



Joint Standing Committee on the National Disability Insurance Scheme

Progress report on the implementation and administration
of the National Disability Insurance Scheme

July 2014

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Committee Membership

44th Parliament

Committee Members

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Senator Alex Gallacher, Deputy Chair	SA, ALP
Senator Matthew Canavan (from 1 July)	QLD, NATS
Senator Barry O'Sullivan (to 30 June)	QLD, NATS
Senator Linda Reynolds (from 1 July)	WA, LP
Senator Rachel Siewert	WA, AG
Senator Zed Seselja	ACT, LP
Senator Dean Smith (to 30 June)	WA, LP
Senator the Hon Ursula Stephens (to 30 June)	NSW, ALP
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Terms of Reference

The Joint Standing Committee on the National Disability Insurance Scheme (NDIS) was established on 2 December 2013 when the Senate agreed to a resolution from the House of Representatives, passed on 21 November 2013. The committee is composed of six Members and six Senators.

The committee is tasked with:

- a. reviewing the implementation of the NDIS;
- b. reviewing the administration and expenditure of the NDIS;
- c. reviewing any matter in relation to the NDIS referred to the committee by a resolution of either House of the Parliament;

The committee's focus is therefore on the **implementation** and **administration** of the scheme. Unless otherwise stated, the committee will only accept submissions and correspondence that are directly and principally related to the implementation and administration of the NDIS.

The committee has **not** been established to inquire into the case for having the NDIS. These issues have already been addressed by the Community Affairs Legislation Committee as part of its inquiry into the NDIS Bill 2012.

The committee does not have the ability to examine, advise on, or advocate for individual cases. People with concerns about these matters should contact the National Disability Advocacy Program.

After 30 June each year, the committee has been asked to present an annual report to the Parliament on the activities of the committee during the year. The report should include reference to the National Disability Insurance Scheme Board quarterly and annual reports provided by the Standing Council on Disability Reform.

Table of Contents

Committee Membership	iii
Terms of Reference	v
Abbreviations	xi
Executive Summary	xiii
Recommendations	xvii
Chapter 1	1
Introduction	1
The first 12 months.....	1
The committee's report to the Parliament.....	2
The composition of the committee	3
The committee's activities	3
The committee's focus	4
Structure of this report.....	5
The context of this report	5
NDIS governance structure	8
Figure 1.1 NDIS governance structure.....	9
Who is the NDIS for?	10
Figure 1.2 The three tiers of the National Disability Insurance Scheme 2009 population estimates	10
Conclusion.....	11
Chapter 2	13
The Barwon trial site	13
The public hearings	13
Progress of the Barwon trial site	13

Table 2.1: Key statistics of the Barwon trial site (after 9 months).....	14
Table 2.2: Transition arrangements in the Barwon trial site.....	15
Achievements of the Barwon site to date.....	15
Table 2.3—Participant feedback.....	18
Challenges in the Barwon trial site.....	20
Table 2.4: NDIA staff numbers and former employers.....	30
Committee View.....	43
Chapter 3.....	45
The Tasmanian trial site	45
The public hearings	45
Progress of the Tasmanian trial site.....	45
Table 3.1: Key statistics of the Tasmanian trial site (after 9 months).....	46
Table 3.2: Phasing arrangements in the Tasmanian site	47
Table 3.3—Participant feedback	48
Achievements of the Tasmanian trial site to date.....	49
Challenges for the Tasmanian trial site to date	55
Committee view.....	73
Chapter 4.....	75
The Hunter trial site	75
The public hearings	75
Progress of the Hunter trial site.....	75
Table 4.1: Key statistics of the Hunter trial site (after 9 months)	76
Table 4.2: Transition arrangements in the Hunter trial site.....	76
Achievements of the Hunter trial site.....	77
Table 4.3—Participant feedback	77
Challenges of the Hunter trial site.....	81
Table 4.4: NDIS plan management arrangement	89
Committee view.....	102

Chapter 5.....	103
The South Australian trial site	103
The public hearings	103
Progress of the South Australian trial site	103
Table 5.1: Key statistics of the South Australian site (after 9 months).....	103
Table 5.2: Transition arrangements in the South Australian trial site.....	104
Achievements of the South Australian trial site to date	104
Table 5.3—Participant feedback	105
Table 5.4: NDIS plan management arrangement	108
Challenges for the South Australian trial site to date.....	108
Figure 5.1: South Australian annualised package costs	123
Committee view.....	129
Chapter 6.....	131
Challenges facing the Agency and the Scheme	131
The challenges facing the National Disability Insurance Agency	131
The challenges facing the National Disability Insurance Scheme	145
Committee conclusion	158
Appendix 1	161
Public Hearings.....	161
Witnesses at Geelong, 14 April 2014	161
Witnesses at Geelong, 15 April 2014.....	162
Witnesses at Hobart, 16 April 2014	162
Witnesses at Hobart, 17 April 2014	163
Witnesses at Newcastle, 5 May 2014.....	163
Witnesses at Newcastle, 6 May 2014.....	164
Witnesses at Brooklyn Park, Adelaide, 7 May 2014.....	165
Witnesses at Brooklyn Park, Adelaide, 8 May 2014.....	166
Witnesses at Canberra, 14 May 2014.....	166

Appendix 2	167
Correspondence and Tabled Documents	167
Correspondence Received	167
Tabled Documents.....	168
Appendix 3	169
Responses to Questions on Notice from National Disability Insurance Scheme Agency	169
Responses received on 16 June 2014	169
Responses received on 8 July 2014.....	222
Appendix 4	237
Responses to request for additional information from National Disability Insurance Scheme Actuary	237
Appendix 5	245
Answers to questions on notice provided by state governments and other agencies	245
Ageing Disability and Home Care, NSW Department of Family and Community Services, 29 May 2014	245
Victorian Department of Human Services, 19 June 2014	260
Victorian Department of Human Services, 14 July 2014.....	265
Department of Health and Human Services, Tasmania, 23 June 2014	267
Insurance Council of Australia, 23 June 2014	276

Abbreviations

AAT	Administrative Appeals Tribunal
ABI	Acquired Brain Injury
ADE	Australian Disability Enterprises
ADHC	Ageing, Disabilities and Home Care (NSW Government)
Capability Report	<i>Review of the capabilities of the National Disability Insurance Agency (January 2014)</i>
CDAH	Community Disability Alliance Hunter
COAG	Council of Australian Governments
CSDA	Commonwealth State Disability Agreement
CSTDA	Commonwealth State/Territory Disability Agreement
DAAT	Disability Advisory Assessment Team
DCSI	Department for Communities and Social Inclusion (SA)
DES	Disability Employment Services
DHHS	Tasmanian Department of Health and Human Services
DHS	Department of Human Services (Victoria)
DOCS	Department of Community Services
DSO	Disability Support Organisation
DSP	Disability Support Pension
DSR	Disability Support Register
DSS	Department of Social Services
ECIS	Early Childhood Intervention Services
ESS	Employment Support Services
FPDN	First Peoples Disability Network
HCWA	Helping Children with Autism

ICA	Insurance Council of Australia
ICT	Information Communication Technology
IGA	Intergovernmental Agreement
ISP	Individualised Support Package
IT	Information Technology
KPMG Interim Report	<i>Interim Report: Review of the optimal approach to transition to the full NDIS</i>
KPI	Key performance indicator
LAC	Local Area Coordinator
MPTP	Multi Purpose Taxi Program
NGO	Non-government organisation; not-for-profit sector
NDA	National Disability Agreement
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
NDS	National Disability Strategy
NDSV	National Disability Services (Victoria)
PC	Productivity Commission
PDRSS	Psychiatric Disability Rehabilitation and Support Service
SACS	Social and Community Services
SAF	Supported accommodation fund
STAR	Supported Tenancy Accommodation and Respite
SWEP	State-Wide Equipment Program
TD package	Trans-disciplinary package
VALID	Victorian Advocacy League for Individuals with Disability
YPIRAC	Young People in Residential Aged Care Program

Executive Summary

This is the first Report of the Parliamentary Joint Standing Committee ('the committee') on the National Disability Insurance Scheme (NDIS). The report considers the evidence that the committee has gathered from public hearings in the Barwon, Hunter, Tasmanian and South Australian trial sites in April and May 2014. This evidence—from participants, carers, family members, service providers, disability advocates, state and National Disability Insurance Agency (NDIA) officials—has provided the committee with a range of views on the Scheme's achievements and the challenges in its first nine months of operation.

The committee has listened carefully to all stakeholders. The report provides the committee's view on a range of complex matters and makes some important recommendations. The committee hopes that in performing its key task of reviewing the implementation and administration of the NDIS, it will contribute constructively to the debate within government, the disability sector and the wider community about the progress of the Scheme.

The need for change

The NDIS is an insurance scheme, paid for by taxpayers, which, similar to the introduction of the Medicare healthcare reforms of the 1980's, recognises Australians' strong support for the principles of fairness and equity. The *National Disability Insurance Act 2013* stipulates the requirement to ensure the financial sustainability of the Scheme.

The NDIS was designed and implemented following the landmark report from the Productivity Commission, *Disability Care and Support*, handed to the Federal Government in 2011.

The NDIS has the full support of the Australian Parliament. All sides of politics recognise that the old grant-based model of disability support was not working. It needed to be replaced with a unified system that identified and prioritised the needs of the individual. The new system rightly places emphasis on the goals and aspirations of the individual, their ability to exercise choice and control, and to participate in the community. It prioritises the needs of participants by establishing a fee-for-service model for providers and developing a network of coordinated information and community supports.

The social and economic benefits of the NDIS

It is also acknowledged that the NDIS, successfully implemented and delivered, will provide significant economic benefits not only for the individual but the wider Australian economy. The committee highlights research published by PricewaterhouseCoopers in 2011 that analysed the disability system in Australia according to three scenarios. This research found that by approximately 2025, the cost

of doing nothing (i.e. continuing with 'business as usual') would exceed the cost of the NDIS.¹

Early intervention supports are a key element of the NDIS. They are a crucial investment in the long-term well-being of a child. Incurring expenditure on a particular intervention today not only creates the potential to significantly improve a child's outcomes, but reduces the long-term need and cost of permanent disability support.

Importantly, the NDIS is designed to complement, rather than substitute, informal supports and existing community and mainstream services. The ability of the NDIS to connect participants with mainstream services in transport, health, education and housing will be crucial to its long-term success. It is also important that the NDIS promotes workforce opportunities for people with disability and their carers.

Success is not guaranteed, however. The challenges that face moving from a system that is fragmented between states and reliant on ad hoc funding streams, to a national scheme based on individual choice and flexibility are substantial. Further, during the transition it will be crucial that people do not 'fall between the cracks' of the old and the new. That is why it is crucial that the Commonwealth and State Governments, and the NDIA, adopt a 'continuous improvement' philosophy. The committee notes that this is reflected in the NDIA's July 2014 Progress Report, which emphasises the 'learn, build, learn, build' approach that underpins its 'ongoing growth and development as an agency'.

Reasonable criticism should not be dismissed as an attack on the goals of the NDIS itself but an opportunity to improve and deliver better results for the disabled people that the scheme is designed for. The committee has approached its task with this mindset.

By the time the NDIS is fully rolled out across Australia, more than 460 000 Australians with disability will benefit. The NDIS plans to provide Australians with disability, their families and carers with more control over their lives, more certainty over the level of care they receive and more opportunities to get involved in work, school and community life. Australians know that this is what people with disability deserve.

A significant and complex reform

The NDIS is a massive and complex reform. More than 5400 people with disability have been provided with an NDIS plan in the first nine months of the Scheme's operation. This is testament to the success of the Scheme to date in terms of providing people with disability with 'reasonable and necessary' supports that match their life

1 PricewaterhouseCoopers, *Disability expectations: Investing in a better life, a stronger Australia*, 2011, p. 21.

goals. The committee heard many of these positive stories from participants, family members and carers in the trial sites. This report presents this evidence.

The NDIA is responsible for the implementation and administration of the NDIS. The committee concurs with the findings of the January 2014 Capability Review that 'it has been truly remarkable that the Agency...was able to commence operating the NDIS Scheme on 1 July 2013'. This report recognises the achievements of the Agency to date. In that time, the Agency has relocated to Geelong, recruited staff, trained planners, established the network of Local Area Coordinators, and set in place systems to receive feedback and improve the Scheme's processes.

The committee agrees with the Chairman of the NDIS Board, Dr Bruce Bonyhady, who noted that 'it was never going to be possible to just roll out this scheme smoothly from day one'.² The committee notes that the trial phase up until full scheme in 2018–19 will be important to test methods and processes and to get the Scheme right. According to the last quarterly report available to the committee, the Scheme is on budget and progress against performance benchmarks is improving.

