the community in the same way as people without disability, including having the same right to privacy, however this does make survey type activities difficult within our resources and expertise.

We attend public forums, network with other services and engage closely with our existing clients to gather market research information on the types of supports people want. This does not, however, generate intelligence on the individual outcomes people are hoping to achieve or what line items and number of hours they will be allocated funding for. This intelligence is crucial in the new NDIS world to inform how providers shape and target services to ensure that participants receive the supports that meet their needs and choices.

We are currently looking at conducting some market research in conjunction with other service providers in particular areas. We are undertaking this as we are not aware that any similar projects have been delivered through Ageing Disability and Home Care, the Industry Development Fund or any other similar avenues.

We need information such as trend data from the agency or government by cohort types and the typical outcomes/funded supports for accurate market research. It would be helpful if there were mechanisms that enabled us to approach the Agency with information on what we are planning to provide and for the Agency to provide us with market information as to demand.

Recommendation: That a mechanism be established that supports two-way communication between the NDIA and service providers regarding areas of demand and supply. This would allow providers to use accurate market intelligence in their business planning and service offerings, which would in turn ensure more and better choices for participants.

Do you market your services to participants and prospective participants?

- **How do you advertise your supports and services to NDIS participants?**

We engage with participants, potential participants and the community through our website and social media platforms including facebook and twitter. We attend fora and expos, engage with our existing participants and use good customer service principles to keep participants engaged and garner positive word of mouth. We also network with other services who may support people such as advocacy services. We run a number of community based activities around the state that promote positive awareness of people with disability, including 'Walk With Me' and our Champions and Ambassadors programs.

- **Are you allowed to market your activities through the NDIA (eg: brochures at NDIA shopfronts)? Does the NDIA refer participants to you?**

No. The Agency does not refer participants directly to us as it is the decision of each participant as to which provider(s) they choose. NDIA Planners do enquire about what services we deliver so that they can provide this information to participants to assist with their choice, and they have in some cases provided contact lists to participants which have included Northcott as one of a range of service options from which the participant may choose.

NDIA Planners have also approached us to deliver particular assessments that have been required to inform planning for certain individuals where we are seen as the provider with the relevant expertise. Completion of one of these assessments does not guarantee that we will be selected by the participant as an ongoing provider of supports.

One challenge that we experience after a participant or family chooses our service is the varying quality of the NDIS Plans that they bring with them. Sometimes Plans are well articulated and goals are clear, at other times it is very difficult to know why a person has been allocated a particular support. In these cases, we must ask participants and families to re-tell their story so that we can be sure to provide the right service for them. This is a concern as it contradicts one of the key design principles of the Scheme whereby people should only have to tell their story once. Greater consistency in the quality of Plans developed by the Agency is needed.

Recommendation: That in-servicing for NDIA Planners occur, focusing on ensuring Plan consistency and quality across all Planners, goal clarity, Participant understanding of the purpose of each line item in their Plan and clearer expression of this on the Plan so that the participant is saved from re-telling their story to each provider they seek to engage.

- **Do you have a retail shopfront, or an online site? Could you explain why you do / don't have a shopfront?**

Northcott has an office in the region but not a shop front, as it is not cost effective for us to do so. We have a website that has now been updated to include NDIS-specific information and we actively use social media to engage with and promote inclusion of people with disability.

What is the nature of the market that you operate in?

- **Are there multiple competitors in your area and if so, how many are in direct competition with your business?**

Yes, we operate in a competitive business environment with other not for profit and some for profit providers. We are registered to provide a broad range of supports. This increases our opportunities to provide services to participants with approved plans, however also increases the number of overall competitors for us.

- **Are there businesses within your area that offer services that complement the supports and services that you provide? Have you had discussions with these businesses about how to collaborate in marketing your services to NDIS participants?**

To date, we have undertaken some small-scale collaborations in areas where we were unable to meet the resources requirements for the individual to meet their goals or particular choices. We are in the early stages of developing these local connections as the need to collaborate has only occurred for a small number of our participants. We expect that this may develop into more solid strategic relationships as time progresses, participant numbers grow and our experience in delivering supports under the NDIS increases.