Areas of committee focus

The evidence presented in this report identifies a number of challenges that face the NDIA, and a wide range of NDIS stakeholders:

- in terms of the **culture of the NDIA**, the committee received evidence from a range of participants, carers and providers about the need to ensure that communication with stakeholders is courteous, clear, consistent and prompt. The committee is encouraged that the NDIA proposes a 'culture audit' later this year whereby it will ask participants, providers and stakeholders whether the Agency is living by the values it espouses;
- in terms of **early intervention supports** for children, the committee took evidence from parents and service providers indicating concerns about the current guidelines for funding these supports;
- in terms of the **role of planners** and the planning process, many witnesses emphasised the need to strengthen the involvement of prospective and actual participants in developing plans. Many witnesses praised their planner and the planning process. Others, however, expressed concern that draft plans had not been provided, there had been unsolicited amendments to plans, the planner's communication had been poor, there was no requirement to sign the plan, and that the plan was too complex to understand;
- in terms of **advocacy**, a number of participants, carers, family members and service providers stressed the importance of the role of advocates. They argued that it is critical to the Scheme's success that prospective and actual

2 Dr Bruce Bonyhady, *Transcript of meeting with the NDIA*, 8 July 2014, p. 1.

participants are aware of the NDIS, what it has to offer, how to navigate the planning process, and provided with forums for feedback and discussion with other participants;

- in terms of participants' **plan management arrangements**, very few currently self-manage their plans (only three per cent). Most have their plan managed through the NDIA. Some witnesses emphasised the importance of helping people self-manage. The committee believes that for a mature and innovative market to develop—one that prioritises participants' choice and control—it is crucial to promote the self-management option;
- in terms of **service providers**, there is a significant challenge of transitioning from a block funded system to one based on a fee for service. The committee received evidence from service providers across the trial sites expressing their concern with the impact of this transition on their financial viability. Some providers also expressed concern with the non-activation of plans and the administrative errors in plans which led to providers incurring extra costs; and
- the **availability of suitable housing** for people with disability was a significant theme in evidence from the trial sites. Witnesses expressed a wide range of housing concerns including young people living in residential aged-care homes and the deinstitutionalisation of state-run large residential centres. It is important to note that suitable housing for people with disability is a significant issue that pre-dates the introduction of the NDIS. The introduction of the Scheme is an opportunity for this issue to be addressed. These matters, and the broader problem of the limited stock of housing for people with disability, require policy leadership at the national level and should be the focus of the Council of Australian Governments Disability Reform Council.

The committee wishes to thank all the participants, family members, carers, advocates, service providers and state and NDIA officials who gave evidence to the committee.

Recommendations

Recommendation 1

3.50 The committee is concerned about the number of NDIS plans that appear not to have been activated and recommends that independent work be undertaken to establish the veracity of the evidence that plans have not been activated and what the causes and consequences this may have on the Scheme.

Recommendation 2

3.72 The committee heard evidence that 'gaps in service' have been identified in each of the trial sites. The committee recommends that further work be undertaken by the Independent Advisory Council which is well-placed to identify and inform the Agency about where there are gaps in service and possible options for addressing these shortfalls.

Recommendation 3

3.78 As people transition to the NDIS, the committee is cognisant of the need to assist people develop the necessary skillsets to enable them to successfully move into the workplace environment and participate in the workforce, where possible. The committee recommends that work be conducted through the relevant Commonwealth departments of education and employment to assess what is and can be done to help participants make these choices. The committee also recommends working with employers to appraise issues concerning disability discrimination in the workplace, and remove barriers through education and reform to better integrate NDIS supports.

Recommendation 4

5.55 The committee recommends that as part of the planning process, the NDIA implement a process similar to normal insurance industry practices, where participants are provided with: clear disclosure documentation (about the planning process that includes reference to the 'no disadvantage test'); a written draft plan; incorporates a 'cooling-off' before a package is agreed; and requires participants to sign their final agreed plans. The committee believes that this is a fundamental element of the original intent of the policy to empower and provide choice to people with a disability in the National Disability Insurance Scheme.

Recommendation 5

5.88 Based on the evidence received on transdisciplinary packages, the committee recommends that the Agency undertake a review of the current arrangements regarding transdisciplinary packages, in particular, the operational guidelines and advice and training it provides to its planners. This review should encompass and be informed not just by clinical experts and researchers, but it should also consult participants, carers and providers.

Recommendation 6

5.97 The committee notes the importance of the role of advocacy services in ensuring quality plans and supporting participants in the planning process. The committee recommends that certainty regarding the role and support for advocacy services in the NDIS be urgently resolved through the Ministerial Disability Reform Council.

Recommendation 7

6.17 The committee recommends that the National Disability Insurance Agency implement a system whereby its website is renewed on a systematic basis, alerting the public to changes in its online documentation. The list of changes—with links to the documents—should be able to be accessed easily. Urgent changes—such as a change to price lists—should be communicated under a 'News Flash' item on the NDIA's website.

Recommendation 8

6.32 The committee recommends that the National Disability Insurance Agency publicise details about its internal systems for receiving and responding to feedback. The key performance indicators should be publicly listed and the Agency's performance against each indicator should be provided at regular intervals on the NDIA's website and in its Annual Report. The public should also be able to compare data sets over time.

Recommendation 9

6.37 The committee commends the National Disability Insurance Agency (NDIA) for the survey results it has achieved to date. To improve the transparency and integrity of future survey results, the committee recommends that the NDIA consults with the Australian Bureau of Statistics Statistical Clearing House about the design and methodology of surveys to ensure that they are fit for purpose and consistent with best practice survey design principles. The NDIA should publish the methodology of surveys on its website and in its Quarterly Reports to the Council of Australian Governments Disability Reform Council.

The committee also recommends that the survey is extended to include carers and parents.

Recommendation 10

6.40 The committee recommends that the National Disability Insurance Agency develop a systematic way of gathering qualitative feedback from National Disability Insurance Scheme (NDIS) participants and carers of NDIS participants. Careful thought should be given to ensuring a broad cross-section of feedback, encouraging views from people from non-English speaking backgrounds.

Recommendation 11

6.45 The committee recommends that the Agency continue to ensure greater representation of people with disability in its staffing profile, particularly in the planner role.

Recommendation 12

6.49 The committee recommends that the National Disability Insurance Agency develop and implement an information campaign to inform young people living in residential nursing homes in the trial sites of the process for applying to become a participant with the NDIS.

Recommendation 13

6.53 The committee recommends that all future bilateral negotiations and amendments to transitional arrangements are finalised and publicised well in advance of commencement dates to ensure and provide confidence and certainty for all stakeholders.

Recommendation 14

6.56 In accordance, with the progressive roll-out of the NDIS to remote Indigenous communities, the committee recommends that governments work together through the Ministerial Disability Reform Council to consider adopting an approach, in consultation with the appropriate Indigenous organisations, to phase in all NDIS-eligible persons at the same time in each community.

Recommendation 15

6.76 The committee recommends that the Ministerial Disability Reform Council expedite roles and responsibilities and any funding arrangements for Tier 2 services. The committee commends the attitude and direction that the South Australian Government is taking in its involvement with Tier 2 and the sector, and recommends that states and territories adopt this approach.

Recommendation 16

6.84 The committee is aware that there is currently a shortfall in the number of workers in the disability sector, particularly in professional roles. It is aware of research that the number of full time disability sector workers will need to increase substantially to meet demand by full Scheme in 2018. The committee recommends that a workforce strategy be developed under the auspices of the Ministerial Disability Reform Council that identifies the issues, challenges, options and recommendations to meet demand.

Recommendation 17

6.99 The committee recommends that the National Disability Insurance Agency assist prospective and actual participants in building the necessary skills and knowledge to manage their own support package. Workshops should be available for participants who are seeking information on self-managing their plan. The committee believes that promoting self-management of plans will provide participants with choice and control which should in turn lead to greater innovation and responsiveness from service providers.

Chapter 1

Introduction

1.1 The Parliamentary Joint Standing Committee on the National Disability Insurance Scheme ('the committee') was established on 2 December 2013 following the passing of a resolution in the Senate and the House of Representatives. The committee, composed of six Members and six Senators, is tasked with reviewing the implementation, administration and expenditure of the National Disability Insurance Scheme (NDIS).

1.2 The committee's establishing resolutions require the committee to present an annual report to the Parliament after 30 June each year on its activities during the year. The resolutions direct the committee to include in its report reference to the National Disability Insurance Agency (NDIA) Board's quarterly reports to the Ministerial Council and the Board's Annual Report to the Standing Council on Disability Reform.¹

1.3 Section 172 of the *National Disability Insurance Scheme Act 2013* ('the Act') requires the NDIA Board to provide an Annual Report on the NDIA's activities to the Minister and the Ministerial Council. Section 174 of the Act requires the NDIA Board to prepare a report on the operations of the NDIA for each period of three months starting on 1 July, 1 October, 1 January and 1 April.²

The first 12 months

1.4 This is the committee's first report to the Parliament. Although it comes only eight months after the committee was established and before the first NDIA Annual Report, there has been a considerable amount of activity on which to report progress over the past year:

- since 1 July 2013, four States—New South Wales, Victoria, South Australia and Tasmania—have operated NDIS trial sites;
- the NDIA Board has provided three quarterly reports to the Ministerial Council presenting data on the progress of these trial sites, and is due to present the final quarterly report for 2013-14 as well as its inaugural first report to the Minister and the Ministerial Council in the coming months;

1 As of 13 December 2013, COAG agreed to streamline the COAG Council system and refocus on COAG's priorities. There is no longer a distinction between Standing and Select Councils, as all Councils are time-limited as such, the former Standing Council on Disability Reform is now referred to as the Disability Reform Council.

2 Section 172 of the National Disability Insurance Scheme Act 2013 sets out the requirement for the Board to provide an Annual Report on the NDIA's activities to the Minister and the Ministerial Council. Section 174 of the Act requires the NDIA Board to prepare a report on the operations of the NDIA for each period of three months.

- the committee has visited the four trial sites and conducted meetings with NDIA staff, state and federal officials, key stakeholders and service providers, and NDIS participants, their carers and family members;
- three other jurisdictions have also launched new NDIS trial sites. On 1 July 2014, Western Australia, the Northern Territory and the Australian Capital Territory commenced NDIS trials. As with the other States' trials, the WA and NT sites are geographically focused. The ACT, on the other hand, is the first site to operate the Scheme across the whole jurisdiction for all age groups up to 65 years;
- the committee has yet to discuss or visit Western Australia, Northern Territory or the Australian Capital Territory to examine the implementation of their NDIS trial sites; and
- in terms of the administration of the Scheme, the NDIA has managed significant change since its launch only 12 months ago; its headquarters were moved from Canberra and officially opened in Geelong on 29 April 2014. There has also been significant activity within the Agency in terms of recruiting staff, developing information technology to support the Scheme and internal administrative processes including devising material to inform the Australian community on the progress and operation of the Scheme.

The committee's report to the Parliament

1.5 In compiling the committee's report to the Parliament, the committee is mindful of the nature of the advice provided to the Parliament and the Agency. The committee has listened to many stakeholders and is aware of the significance of the task ahead for the NDIA, governments, the disability sector and the whole community. The evidence identifies challenges facing a wide cross-section of organisations and stakeholders. As Mr Kurt Fearnley, a member of the Independent Advisory Council, told the committee at the conclusion of the participants' section at the public hearing in Newcastle:

The challenges that we have been listening to today have been, in my opinion, extremely positive. I think there are challenges for the NDIA, and I would like to stress my support and admiration for what they are doing. I think it is a challenging job for them, it is a challenging job for people with disabilities, it is challenging for DSPs, it is challenging for carers and families, but that is kind of the purpose. The NDIS was brought around to challenge people so that we could decide what level of life was going to be lived for people with disabilities.³

1.6 The committee's intent in outlining these various challenges is to assist the Agency, all governments, stakeholders and the wider Australian community to understand the nature and the complexity of these challenges as identified by various witnesses and to address them effectively.

3 Mr Kurt Fearnley, *Committee Hansard*, 5 May 2014, p. 30.

The composition of the committee

1.7 On 21 November 2013, the Senate and House of Representatives appointed the following members to the committee:

- the Hon. Mal Brough MP (Liberal Member for Fisher, Queensland);
- Senator Alex Gallacher (Labor Party, South Australia);
- Dr David Gillespie MP (National Party, Member for Lyne NSW);
- Ms Jill Hall MP (Labor Member for Shortland, NSW);
- the Hon. Jenny Macklin MP (Labor Member for Jagajaga, Victoria);
- Senator Bridget McKenzie (National Party, Victoria);
- the Hon. Amanda Rishworth MP (Labor Member for Kingston, South Australia);
- Mr Wyatt Roy MP (Liberal Member for Longman, Queensland);
- Senator Zed Seselja (Liberal Party, Australian Capital Territory);
- Senator Rachel Siewert (Australian Greens Party, Western Australia);
- Senator Dean Smith (Liberal Party, Western Australia);
- Senator the Hon. Ursula Stephens (Labor Party, NSW);

1.8 On 3 December 2013, the committee elected Mr Mal Brough as Chair and Senator Alex Gallacher as Deputy Chair.

1.9 The committee membership has undergone a number of changes during its first eight months. In March 2014, Victorian Nationals Senator Bridget McKenzie was replaced on the committee by Queensland Nationals Senator Barry O'Sullivan and, Queensland Liberal, Mr Wyatt Roy MP was replaced on the committee by West Australian Liberal, Mr Steve Irons MP. New South Wales Labor Senator the Hon. Ursula Stephens retired from the Senate on 30 June 2014. She has been replaced on the committee by Tasmanian Labor Senator Anne Urquhart. On 1 July 2014, West Australian Liberal Senator Dean Smith and Queensland Senator Barry O'Sullivan both left the committee and were replaced by Queensland Nationals Senator Matthew Canavan and West Australian Liberal Senator Linda Reynolds CSC.

The committee's activities

1.10 The committee has been active visiting trial sites and discussing operational matters with the NDIA, the NDIA Board, the NDIS Independent Advisory Council, the Scheme Actuary and the relevant State government officials and NDIS service providers, participants, families and carers.

1.11 The committee met 23 times over the period 2 December 2013 to 24 July 2014. Of these, 13 were private meetings held each Wednesday of the joint

parliamentary sitting weeks. While the details of these proceedings are confidential,⁴ the committee can report that it used private meetings in March and July 2014 to conduct briefings with the NDIA and its Board (see chapter 6), state government officials and key stakeholders. The committee extends its thanks to all those who attended these briefings.

NDIS trial site visits

1.12 During April and May 2014, the committee travelled to all four trial sites. Commencing with the Barwon trial site in Geelong, Victoria followed by Tasmania and in May, the committee visited the Hunter trial site in Newcastle, NSW and Adelaide, South Australia. Appendix 1 of this report provides a list of the people and agencies with whom it met.

1.13 The committee advertised its intention to conduct hearings over two days at each trial site through the national and relevant local media. The Parliamentary website also provided further advertising of the hearings and provided access for a registration process that was managed by the committee secretariat.

1.14 At each site the committee spent two days taking evidence. On day one, the committee took evidence from NDIS participants, carers and family members, service providers and peak bodies. On day two, the committee met with state officials and NDIA state managers.

1.15 The committee would like to thank the NDIA for its assistance in advertising the hearings, its staff's attendance and for providing a carer at each hearing to assist attendees.

The committee's focus

1.16 In preparing this report, and in conducting its activities, the committee is mindful of what it is tasked to do and the responsibilities of those who administer and implement the Scheme.

1.17 The committee has decided that this inaugural report will concentrate on the following issues:

- the implementation of the first four trial sites in terms of the transitional arrangements at each location;
- the Agency's processes in developing the operational arrangements to administer the Scheme and assist the planners;
- the planning process;
- the associated issues that impact on the individual experiences of participants, carers, families and service providers; and

4 The Senate, *Standing Orders and other orders of the Senate*, November 2009, SO 37.

-
- the role of the Scheme Actuary whose role it is to ensure that the NDIS is financially sustainable.

1.18 The committee is of the view that the tabling of an interim report at the earliest opportunity would be of most benefit to the successful implementation and ongoing development of the Scheme.

1.19 In addressing the committee's future work plan, the committee will focus on a range of key issues that are integral to the continuing launch and subsequent full rollout of the NDIS. These may include, but are not limited to: workforce capacity; contestable market sector; gaps in services delivery; training of individuals to work in the disability sector such as allied health workers and training of people who live with a disability to participate in the workforce; supply of adequate and appropriate housing; the supply of specialist equipment; managing complex and high needs; the provision of Tier 2⁵ services; the provision of mainstream services, such as health and education; and community capacity building.

Structure of this report

1.20 This report is divided into the following chapters that follow the committee's hearings at the NDIS trials site in order of event.

- Chapter One provides some context and background information about the development, structure and implementation of the NDIS;
- Chapter Two provides evidence from the Barwon trial site;
- Chapter Three provides evidence from the Tasmanian trial site;
- Chapter Four provides evidence from the Hunter trial site;
- Chapter Five provides evidence from the South Australian trial site; and
- Chapter Six provides discussion on the role of the NDIA, the NDIS and the committee's conclusions and recommendations.

The context of this report

1.21 The following section provides an overview of the background of the NDIS, particularly the underlying national policy settings and agreements regarding the individual roles and responsibilities.

5 Tier 2 is defined later in this chapter of the report. See pp 8 – 9.

Genesis of the NDIS –what has been agreed

1.22 The NDIS represents the biggest social reform in Australia since the introduction of Medicare in 1984. Like Medicare, the NDIS has broad-based parliamentary and community support. Both are also Commonwealth funded insurance schemes that provide the Australian population entitlement to services based on need.

1.23 Dr Bruce Bonyhady, Chairman of the NDIA describes the Scheme in the following terms:

The Scheme has the support of all governments and all political parties as it tackles the greatest shortcoming in our country's social services system – a broken system in which the essential needs of those with a significant disability are only about one-half met and which the Productivity Commission in its landmark report in 2011 infamously described as 'underfunded, fragmented, inefficient and giving people little choice'...

...Across Australia, disability spending by governments has been growing at 7% to 8% in real terms since the late 1990s, but this growth has not kept pace with growth in demand.⁶

1.24 Dr Bonyhady states that against this background a 'perfect storm' grew consisting of: an ageing baby boomer population of parents; increasing female participation in the workforce, and reduced family sizes impacting the available "stock" of family carers. This included the emerging dynamic of ageing parents forced to relinquish an ageing son or daughter with disability; emergency response funding is required from the state disability services resulting in a 'death spiral' where funding in an already rationed system is used for emergencies and there is no support provided for lower urgency cases–increasing risk of further crises in the future in the jurisdiction's health and disability funding systems.⁷

1.25 This would result in existing disability services across jurisdictions being constantly stretched to their limits leading to what the Productivity Commission referred to as a 'lottery' of access to services.⁸

1.26 Without the NDIS, people with disability, their carers and families will not get certainty of supports in their lives, further marginalising and reducing their wellbeing and participation in society.

1.27 Critically, the importance both socially and economically of governments agreeing to take an active role to establish a social insurance model to deal with issues

6 Dr Bruce Bonyhady, *The NDIS-The Legacy Social and Economic Policy Reform of Our Time* Public Lecture at the University of New England, 12 May 2014.

7 Dr Bruce Bonyhady, *The NDIS-The Legacy Social and Economic Policy Reform of Our Time* Public Lecture at the University of New England, 12 May 2014.

8 Productivity Commission, *Disability Care and Support*, 10 August 2011, p. 608.

like healthcare or permanent disability is fundamental to mitigate this form of market failure where no private solution would ever come to eventuate.

1.28 The NDIS commenced operation in four trial sites on 1 July 2013: the Barwon Region in Victoria, Hunter Region in New South Wales, Tasmania and Adelaide.

1.29 The development and implementation of the NDIS was preceded by:

- a series of national multilateral agreements starting in the early 1990's;
 - in 1991, the first *Commonwealth State Disability Agreement* (CSDA) was signed;⁹
 - three successive multilateral agreements followed, each covering a five year period (later these agreements were the *Commonwealth State/Territory Disability Agreement* (CSTDA));¹⁰
- an inquiry undertaken by the Senate Standing Committee on Community Affairs on the funding and operations of the past three CSTDAs (report tabled in February 2007);¹¹
- commitment from the Council of Australian Governments (COAG) to a fourth agreement (effective from 1 January 2009), the *National Disability Agreement* (NDA);¹²
- agreement by COAG to develop a ten year strategic policy framework—*National Disability Strategy 2010-2020* ('the Strategy');¹³ and
- a report from the Productivity Commission on their investigation into the feasibility of new approaches for funding and delivering long-term disability care and support (PC Report) (final report presented in August 2011).¹⁴

1.30 In March 2013, the NDIS legislation passed with bipartisan support in the Parliament and the *National Disability Insurance Scheme Act 2013* was created, along with the Scheme and the NDIA.

9 Senate Standing Committee on Community Affairs, *Funding and operation of the Commonwealth State/Territory Disability Agreement*, February 2007, p. 5.

10 Senate Standing Committee on Community Affairs, *Funding and operation of the Commonwealth State/Territory Disability Agreement*, February 2007, p. 21.

11 Senate Standing Committee on Community Affairs, *Funding and operation of the Commonwealth State/Territory Disability Agreement*, February 2007.

12 National Disability Agreement, <http://www.dss.gov.au/our-responsibilities/disability-and-carers/program-services/government-international/national-disability-agreement>, (accessed 5 June 2014).

13 Senate Standing Committee on Community Affairs, *Funding and operation of the Commonwealth State/Territory Disability Agreement*, February 2007, p. 21; see also recommendation 4, p. 40.

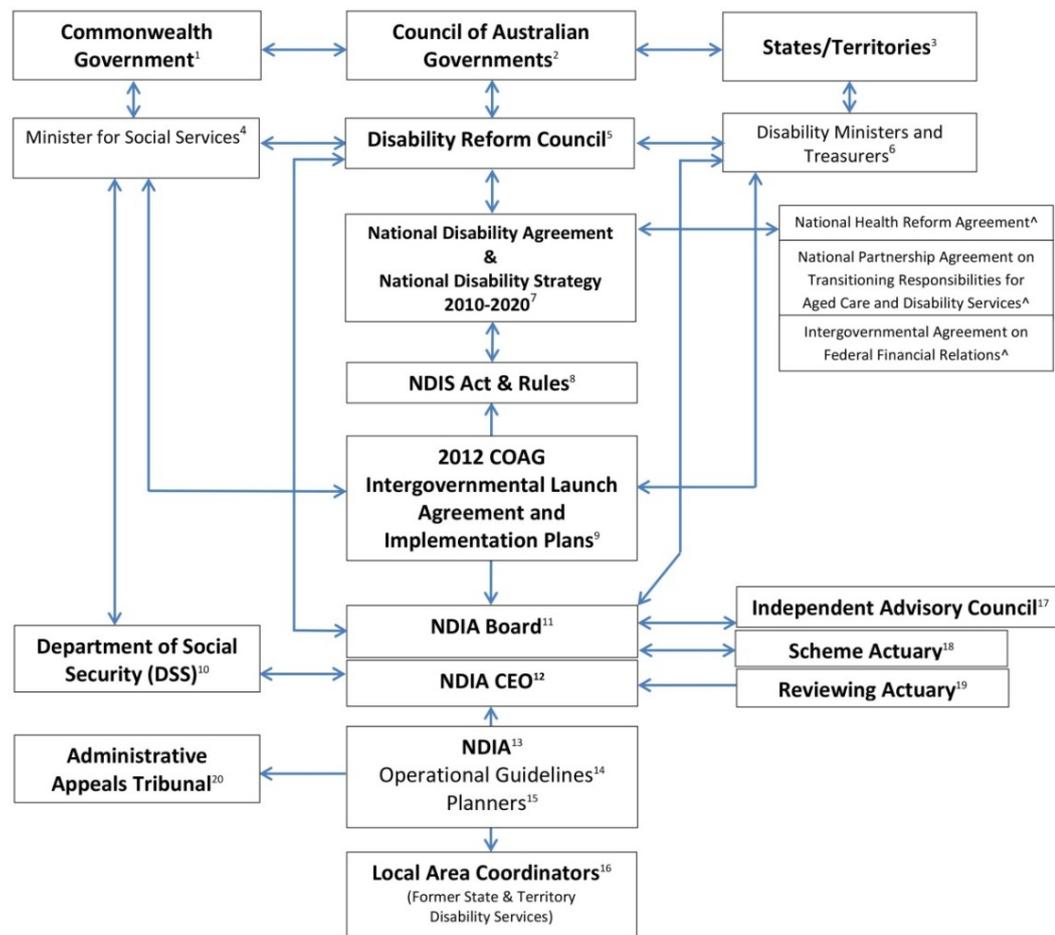
14 Productivity Commission, *Disability Care and Support*, 10 August 2011.

1.31 During the development of the NDIS, there was universal acceptance that the then current system was not working and was not providing adequate funding, care and support for people with disability. Many people with disability were unable to access the supports they required.

NDIS governance structure

1.32 While the committee has yet to go into the governance relationships of the NDIS, Figure 1.1 below provides the reader with a schematic of the interactions involved in the NDIS' governance structure. This schematic does not include the further layer of interactions of the Senior Officials Working Group, the Design Policy Group and the Funding and Governance Working Group.

Figure 1.1 NDIS governance structure



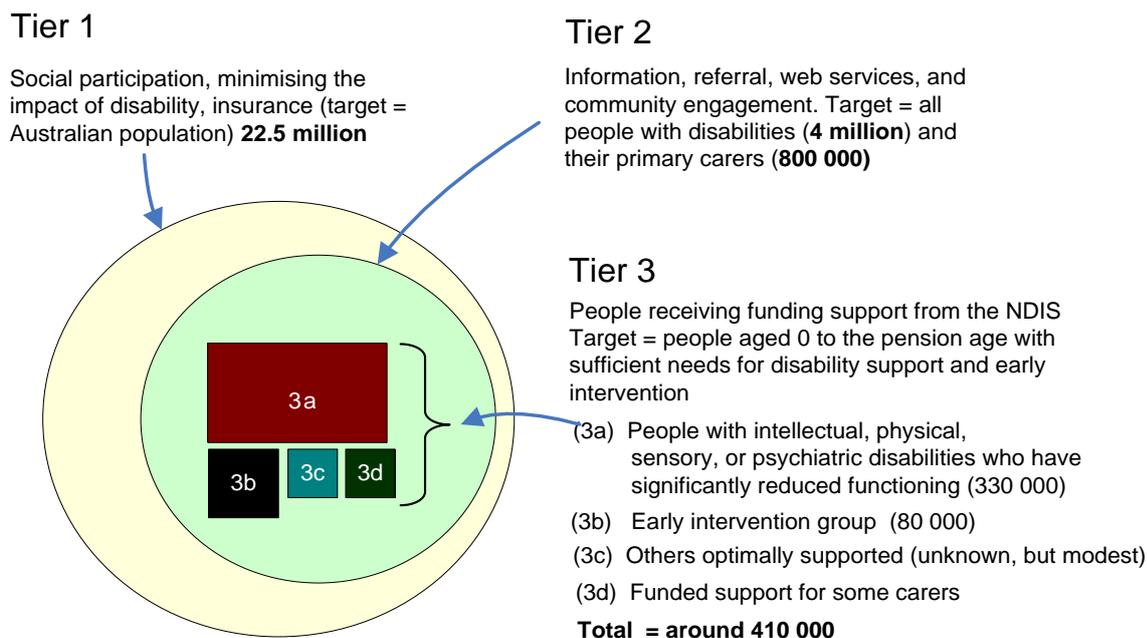
National Disability Insurance Scheme Governance Diagram

1. Commonwealth Government.
2. Council of Australian Governments (COAG) - Intergovernmental agreements are agreed and signed between the Commonwealth and the States and Territories. COAG would advise the Minister of the need for amendments to the NDIS Act 2013 following consultation with the States and Territories.
3. State and Territory governments.
4. The Minister must consult the Ministerial Council about policy matters that relate to NDIS. The Minister must also inform the Ministerial Council of appointments and resignations. The Minister may, by legislative instrument, give directions to the Agency about the performance of its functions which must be complied with (s.121 NDIS Act). The Minister may also make National Disability Insurance Scheme rules (s. 209 NDIS Act).
5. The Ministerial Council can consider NDIS policy issues and can advise the Minister about such matters including making recommendations to COAG (s.12 NDIS Act)
6. Membership of the Ministerial Council will comprise the Treasurer and Minister with responsibility for disability reform from the Commonwealth and each State (s. 9 NDIS Act).
7. Five year multilateral agreement and ten year overarching strategic policy framework for disability reform. In interpreting the objects of the Act, regard must be had to the National Disability Strategy (s. 3(2)(c) NDIS Act).
- ^ The National Disability Agreement is to be read in conjunction with the following agreements; *National Health Reform Agreement* and specifically the revised arrangements for roles and responsibilities of the Commonwealth and states for delivering basic community care services, *National Partnership Agreement on Transitioning Responsibilities for Aged Care and Disability Service*, and the *IGA on Federal Financial Relations* and particularly directions on performance reporting and payment arrangements.
8. *National Disability Insurance Scheme Act 2013* (NDIS Act) and the *National Disability Insurance Scheme Rules 2013* comprise the legislative instruments for the NDIS. A review of the Act is to occur on 1 July 2015 (s.208 NDIS Act).
9. The Intergovernmental Agreement for the National Disability Insurance Scheme (NDIS) Launch signed on 7 December 2012 by the Commonwealth Government and each host jurisdiction for the trial sites, to be read in conjunction with the Schedules.
10. There is payable to the Agency such money as is appropriated by the Parliament for the purposes of the Agency (s. 178 NDIS Act). As a CAC body, funding is provided to the NDIA through the Dept of Social Services (DSS). Funding is provided as administered however becomes departmental when transferred to NDIA. Source: DSS
11. The Board must provide quarterly & annual reports and information related to expenditure about a jurisdiction if requested by the Minister of that jurisdiction (s.123 NDIS Act).
12. The CEO must provide the Board with any significant advice from the Scheme Actuary (s.159 NDIS Act).
13. The NDIA is the Commonwealth Agency charged with the responsibility of delivering the NDIS (s.118 NDIS Act).
14. Operational Guidelines set out some of the Agency's operational information and are based on the NDIS Act and relevant NDIS Rules.
15. NDIA planners work with participants to develop their plans and approve the statement of participant's supports under delegated powers (s.33 NDIS Act).
16. Local Area Coordinators (LACS) work to connect people with disability with community based supports.
17. On its own initiative or at the written request of the Board, must provide advice to the Board (s.143 NDIS Act).
18. Each quarter, the Scheme Actuary must make estimates of the future expenditure and advise the CEO (s.180A NDIS Act).
19. The Reviewing Actuary must review and report to the Board on each annual financial sustainability report and summary prepared by the Scheme Actuary. (s.180D & s.180E NDIS Act).
20. Applications to the AAT may only be made after an internal review decision has been made under subsection 100(6) (s.103 NDIS Act).

Who is the NDIS for?

1.33 Based on the PC report, the NDIS has been established on the PC model comprising three tiers. There are three different populations of ‘customers’ and costs—with the costs inversely related to the size of the populations concerned.¹⁵

Figure 1.2 The three tiers of the National Disability Insurance Scheme 2009 population estimates¹⁶



1.34 The PC report provided the following explanation for Tiers 1-3 and what each is expected to consist of:

Tier 1: Everyone— every Australian, since it provides insurance against the costs of support in the event that they acquire a significant disability;

Tier 2: People with, or affected by, disability but not covered by the NDIS;

Tier 3: People with disability for whom NDIS-funded, individualised supports would be appropriate:

...[T]he critical entry requirements focus at those most in need. A person receiving funded support from the NDIS would have a disability that is, or is likely to be, permanent. The definition of ‘permanence’ would include people with long-term functional limitations who may only need episodic support. In addition, people would have to meet at least one of the following conditions. They would:

15 Productivity Commission, *Disability Care and Support*, 10 August 2011, p. 158.

16 Productivity Commission, *Disability Care and Support*, 10 August 2011, p. 158.

have significantly reduced functioning in self-care, communication, mobility or self-management and require significant ongoing support (3a). As a result, the scheme would cover the support needs of people with major physical disabilities and cognitive impairments (mainly intellectual disability and significant and enduring psychiatric disability)

be in an early intervention group (3b). This would encompass people for whom there is good evidence that the intervention would be safe, cost-effective and significantly improve outcomes.

1.35 The majority of participants eligible for the Scheme will all come from 'Tier 3' — those receiving funded supports.

Conclusion

1.36 There is support across the political spectrum for the NDIS and its overarching aim of enhancing the quality of life and the economic and social participation of Australians with disability.

1.37 There is also broad-based support to fully develop the Scheme's market-based mechanism which aims to provide greater choice and control for participants.

1.38 There are a number of critical elements envisaged by the PC that have yet to be examined by the committee that will play increasingly significant roles as the Scheme develops and transitions more participants, such as mainstream services, Tier 2, training, staffing, provider capacity and the community engagement and capacity building.

1.39 Examination of these issues together with assessing the implementation of the new NDIS trials sites in Western Australia, Northern Territory and the Australian Capital Territory, that commenced operation on 1 July 2014, and monitoring the existing trial sites, will be central to the committee's work plan over the next 12 months.

Chapter 2

The Barwon trial site

2.1 This chapter presents the committee's evidence on the achievements and the challenges facing the National Disability Insurance Scheme (NDIS) in the Barwon trial site in Victoria.

The public hearings

2.2 The committee held public hearings in Geelong on 14 and 15 April 2014. On 14 April, the committee took evidence from 20 participants, 1 carer and 15 service providers. On 15 April, the committee heard from Victorian Department of Human Services officials and Victorian-based National Disability Insurance Agency (NDIA) officials. A list of those who gave evidence in Geelong is at Appendix 1. The transcript of evidence from these hearings is available on the committee's website. The committee thanks all who gave evidence to the committee in Geelong.

2.3 On 14 April, the committee held two sessions 'in-camera': the first took evidence from participants and carers in the Barwon trial and the second from service providers.

2.4 The committee's public hearings in Geelong raised a number of issues specific to the progress of the Barwon trial site, as well as various broader themes common to all the trial sites. These themes are developed in chapter 6 of this report.

Progress of the Barwon trial site

2.5 The Barwon trial site commenced on 1 July 2013 covering the local government areas of the City of Greater Geelong, the Colac-Otway Shire, the Borough of Queenscliffe and the Surf Coast Shire.¹

2.6 Table 2.1 presents the statistics of the Barwon trial site until 31 March 2014. It shows that the bilateral agreement between the Commonwealth and Victorian Governments planned for a total of 4,076 participants over 2013–14 in the Barwon trial site. As of April 2014, there had been 3,108 access requests, 2,495 participants had been accepted into the Scheme, and 2,113 participants had plans. On all three performance measures, the Barwon trial site had the highest numbers of any trial site.

1 National Disability Insurance Agency, *National Disability Insurance Scheme Sector Development Fund, Program Guidelines*, p. 3.

Table 2.1: Key statistics of the Barwon trial site (after 9 months)

	Barwon	South Australia	Tasmania	Hunter
Number of participants in bilateral agreement	4,076	1565	792	3000
Number of participants with plans, 31 March	2,113	979	585	1,724
Access requests	3,108	1,449	744	2,720
Accepted as eligible	2,495	1,152	685	2,042
Ineligible (i)	205	116	19	461
Other (ii)	613	297	59	217
Average days from access request to plan approval	49	51	56	54
Average time from application to commencement of services	101	76	90	79
Review of decisions	26	12	-	14
Participants accessing mainstream services (% of total)	92	88	76	68

Source: National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014.

(i) This figure relates to the intake for the 12 months from 1 July 2013.

(ii) This is a combination of 'in progress', 'closed', 'revoked' and 'withdrawn'.

Transition to the NDIS in the Barwon trial site

2.7 Unlike the Hunter trial site, which is phasing by provider and local government area, and the Tasmanian and South Australian trials, which are phasing by age cohort, the Barwon trial site is phasing by program. Table 2.2 shows the phasing schedule for the Barwon trial site. It plots the process through which the Victorian Department of Human Services (DHS) intends to transition its clients to the NDIS. Its first priority was to transition those people on the Disability Support Register (DSR) and Early Childhood Intervention Services waiting lists. DHS explains on its website that:

The DSR is a database of all the people with a confirmed need for funding (an Individual Support Package) to purchase supports that meet their disability needs or for supported accommodation. The Register is used to allocate these supports in a fair and efficient manner when funding or vacancies become available. The number of people recorded on the DSR as at 31 December 2013 is shown in the following table.²

DSR Category	All Requests
All requests	1,374
Supported Accommodation	2,865
Total	4,239

Source: Victorian Department of Human Services

2 Department of Human Services, Victorian Government, *Disability Support Register*, <http://www.dhs.vic.gov.au/for-individuals/disability/start-here/disability-support-register>, (accessed 21 July 2014).

2.8 Early Childhood Intervention Services are funded by the Victorian Government to support children with disability or developmental delay from birth to school entry and their families. The services, ranging from special education to therapy and counselling are provided by Specialist Children's services teams and Early Childhood Intervention agencies.³ Under the NDIS, these services will be transitioned to not-for-profit and private providers.

Table 2.2: Transition arrangements in the Barwon trial site

	2013						2014									
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	
Disability Support Register and Early Childhood Intervention Services waiting list*	■															
Futures for Young Adults		■			■											
Individual Support Packages (Inc. Day Programs)		■	■	■												
Respite (Inc. Recreation)				■	■											
Flexible Support Packages						■	■									
Therapy						■	■									
Independent Living Training							■	■								
Case Management (Inc. Out Reach Support)								■	■							
Home and Community Care (under 65)									■							
Shared Supported Accommodation										■						
Psychiatric Disability Rehabilitation and Support Services											■	■				
Early Childhood Intervention Services												■	■			
Colanda																■

*Disability Support Register and Early Childhood Intervention Services waiting list from 15 April 2013.

Note: Funding for disability services Training and Development and Industry Development and Innovation will be transferred to the Scheme in September 2013.

Source: Victorian Government, Department of Human Services

Achievements of the Barwon site to date

2.9 The committee heard from the Barwon trial site manager, Ms Stephanie Gunn, that there have already been some important achievements in the site. These are:

- there are no Disability Services Register or Early Childhood Intervention Services waiting lists;
- core supports are being delivered;
- there is evidence that service providers are adapting and responding to the complex needs of participants; and
- there is NDIA survey data showing a very high level of participant satisfaction with the planning process.

3 Department of Education and Early Childhood Development, *Early Childhood Intervention Services*, <http://www.education.vic.gov.au/childhood/parents/needs/pages/ecis.aspx> (accessed 1 July 2014).

No waiting lists

2.10 The transition of people with disability from the DSR and Early Childhood waiting lists into the NDIS was an early objective of the trial site (see Table 2.2). One of the early achievements of the Barwon trial was to achieve this transition. As Ms Gunn told the committee:

It is important to acknowledge the fantastic systemic changes that are being achieved and note that there is no longer a waiting list. People on the DSR in Victoria have waited seven years, and they only got on the DSR because of their high and intense acknowledged need. There are no waiting lists for children needing early intervention. This is really important. Children under six are no longer waiting for early intervention supports. That means that we are catching them early, we are providing the therapy and the support to their families and, with a bit of luck, we will not see them going forward into the system. If we do, their needs will be greatly reduced. We are giving them the best opportunity from the start.⁴

2.11 Ms Gunn told the committee that the vast majority of the trial site's intake will be completed by October 2014.⁵

Delivering core supports

2.12 A fundamental challenge for every trial site is to ensure that equipment is readily available for participants. In Victoria, the supply of equipment is the responsibility of the State-Wide Equipment Program (SWEP). SWEP is responsible for meeting participants' approved assistive technology needs through purchasing, customising and supplying the loan of items to participants.⁶

2.13 The committee heard that in the Barwon trial, core supports have been provided for NDIS participants and choice and options for people with disability are starting to emerge. Ms Gunn told the committee:

Core supports have been addressed—things like personal support, continence aids and equipment. Many people have waited many years or have survived with very low levels of those supports in their lives. Sustainability of the support provided by families is being strengthened by a range of different strategies.⁷

2.14 The NDIA acknowledged the role of SWEP in providing core supports for participants. While noting this role, the Barwon trial site manager told the committee

4 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 28.

5 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 13.

6 State-Wide Equipment Program, *Frequently Asked Questions*, <http://swep.bhs.org.au/national-disability-insurance-scheme/frequently-asked-questions-ndia> (accessed 16 June 2014).

7 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 13.

that SWEP will in time be replaced and that the NDIA needs to retain purchasing power for its equipment needs:

The work and support that SWEP have given us has been phenomenal, and we are very grateful for that. That has meant that the vast majority of our equipment decisions in people's plans have been filled really rapidly and that has addressed many gaps and the waiting lists and all of those things have been improved. There are delivery delays sometimes and the focus from the national office is developing a national aids and equipment strategy. That project is now well under way and it is working collaboratively with all of the jurisdictions to take the best of breed around their aids and equipment programs. I am not sure of the time line of when that is going to be kicked out, but certainly the recognition that the purchasing power of the agency for aids and equipment needs to be exploited for the benefit of the scheme is very well accepted by the agency.⁸

Innovative service delivery

2.15 Ms Gunn also told the committee that service providers in the Barwon trial site have been adapting and responding to the complex needs of participants in the Scheme. She explained to the committee that:

There are some fantastic things happening. There is expansion. There are some amazingly innovative, committed supports being provided that we have never seen in this area previously. There is in particular a group of providers who are standing up and offering to provide the most extraordinary services for people with complex behaviours and behaviours of concern. When you read the history of the individual and the journeys that those individuals are now on with these supports, they started very slowly under the previous government's support through ISPs—I do acknowledge that—but are increasingly supported by some providers under our scheme. They are fabulous stories.⁹

2.16 The committee has not yet had the opportunity to observe first-hand the types of services to which the Barwon trial site manager refers. However, it has received evidence from several service providers in the Barwon region about the type of services that they provide and the challenges that they are facing in making the transition to a 'fee-for-service' model (see below). The committee also heard very positive stories from NDIS participants that corroborates Ms Gunn's testament.

Positive feedback from participants

2.17 Ms Gunn noted that the NDIA conducts a satisfaction survey in which '95 per cent of participants rated their experience with the planner, the engagement,

8 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 28.

9 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 14.

the process and the outcomes either good or very good'.¹⁰ The results of this survey are presented in Table 2.3 below. The committee recommends that the NDIA could improve the presentation of this information (see recommendation 9).

Table 2.3—Participant feedback

YTD	Total responses	Very good	Good	Neutral	Poor	Very poor
Overall, how would you rate your experience with the planning process today?	784	571 (73%)	169 (22%)	33 (4%)	10 (1%)	1 (0.1%)
NSW	179	148	27	4	0	0
South Australia	272	157	83	21	10	1
Tasmania	58	52	6	0	0	0
Victoria	275	214	53	8	0	0

Source: National Disability Insurance Agency, correspondence received 8 July 2014.

2.18 The committee did receive some very positive stories from participants and their carers about the planning process in the Barwon trial site. Mr Kevin Stone, an advocate for the Victorian Advocacy League for Individuals with Disability (VALID), told the committee:

...I am a parent of a man who is a participant in the NDIS. Damian is 43 years old. He lives in a group home in Grovedale. My experience as a parent going through the process was a very seamless one, largely due to the fact that we had a wonderful planner who had had a lot of experience previously in person-centred planning. She sat down with us as a family and with my son and went through the goals, aspirations and talked about his needs and collaboratively developed a plan that we all felt really happy with. It then proceeded through and we were delighted with the outcomes.¹¹

2.19 Ms Simone Stevens, an NDIS participant, was glowing in her assessment of the Scheme. She gave the following account to the committee:

I am on a very good package at the moment with the NDIA. I was getting 21.1 hours before, and now I am getting 42 hours. I am doing a lot more. I can be more flexible. I work up in Melbourne with Kevin [Stone]. It has given me great flexibility and good insight with carers and my coordinator, and now we can just do that, because I can do more. Without the NDIA, I would not be able to do that. I am just amazed at how great things are at the moment.¹²

2.20 She added:

10 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 13.

11 Mr Kevin Stone, *Committee Hansard*, 14 April 2014, p. 2.

12 Ms Simone Stevens, *Committee Hansard*, 14 April 2014, p. 5.

It is incredible. I cannot believe it. I cannot believe how incredibly happy I am at the moment, so it is great...

I am getting a new manual wheelchair too, thanks to the NDIA, so it is really good.

The goals were what I wanted to achieve in my life. I am actually quite blessed. I got in contact with my friend who I had not seen in 19 years, and so now I spend—I think it is—every month up in Camperdown. I am able to go up and visit her, whereas before I was not able to because the funding would not allow it. But now I can go up and see her. That has really helped. I think that is the most important part of the goals. The other part of the goals was the work side of it. I am very work related. I love to do whatever I can to work whenever I can. If I am not working, if I am sitting around at home, I get very annoyed very quickly, so I have got to be up and around and moving, going up to Melbourne, working in Geelong, doing whatever. But I have got to be moving all the time. Without the NDIA and without the goals, I think I would be very stuck.¹³

2.21 Ms Bianca Brant gave evidence in Geelong on her experience in securing a package for her six year old son, Tom. Tom was one of the first children to be signed off for a plan and a package in the Barwon trial site. Ms Brant stated:

We had a really good planner... I said to her straight away that I would like to tell the story once and could she take notes and then put it into the table for me because I was going to find it overwhelming and get emotional—or that is what I was worried about. She was good. I told her what my goals were for Tom and for me. She had an ability to sort of step into my shoes.¹⁴

2.22 Ms Brant also noted that self-managing her son's plan was empowering:

I had case management as one of my things for Tom's plan, because I wanted to be able to step back a bit and just be the mum and less of an administrator and nurse and everything else. But it actually did not work out. I found it very frustrating that my case manager was, I felt, pushing emails around and not really solving issues. I ended up sacking her, which was really empowering—you can do that. So you are not necessarily stuck with someone. I thought the person was very experienced because they had done it before and they were in an organisation that had been around for a long time. They were happy to take the money but I said, 'I want to know what you are actually doing.' There did not seem to be much evidence of that, so that ceased and that was good.¹⁵

13 Ms Simone Stevens, *Committee Hansard*, 14 April 2014, p. 6.

14 Ms Bianca Brant, *Committee Hansard*, 14 April 2014, p. 10.

15 Ms Bianca Brant, *Committee Hansard*, 14 April 2014, p. 11.

Challenges in the Barwon trial site

2.23 The committee heard a range of criticisms from participants, their carers and service providers about the rollout of the scheme in the Barwon trial site. Ms Gunn herself acknowledged that there have been complaints which relate 'largely to eligibility, issues around the health interface, our timeliness in resolving issues that are raised and the overall planning outcomes that they have had'.¹⁶

2.24 The committee notes that the challenges of the Barwon trial site relate mainly to the NDIA's processes, its culture and its communication with stakeholders. The rest of this chapter presents the committee's evidence on the following issues:

- the planning process and the lack of flexibility in plans;
- the NDIA's information technology system;
- participants' problems transitioning from Individualised Support Packages (ISPs) to the NDIS;
- the culture of the NDIA;
- the composition of NDIA staff;
- problems with transport for both participants and service providers;
- service providers and the costs of the fee for service model;
- cross-subsidising and fee gouging;
- incorrect plans;
- mental health and the financial viability of service providers;
- NDIA's lack of responsiveness to service providers; and
- housing issues.

The planning process and the lack of flexibility in plans

2.25 A principal concern of several participants and their carers in the Barwon trial site was the lack of flexibility in plans in the event that a participant wished to change their day-to-day arrangements.¹⁷ While the problem is systemic and relevant to participants in all trial sites, the issue was raised repeatedly at the public hearing in Geelong on 14 April.

2.26 The committee heard that participants had been unable to make even minor amendments to their daily activities without first having to change their plan.

16 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 13.

17 Not all witnesses at the Geelong hearing on 14 April were critical of the lack of flexibility in plans. Indeed, two witnesses highlighted the flexibility of plans as a major benefit of the NDIS. See the comments of Ms Jane Crouch, *Committee Hansard*, 14 April 2014, p. 19 and Miss KIRRILY HAYWARD, *Committee Hansard*, 14 April 2014, p. 22.

Mr Stone told the committee that the planning process is 'far too rigid', 'very confusing' and also referred to issues with the IT system.¹⁸ Ms Marge Knight, who manages her son's plan, told the committee that the inflexibility of plans is contrary to the Scheme's broad principles of choice and control:

While the previous model enabled myself to redistribute moneys allocated to each flexible support as required, the new, more rigid model provides no such flexibility. This rigid model inhibits Andrew's support needs, should unforeseen circumstances arise; impedes Andrew's capacity to participate in impromptu social activities or desired appointments, as is the nature of any person's changeable lifestyle; denies full control over Andrew's funds to which he has already been approved; and disregards the very principle of choice, control and presumption of capacity and design....

[I]t is about me being able as an administrator or an advocate for Andrew to utilise those funds for him with flexibility and not being structured into a line of funding. As I think has been touched on before, certain amounts get dropped into each line per month and then you are allocated that money to be able to spend it. That does not allow us any control or flexibility to meet his needs.¹⁹

2.27 The committee asked the NDIA to comment on this issue. Ms Gunn told the committee that:

The line-by-line approach was very much designed, particularly in the supports and community access arrangements, to incentivise providers to offer supports in non-standard hours, because, as many participants will have told you over many years, there is limited support in being able to get flexible provision. Having said that, the actuary's advice was to de-aggregate the price. So, in Victoria there was one price across all hours, and we offer very different prices for different hours and different times.²⁰

2.28 Ms Gunn also attributed part of the problem for the inflexibility of plans in the Barwon trial site to the mindset of planners and the Agency itself. However, she indicated that this was changing to better reflect the individual's needs:

When we started we had new staff from many different backgrounds with different cultures, values, skills and experiences; we had a new IT system; we had new legislation that had no case law to guide us; we had limited practical considerations and expansion of the issues that we wanted to explore within the legislation. I think that our actions have swung to one side-to the letter of the legislation, to ensure our compliance, rather than to the intent. With our learning commitments, our sharing across our sites, the gathering of data and the development of evidence, we are now seeing our ability to move back the other way-more into that centre-to be more flexible, innovative and responsive to individual need. We are confident of

18 Mr Kevin Stone, *Committee Hansard*, 14 April 2014, p. 2.

19 Ms Marge Knight, *Committee Hansard*, 14 April 2014, p. 14.

20 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 16.

that. We will need the support of the community and the government in acknowledging that there will be great inconsistency in the plans that we produce because that is what having an individualised, family centred and person centred planning process means.²¹

2.29 The committee notes that NDIS participants are not necessarily seeking more financial support than they had under their previous arrangements. Indeed, Ms Knight explicitly told the committee that the quantum of money was not her concern in terms of providing supports for her son. Rather, the key issue for her was to access and use of her son's existing funding:

Three weeks ago I rang the planner and said: 'We really do need to talk. I need to be able to find out how I can access these funds to get my son to be able to do the main thing in his life to get him back on balance.' I said to them: 'I don't want any more money; I just want to access what you have given me.' Then I had a phone call, saying: 'I have some great news. You have got some more money.' I said, 'I don't want more money. Just let me access what I've got.' They have given me this massive amount of money. I said, 'That's great, but how do I get him there?' And they said, 'Don't you have support staff?' I said: 'Yes, but it is their cars. How do I find these people?' That is great and I appreciate that and that is a problem for me is to sort through. But they have dumped more money into Andrew's allowance rather than me being able to use the money I already had.²²

2.30 Ms Brant told the committee of her difficulties in rearranging respite care days for Tom after an operation on his legs. Ms Brant had regular carers she used for Tom and her preference was to continue with this care. However, the scheduling for the carers is based on a prescribed day-of-the-week approach and not total hours. As she explained, this created a level of unnecessary inflexibility in the plan:

Tom had surgery seven weeks ago on both his legs. So a lot of my respite ended up being moved. Whereas I had it on Monday night and Sunday afternoon, it was now a lot more. I used a lot more respite because I needed extra help because he was in two casts. We have had to rejig and move days across and do lots of complicated things that the planner and the LAC have had to do... They have to move the funds. I used two different providers for respite. So if one worker is not available I have backup from another provider. They are both taking funds from that part of the plan. I actually ran out of Sundays so I have moved other days of the week over.²³

2.31 Ms Jacqueline Pierce also informed the committee of the limitation of the disability respite services especially when compared to the resources provided in the aged sector:

21 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 14.

22 Ms Marge Knight, *Committee Hansard*, 14 April 2014, p. 15.

23 Ms Bianca Brant, *Committee Hansard*, 14 April 2014, p. 10.

An area of grave concern for me is detailed in the operational guidelines around supports for sustaining family carers in their role. That is a NDIS operational guideline—a public document...It talks about families getting as little as seven days a year of access to respite and a maximum of 28 days. Why would we actually think it is okay for people who work in an unpaid family carer role—often in a 24/7 capacity, and for an entire lifetime—to have anything less than four weeks off to recharge their batteries and enable them to continue in their family caring role for as long as they choose? In the aged care arena family carers are entitled to up to 63 days, or nine weeks, of government funded respite, and we all know that generally speaking family carers who care in the aged care space often have to provide care for a shorter period of time. Why are we telling family carers in the disability arena that they need less respite when they are supporting a loved one for an entire lifetime?²⁴

2.32 Speaking to the committee the following day, Ms Gunn acknowledged that the lack of flexibility in participants' plans had left participants 'feeling very frustrated'.²⁵ She explained that the problems could be attributed to a combination of technical difficulties, a breakdown in the Agency's communication and, more broadly, the mindset of planners and the culture of the Agency (see paragraphs 2.48-2.51). In terms of the technical and communication difficulties, she told the committee:

Some of those errors have occurred purely because of numerical calculations of all of those mixes and there have then been errors with amendments when the person has said, 'Actually I don't want to do Saturday, I need to do Sunday.' We have had to change the plan to allow that because of the way the support lines have been implemented. The errors also reflect our failure to understand exactly what that person was previously accessing. Despite our ability to recently gather data, we did not have individualised data or a detailed understanding of what a person was accessing, particularly if they were accessing DOCS funded programs. Our planners would, in good faith, have a conversation with an individual and their family and, to a lesser extent, providers. Again, I will talk about what we need to do to address that. Then, when the person gets their plan and they say, 'But what about ... ?' and our planner was not even aware of that 'what about'—for example, 'the support I had on Sundays'—we have then gone through another conversation on a reasonable and necessary basis and made those amendments as well.

Importantly, though, many participants are seeing their plan as this dynamic relationship with the agency and that gives them the opportunity to say: 'Indeed, actually, I need something else in my plan; can I come back and adjust it?' That is an amendment; it is considered to be an error because the providers did not know about that previously. We are learning in these processes. Our system is very constraining. It has been incredibly frustrating for participants with that lack of flexibility and we will work

24 Ms Jacqueline Pierce, *Committee Hansard*, 14 April 2014, p. 25.

25 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 13.

with our national office to see what we can do about those individual support lines.²⁶

The NDIA's IT system

2.33 On notice, the committee requested the Agency's response to these concerns with the lack of flexibility in participants' plans.²⁷

2.34 The NDIA identified the information technology (IT) system as a major issue. Currently, it noted, planners need to add 'every possible individual support item to a participant's plan to ensure that they had flexibility to vary the days or times of day that they receive a service'. The Agency added that 'bundling of supports' will be introduced, allowing the participant to have the flexibility to purchase supports for any support item in these bundles.²⁸

2.35 The NDIA informed the committee that it will resolve the problem of inflexibility of plans by introducing a system that allows the bundling of supports. It explained:

This means that the participant will have choice and control to purchase flexibly from all the support items in the bundle – not only the individual support items that have been included in the plan. The bundles that will be introduced which will allow flexibility within the bundle and across all flexible items in the plan include personal care, community access, interpreting and translating, and transport. If a planner sets up the plan using these bundles then the participant has flexibility to purchase supports for any support item in these bundles. An employment group has been set up which is fixed, meaning that the participant has flexibility to purchase any supports in the employment bundle but cannot choose to purchase other supports outside the employment supports. The flexibility is limited to employment and related items as this is an investment by the NDIA in the participant's future employability.²⁹

2.36 Certainly, participants and providers in the Barwon trial site also recognised the shortcomings of the IT system. Ms Krystyna Croft, whose 30 year old son has an NDIS plan, told the committee that the system 'seems very clunky' and added: 'One day I can see my son's full plan on the portal and the next day I can't'.³⁰ Matters relating to the service provider portal in the Barwon trial site are noted below.

26 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 14.

27 See Appendix 3 of this report.

28 National Disability Insurance Agency, *Response to question number 2 on notice*, see Appendix 3.

29 National Disability Insurance Agency, *Response to question number 2 on notice*, see Appendix 3.

30 Ms Krystyna Croft, *Committee Hansard*, 14 April 2014, p. 24.

2.37 The problems with the NDIA's IT system generally are discussed in chapter 6 of the report.

Participants' problems with transition: ISPs and the 'no disadvantage test'

2.38 The Victorian Government introduced Individualised Support Packages (ISPs) as a new way of funding people with disability. ISPs allocate funds to a person to meet their disability-related support needs. The Victorian Department of Human Services explains that ISPs enable people with a disability to 'direct the planning process to the greatest extent possible and make their own choices about how they wish to live their life'.³¹ There are a limited number of ISPs and a very long waiting list.

2.39 In the Intergovernmental Agreement (IGA) for the NDIS launch, the Council of Australian Governments committed to provide continuity of support to people with disability currently receiving services to ensure that they are not disadvantaged in the transition to the NDIS. The IGA explains that where the NDIS takes on responsibility for providing continuity of supports for a person, 'the Agency will work with the person to develop a transition strategy to ensure no disadvantage in a person's outcomes'. It further clarifies that the supports provided by the NDIS will enable the person to achieve 'at least the same level of social and economic participation (or undertake the same range of activities) as enabled by their previously provided support'.³²

2.40 Some participants and their carers (and even service providers) complained that they were experiencing difficulties making the transition from an ISP with the Victorian Department to a plan under the NDIS. These complaints had various dimensions.

2.41 Ms Vanda Fear, whose son Paul had an existing state funded ISP, was particularly critical of the process to transition people to the NDIS. In a written statement to the committee, she outlined her concerns:

We had previously been advised by many people associated with the NDIA that the transition for people from state-funded to NDIA supports, particularly in cases where things were working well would involve a 'light-touch' review in the first instance and a fuller review 12 months down the track. In our case nothing could have been further from the truth our lives were completely turned upside down in January 2014 and the stress for all of us has been enormous.³³

31 Victorian Department of Human Services, *Individual Support Packages*, <http://www.dhs.vic.gov.au/for-individuals/disability/individual-support-packages> (accessed 19 June 2014).

32 Intergovernmental Agreement for the launch of the National Disability Insurance Scheme, pp 12–13.

33 Ms Vanda Fear and Ms Jacqui Pierce, *Correspondence received*, 14 April 2014.

2.42 Ms Fear told the committee at the hearing in Geelong of her concerns with the disability health interface. She argued that this interface 'is going to be critical for people with high and complex disability medical needs like Paul's' and added:

...we are living the reality that health do not fund much of what my son requires, which is why I have always received funding for medical health items related to my son's severe ABI through the ABI Slow to Recover program and then via his DHS ISP. The NDIA are not funding many of these things now, leaving my son at risk.³⁴

2.43 Ms Fear told the committee that they are currently on the sixth iteration of Paul's NDIS plan. In her view, given her son's higher needs, this process risked breaching the 'no disadvantage test'. As she explained:

We were told that if you had an existing ISP you would not be disadvantaged in any way by this scheme coming in. Our son's package has been absolutely torn apart. Not everybody has higher health needs as well as a disability, as our son has. The argy-bargy that is going on between health and disability has put our son at risk so badly...We have been told that they do not fund it, but we have been told neither does anybody else. We did not get it funded by anybody. We had to try everywhere and get it from DHS, because there was nobody else in Victoria who could pay for it. But now we have been told that it is not going to be paid.³⁵

2.44 Ms Fear noted that her son had 'the best therapist in Geelong', but that in moving to the NDIS, 'we have to fight now to keep our therapy component'. She explained that in the transition process, Paul was required to undergo an independent therapy assessment at significant cost:

It is now \$164 an hour, plus travel and, in some circumstances, it is double that to get that person out to our home for one hour—over \$300 for an hour! It used to be \$80.

...

With respect to keeping even the level of therapist that we have currently, the cost has gone through the roof. Our plan has been decimated. We have a lot less supports now and it is costing a lot more. I do not understand it and I do not think it is viable to roll the scheme out like it is.³⁶

2.45 Mr Stone of VALID put his frustration with the transition process in the following terms:

Our organisation has sat on representative bodies—with NDS [National Disability Services] and carers and other organisations—and collaboratively designed policies and guidelines. We sat around for 15 years developing principles around individualised funding—the ISP

34 Ms Vanda Fear, *Committee Hansard*, 14 April 2014, p. 6.

35 Ms Vanda Fear, *Committee Hansard*, 14 April 2014, p. 9.

36 Ms Vanda Fear, *Committee Hansard*, 14 April 2014, p. 8.

guidelines. I can proudly say as a Victorian that we had the best model, the best system, for ISPs in Australia if not in the world. Yet we have seen all of that experience and know-how ignored in these processes. It just does not make sense to me.³⁷

2.46 Mr Alf Francett of Ermha, a Barwon-based community organisation supporting people experiencing the effects of a mental illness, told the committee that whereas ISPs offered holistic support for people with disability, NDIS plans are by comparison quite limited. He told the committee that in terms of the NDIS:

...if someone has got a forensic issue and has got a dual disability or a disability, they will fund the disability but they will not fund the forensic component of it because they believe they have got nothing to do with this disability, that that is all to do with the justice department and you need to get the funding from the justice department for that.

To say we will fund his disability but we won't fund what he does in the forensic component—even though he is on a first-name basis with the police and also the court system—makes it really challenging because the justice department will not fund it and the NDIA are saying it is not their area to fund.

...

Unlike the ISPs it is not a holistic approach. The ISPs looked at the whole person.³⁸

2.47 The NDIA told the committee in an answer to a question on notice that the planning process considers a participant's existing supports prior to transitioning into the NDIS. The Agency informed the committee that it has identified some services that are currently funded through programs transitioning into the NDIA which are not generally funded by the Scheme and added:

In these situations the NDIA can fund the supports for a transitional period while the NDIA works with the participant to build their capacity to provide these supports for themselves or identify more appropriate sources of this assistance.³⁹

The culture of the NDIA

2.48 The NDIS reflects broad-based community values and support and should evolve through the influence of community participation and involvement. The committee was concerned, therefore, to hear some participants' and service providers'

37 Mr Kevin Stone, *Committee Hansard*, 14 April 2014, p. 2.

38 Mr Alf Francett, *Committee Hansard*, 14 April 2014, p. 12. It should be noted that not all witnesses held this view. Miss Kिरrily Hayward was critical of ISPs describing the format as 'extremely restrictive' where people were automatically put into categories. *Committee Hansard*, 14 April 2014, p. 22.

39 National Disability Insurance Agency, *Response to question number 1 on notice*, see Appendix 3.

views about the top-down and unresponsive culture of the NDIA. For example, Mr Stone told the committee:

We have all fought so hard to have a system that actually responds to the needs and interests of people with disability and their families and one that actually respects their commitment. The last thing we need is a model which imposes from Canberra or from Geelong any remote form of decision making on behalf of people with disability, but that is what we are getting. It is a Centrelink-type mentality on many fronts, and it just needn't be that way.⁴⁰

2.49 Mr Stone also noted that the NDIA and the Australian Government had not conducted proper tendering processes:

...over the last 12 months, we fought to get capacity building funding for people with disability and their families. It was finally announced two weeks ago that \$21 million to \$22 million would be put into capacity building. That same tender process alludes to the setting up of a national non-government body to mentor and support disability support organisations for people with disability and their families, and the process of nominating such a national body is not open to tender. I think DSS is negotiating with a single body, without competition, without transparency and without any advice to the sector on the process for nominating such a group. To me, that is just wrong and it sets up a culture that we can frankly do without.⁴¹

2.50 The committee received complaints from several witnesses in Geelong about the slow response time of the Agency to requests for information and responses to complaints. Ms Gunn herself was quite candid about the need for the NDIA to improve in this area:

It is something that we need to get better at. We have put a particular focus since I arrived on trying to clear that backlog. We have complaints about complaints that did not get responded to, and I take that very seriously. In our defence, we have multiple IT systems that are designed to support us to do this work. They do not integrate or talk to each other. Our processes are not as rigorous as they should be, and we are very conscious of that. We are working to address that.⁴²

2.51 The mindset of some of NDIA's planners, and the perceived culture of the organisation, is also reflected in what some perceive to be highly bureaucratic processes. Ms Knight expressed strong concerns with the way the Agency had requested that her son re-establish his disability. She explained that the requirement of re-filling a form to verify his disability left her feeling 'so patronised and demeaned'.⁴³

40 Mr Kevin Stone, *Committee Hansard*, 14 April 2014, p. 2.

41 Mr Kevin Stone, *Committee Hansard*, 14 April 2014, p. 3.

42 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, pp 27–28.

43 Ms Marge Knight, *Committee Hansard*, 14 April 2014, p. 16.

However, as this and subsequent chapters of this report state, the committee also received evidence from participants and carers of their very positive experience with NDIA planners.

The composition of NDIA staff

2.52 Some witnesses highlighted that the mindset of planners is strongly influenced by their background and previous experience and training. Mr Steven Hurd, a participant in the Scheme and an employee in a disability agency in the Geelong region, argued that there is a fundamental issue with the composition of NDIA staff:

...[W]hen it gets handed to the bureaucrats we get the same people doing the same things repeatedly. It is like a continuous cycle. The old system was bad. We have this great reform and we are going to change it. And who do they employ to change it? The people from the old system, which was bad... I have worked with people who work in this area and they are fantastic people. They are not poor characters, but they simply do not have the experience, knowledge, understanding and level of empathy to be able to make accurate decisions that are going to impact on the lives of people with disabilities, and carers.⁴⁴

2.53 The committee took similar evidence from providers where witnesses drew the committee's attention to the composition of NDIA staff and also their expertise. Mr Rodney Harris, the CEO of Motor Neurone Disease Victoria, spoke about the generalist skill set of any of the NDIA staff:

It is with respect to the staff that have been recruited by the NDIA. They are generalist staff, which means they have excellent knowledge of a broad range of most common disabilities and the service needs of those clients. But they have little or no knowledge of the lower incidence, more complex diseases. We have planners who say, 'We are going to buy an electric wheelchair for that person because their average life expectancy on this letter from a doctor is five years and it is cheaper for us to do that,' but we know that average life expectancy across the last 30 years is about 27 months. To spend \$15,000 on an electric wheelchair versus \$6,000 to rent it for two years is not a good business decision for the NDIA, let alone common sense.⁴⁵

2.54 Mr Hurd also emphasised the need to include more people with a disability into key decision making roles in all levels of the NDIA:

There really needs to be some real proactivity about getting people with disabilities into these agencies as client liaison officers, as capacity builders, and as people who can liaise with the community and talk to them and feed that back in to the planners and senior bureaucrats. Also, you need those people to be at a fairly senior level so that those bridges can be built. They should be people with disabilities and carers. There are more carers

44 Mr Steven Hurd, *Committee Hansard*, 14 April 2014, p. 10.

45 Mr Rodney Harris, *Committee Hansard*, 14 April 2014, p. 32.

participating than people with disabilities. If women were told that 80 per cent of the people in the Office of Women's Affairs were going to be men, there would be a riot. Yet we people with disabilities have to live with that all the time. I am sure women in the audience and on the committee will understand the frustration people are feeling in this regard.⁴⁶

Table 2.4: NDIA staff numbers and former employers*

Number	%	Former employer
91	60	Federal Government
18	12	State Government
42	28	Private Sector /Non-Government Organisation
151	100	Total Employees

* The table represents the previous employment areas for staff recruitment by National Office during the past 12 months.

Source: Response to committee request for information, National Disability Insurance Agency, received 26 June 2014.

2.55 On notice, the NDIA was asked if it could provide a breakdown of its current employees' previous employers and the number with a disability. Table 2.4 (above) shows that 60 per cent of NDIA staff were previously employed by the federal government. The NDIA also provided data showing that 11 per cent of its employees identify as having a disability. Within the trial sites, 12.3 per cent of NDIA employees identified as having a disability.⁴⁷ The committee discusses this matter further in chapter 6.

Problems with transport—participants

2.56 In the Barwon region, as in in the other trial sites, the issue of transport arose on several occasions as a matter of some difficulty for both participants and service providers. Mrs Jayne Crouch, a carer of a 21 year old daughter with Down syndrome, a 15 year old son with autism and a husband recovering from stroke, told the committee of her concerns with the mobility allowance:

My daughter got mobility allowance. The mobility allowance has now been rescinded. It comes under the NDIA. Initially, they were insisting that she use taxis. They have now agreed that they will fund for so many cents per kilometre. But this does not seem to be equal over all families or all services. Also, under the old system of mobility I was given a certain sum of money—or she was given a set sum of money—and that was it. Once you were approved you got that money every fortnight. I have to now put in a request for payment every month. In a family that is very busy, that is

46 Mr Steven Hurd, *Committee Hansard*, 14 April 2014, p. 10.

47 Letter from Mr David Bowen to Committee Chair the Hon. Mal Brough MP, *correspondence received 8 July 2014*.

another heap of paperwork that I am supposed to do. I am also supposed to keep a log of everywhere I drive her. How practical is it for me to get in the car every morning with two people who have a disability, sit down and read my odometer and then discard the kilometres that it took to take my son to school so that I am only getting the right kilometres for her and then take off the kilometres, if I happen to stop and get an apple or something on the way? It is a very impractical system. And who is going to be reading all of that paperwork at the other end? It is creating a paper dragon.⁴⁸

2.57 Ms Croft questioned whether participants should be encouraged to use a taxi as their prime mode of transport. She argued that as a result of the NDIA's focus on taxis:

[M]y son misses out on activities because the taxi does not come to pick him up because we don't have enough. So we need to build some flexibility into the transport types of funding.⁴⁹

Problems with transport—service providers

2.58 The committee also heard of a range of concerns from service providers in the Barwon region. One of the most concerning related to administrative problems with the taxi industry which is faced with adjusting to a system where individuals pay for transport via the NDIA. Mr Peter Valentine, the Chief Executive Officer of the Geelong Taxi Network, told the committee that presently, it was not possible to dispatch a taxi for multiple transport users, which was clearly necessary under the NDIS. He argued: 'If we allow people to travel individually all of the time, we can see that those costs will blow out hugely and, in addition to that, it causes huge bottlenecks at the respective areas where we drop off or pick up if we have too many cars in the one area'.⁵⁰

2.59 Mr Valentine also noted that a participant's plans are received by the planner far too late, which causes a range of problems. First, there will have been inadequate discussion with the planner as to what steps should be taken to speak to a transport provider. As a consequence:

We carried the finance debt for six months before we were able to get one stick of payment. The point here is not to do with the finance but to do with the organisation, because at that point in time we had already invoiced other service providers, such as some who have already spoken today. They may have already paid. We get a plan that is backdated two or three months, and there is a lot of messing around and toing and froing to try and identify those individual trips and then credit the actual people or the organisations.

We are told that we could have 2,000 people, for example, in the space of a couple of years under this program. If they travel morning and night five

48 Mrs Jayne Crouch, *Committee Hansard*, 14 April 2014, p. 18.

49 Ms Krystyna Croft, *Committee Hansard*, 14 April 2014, p. 24.

50 Mr Peter Valentine, *Committee Hansard*, 14 April 2014, p. 33.

days a week, that is 20,000 individual entries for a little company like ours—although we are the largest urban company in Victoria, with 150 cabs and 589 drivers. I am totally scared, unless we get it right down here, about what will happen when it hits a capital city.⁵¹

2.60 Mr Valentine also had concerns about the NDIA's service provider portal and in particular, his company's experience with the low acceptance rate of entries into the Agency's computer system. He argued that when entering participants' details into the portal, roughly a third will not be able to be entered, whether the information is incorrect or does not match the NDIA's information. Another third will go into the system but will not be accepted by the system. And the final one-third does get accepted, although even a few of these require re-entering and lengthy correction process.

2.61 Mr Valentine also noted that a large number of accounts have not been put in—as many as 20–30 per cent.⁵²

2.62 A further concern of Geelong Taxi Network is that operators struggle to identify NDIS customers. The driver is often not able to identify whether a person is, or is not an NDIS client. Mr Valentine also told the committee of the potential to abuse the system:

...if there is a person who lives next door to an NDIS person, it can quite easily lead to abuse of the account. The person next door phones up. He says: 'I'm Charlie Brown. I'm from the NDIS and I wish to go to XYZ destination.' The car pulls up. It pulls up out the front. He walks in. He gets into the car. The account gets charged to NDIS. There is no accountability for any client in that respect. There is no linking to the MPTP [Multi Purpose Taxi Program] card system. So these are the issues that we believe should be addressed in order to tighten the system up and also give our dispatchers more fluency for their dispatch.⁵³

Service providers and the costs of the fee-for-service model

2.63 The committee also heard from Barwon service providers about the challenge of moving from a block funding system to one that relies on a fee-for-service. Mr Tony Still from St Laurence Community Support in Lara rejected the notion that the NDIS represented a 'free market' for service providers:

We talk about a free market, but we are not a free market when the prices are set for us. Unlike other health providers, we do not have the ability to co-bill so we cannot provide upskilling for our staff and we also cannot provide the basic repairs for our buildings and all the other things that go with running a business.

51 Mr Peter Valentine, *Committee Hansard*, 14 April 2014, pp 33–34.

52 Mr Peter Valentine, *Committee Hansard*, 14 April 2014, p. 34.

53 Mr Peter Valentine, *Committee Hansard*, 14 April 2014, p. 34.

We are not a free market when we cannot charge for no-shows, and with our clients there is always going to be a fairly highly [sic] number of no-shows. So if one of our buses turns up at somebody's house and they are not available at that time, we do not get paid.

So we are basically stuck between a free market, with all the restrictions that apply, and a government-run type of organisation, with those sorts of restrictions. The charity model in the past has always put the client at the forefront of the business model, and the providers in the Barwon trial site have done that and have attempted to do that right through this trial. It has been to the detriment of the providers. That is all I will say in this first instance. But the premise that we are a free market is certainly not true at this point.⁵⁴

2.64 Other providers in the Barwon trial echoed this sentiment. Ms Libby Mears, Chief Executive Officer of Leisure Networks, told the committee that the price set for some services is simply too low, which acts as a disincentive for providers to innovate. She gave the following example:

The social and community participation rate of around \$34.50 an hour is low. It is lower than what DHS used to fund service providers for connecting people into community activities. The same service in South Australia is \$40 an hour. So we have got two services that are the same but with different rates. That is low. When you are making a loss—and all providers are making a loss on that—you do get a bit risk averse around innovation and the opportunity to be creative. And that is a very critical area. So, when the free market arrives, I expect that that rate will need to rise, but some innovation will come with it as well.⁵⁵

2.65 Mrs Rosemary Malone, the Chief Executive Officer of Gateway Support Services, agreed with Ms Mears' comments on the rate being too low. She also advised the committee that the previous week, a decision was made to stop taking new NDIS clients.⁵⁶

2.66 The inability of service providers to charge for no-shows was confirmed in a response to a question on notice from the NDIA and is also in NDIA's public documentation.⁵⁷

54 Mr Tony Still, *Committee Hansard*, 14 April 2014, p. 30.

55 Ms Libby Mears, *Committee Hansard*, 14 April 2014, p. 36.

56 Ms Rosemary Malone, *Committee Hansard*, 14 April 2014, p. 38.

57 In the Agency's response to question 10 (see Appendix 3), it was noted that the NDIA has encouraged providers to adopt 'reminder' systems used by other service sectors which have a model that accommodates 'no-shows'. It also notes that the subject of cancellations and 'no shows' will be discussed during a joint National Disability Services/NDIS joint working party on pricing for personal care/community access. This working party is due to report to the NDIA Executive 'in the middle of the year' (2014). See also National Disability Insurance Agency, *Support clusters and pricing for Victoria*, Released 12 May 2014.

2.67 Mr Still noted that service providers are expected to make the transition to a fee-for-service model 'without the necessary support and without essential information from NDIS'. He explained that most providers in the Barwon area are small businesses which do not have the resources or the expertise to make the transition to a fee-for-service model within the expected timeframe.⁵⁸

2.68 The committee notes that many service providers in the Barwon site, as in other sites, rely heavily on fundraising and other philanthropic donations. The Motor Neurone Disease Association of Victoria told the committee that even under the NDIS, 80 per cent of its funding will come through fundraising (see also chapter four).

Cross subsidising and fee gouging

2.69 The committee also acknowledges that service providers that are operating wholly within a trial site (or sites) face a quicker transition to a fee-for-service model than those with operations outside the trial sites. For example, Victorian service providers operating not only in Barwon but across the State can continue receiving block funding, while smaller NGOs operating only in Barwon cannot. Larger, broader-based NGOs can cross-subsidise their operation should there be financial losses in making the transition to a fee-for-service model in the trial site. Small NGOs, such as the Geelong Mood Support Group, are unable to do this.

2.70 Mrs Malone, made the additional point about the capacity of larger NGOs to cross-subsidise their operations if they were state based:

The other comment I would make is that there is actually a disadvantage in being a Barwon provider, a regional provider. If you are a state-wide provider, all the rest of your funding across the state continues to be stable, block funded and fully funded whereas we are dealing with multiple issues.⁵⁹

2.71 This issue of cross-subsidisation, and the committee's deliberations on the matter, are discussed at the end of chapter 5 and again in the report's conclusions.

2.72 DHS responded:

...the issues around agencies being concerned about their viability, their cash flow, are conversations that agencies are raising with us and we are raising them on behalf of the NDIA. They are also raising them directly within NDIA. We have also engaged with the NDSV, the peak body provider across the state of Victoria, and we know that there is some work going on within NDSV about preparation for agencies.

There are a whole lot of conversations, but what I am hearing you say is that it has been quite compelling in terms of the number of agencies that are saying that they are concerned about viability and also access to community

58 Mr Tony Still, *Committee Hansard*, 14 April 2014, p. 30.

59 Ms Rosemary Malone, *Committee Hansard*, 14 April 2014, p. 38.

based services. It is something that we obviously need to listen to, talk to our colleagues in NDIA and understand what other things may need to be looked at.⁶⁰

2.73 While the issues relating to the financial viability of service providers should not be downplayed, the committee also received evidence in Geelong that there is scope for service providers to take advantage of the NDIS to fee gouge. Ms Amanda Samek, a participant in the NDIS, relayed her experience:

A lady here spoke earlier about how her physio went up to \$800. I had quotes done for my decking in the backyard. Being a bull at a gate, I rang the council and asked them to send someone out to give me a quote. I then had to hand the quote to the NDIA. The council gave me the quote and the NDIA said, 'Yes, that's fine. You can have that done.' I rang the council back to book in to have the job done. I said, 'The NDIA said that is fine.' The woman at the council said, 'Hang on a minute, you didn't mention the NDIA when you booked the quote.' I said, 'That doesn't make any difference, does it?' She said, 'It makes a big difference.' I said, 'Why is that?' She said, 'Because there is a different labour fee.' I said, 'Can you give me the proper quote, then?' She sent it out, and it was more than double the price.

...

As soon as you mention the NDIA, it is like saying it is a wedding cake, not a normal cake; it just goes through the roof, so I am self managing that too. Every time I go to the physio, I give them the receipt. The NDIA put the money in my account first for about three or four visits and I send them the receipts. I have always got a surplus in there to pay for regular visits and it keeps it at a regular price. I thought that might help other people because as soon as you mention the NDIA, it just goes through the roof.⁶¹

Incorrect plans

2.74 An area of potentially significant expense for service providers—in terms of both time and money—is the task of correcting errors in NDIA's plans. Mr Still estimated that St Laurence has had to spend well over \$500,000 to become NDIS ready. It had employed 'more than four staff' to examine the plans provided from the NDIA to determine whether they are correct and whether they are financially viable. He estimated that 80 per cent of the plans are incorrect and observed that with the speed that the NDIS prepares the plans, there is 'very little consistency in the plans'.⁶² Mr Still also noted that while the cost of many of its participants' plans had gone

60 Ms Anne Congleton, Executive Director, West Division, Department of Human Services, *Committee Hansard*, 15 April 2014, pp 5–6.

61 Ms Amanda Samek, *Committee Hansard*, 14 April 2014, pp 12–13.

62 Mr Tony Still, *Committee Hansard*, 14 April 2014, p. 30.

down, St Laurence has had to make some difficult decisions and advise participants that it can no longer provide the service.⁶³

2.75 Other providers in the Barwon trial concurred that many NDIA plans required amendments which resulted in significant extra unpaid work and costs for service providers. Ms Malone of Gateway Support Services told the committee:

For us, in our respite and recreation programs we have had a large amount of unfunded work. Tony talked about 80 per cent. I asked our staff and they said, with our respite and rec programs, probably 90 per cent of the plans have required further discussion because the rates during the week, on Friday night, on Saturday, on Sunday—are all different and it also depends on whether it is a group or an individual program. And if families say, 'I would like to use some of this and some of that', and it is not in their plan, there is a process of going backwards and forwards so that the plan actually has the things in it that they need. It might be that they have got community participation but there is no travel for them to actually go somewhere. So we have spent a large amount of time doing unfunded work to sort out our plans.⁶⁴

2.76 The committee asked for more detail on the nature of the errors in plans. Mr Still explained:

There are the general mathematical errors where four days at six hours is apparently 30 hours over a week. There are plans that do not add up as far as the interventions are concerned. The plans can be very, very detailed if a person is using a number of different providers, so we are trying to ascertain when we can put the person into a service. The plans can be missing things like transport or services and support that the person has had in the past. So we have a number of people going through those plans with a fine toothcomb.⁶⁵

2.77 The committee emphasises that service providers are not compensated for the additional effort they undertake to correct NDIA plans. The committee notes that many registered service providers have been incurring costs in fixing the NDIA's administrative errors in plans. The committee believes that this should be a responsibility of the Agency.

2.78 In terms of what constitutes a good plan, Mr Still emphasised the importance of a plan meeting the needs of the consumer long term by way of the service and support that they need. He noted that a good plan is one that recognises the value of early intervention in certain areas, where a little bit more now saves further down the track.

63 Mr Tony Still, *Committee Hansard*, 14 April 2014, p. 30.

64 Ms Rosemary Malone, *Committee Hansard*, 14 April 2014, p. 38.

65 Mr Tony Still, *Committee Hansard*, 14 April 2014, p. 31.

2.79 The committee also asked St Laurence to elaborate on why a plan might be considered 'financially unviable'. Mr Still responded:

Financially unviable is where we will be given a plan for 43 weeks on the basis of holidays and various different times when the consumer does not think they will be available, according to NDIS. We still pay our staff 52 weeks of the year, so on that basis a \$22.70-odd an hour plan will not be viable.⁶⁶

Mental health and the financial viability of service providers

2.80 The committee understands that the inclusion of people with mental health illnesses into the NDIS has yet to be settled and remains a matter of immediate and significant concern for the NDIA and federal and state governments. Two key issues were raised at the Geelong public hearing which will be revisited throughout this report. The first is how those with a mental illness will be assessed in terms of eligibility for the NDIS (Tier 3), and what supports will be provided for those who are found to be ineligible and fall into Tier 2. The second issue concerns the end of block funding and how this will affect the financial viability of small organisations that provide mental health support services.

2.81 In terms of eligibility for mental health access to NDIS, Mr Reid Maxwell of the Geelong Mood Support Centre expressed concern at the NDIS criteria of a 'permanent mental health issue' and the process through which a person is assessed for a package of supports. He argued:

We certainly have an issue with the criteria of someone having a permanent mental health issue. It was something that was probably thought about in the 1980s but right now the permanency of mental illness is considered something that does not need to be talked about and, unfortunately, people who have mental health issues, if they do go to the NDIA to get assessed, have a great fear of rejection...They have a great sense of being unable to describe their functionality to someone who is either a planner or an assessor or someone else altogether.

The sense with mental illness is that it is of such an episodic nature. You can have individuals who can do all the things that are on the form at particular times during the year and then at other times of the year they can do nothing on the form. I have seen a number of forms filled out by GPs or by psychiatrists that say, 'This person has no functional deficits.' Their deficits are around emotion and emotionality. I think the NDIA has really missed its mark on trying to encapsulate mental illness and the types of supports that people with a mental illness need. It is not about getting people to do 'human doings'; we are trying to find individual places and responsibilities within our community where they can have a role.⁶⁷

66 Mr Tony Still, *Committee Hansard*, 14 April 2014, p. 31.

67 Mr Maxwell Reid, *Committee Hansard*, 14 April 2014, p. 27.

2.82 Mr Maxwell also argued that the NDIA needs to be more focussed on ensuring that a person with mental illness 'can take control of their lives, can have a role to play in the community and can put back knowledge into the community'.⁶⁸ He called for greater incentives to encourage people to rejoin society and finish their program of supports.

2.83 The committee notes that Mr Eddie Bartnik has been appointed as a strategic adviser to the NDIA to address the issue of Tier 2 supports, and to identify the type of supports available to people with a mental illness.⁶⁹ Moreover, the committee draws attention to the lack of a fully-developed Tier 2 strategy and recognises that as a consequence, many people feel vulnerable and at risk. This report recommends that action is needed—through the Council of Australian Governments—on a Tier 2 strategy as a matter of priority (see chapter 6).

2.84 The second issue concerning mental health services under the NDIS relates to the viability of the providers. The committee heard concerns that small mental health support service providers, which had previously attracted block funding, would not be financially viable under a system where funding is on the basis of individuals paying from their NDIS packages. Mr Felix Firgaira, a client of the Geelong Mood Support Group, put the dilemma as follows:

They used to get funding for the whole of the group and now the funding needs to be through individuals who get some sort of a package and then the funding will be made according to the number of people. If they had 100 members that were part of the group before, now they have got to try and get 100 people to apply for a package and some of those 100 may not qualify. There may be some whose disability is not bad enough according to their doctor.⁷⁰

2.85 Mr Maxwell told the committee that in addition to this broad transitional issue, the Mood Support Centre, as a registered service provider of the NDIS, is not able to access any of the \$121 million of funding for Disability Support Organisations (DSOs).⁷¹ The committee queries why the Geelong Mood Support Centre is not eligible for DSO funding and seeks clarification from the NDIA as to why this is the case.

2.86 At the public hearing on 15 April 2014, the committee asked the Victorian Government to respond to concerns that organisations, such as mental health providers, that are not funded to provide people with individualised types of supports,

68 Mr Maxwell Reid, *Committee Hansard*, 14 April 2014, p. 27.

69 National Disability Insurance Agency, *Former mental health commissioner to advise NDIA*, <http://www.ndis.gov.au/former-mental-health-commissioner-advise-ndia> (accessed 20 June 2014).

70 Mr Felix Firgaira, *Committee Hansard*, 14 April 2014, p. 14.

71 Mr Reid Maxwell, *Committee Hansard*, 14 April 2014, p. 28.

will be lost in the transition to the NDIS. Ms Anne Congleton from DHS appeared to doubt whether these organisations would be lost:

Some of it is about the interactions with the mental health agencies and, as they are looking at phasing coming through, the importance of upping the understanding and the discussions that are going on. Sometimes it is about real issues and sometimes it is about the uncertainty that exists for them about changes and what may be. From a local point of view, that is in our sights in terms of making sure that we are working with the mental health providers as closely as possible to understand what it may mean and what it will mean.⁷²

2.87 DHS also told the committee that the provision of mood support services under the NDIS is 'a complex issue and one that we are still trying to work towards over a full scheme'. It noted that DHS, the Commonwealth and other state governments are currently working on how to address these advocacy and support issues.⁷³

2.88 In June 2014, the committee received correspondence from Psychiatric Disability Services of Victoria, the peak body for community managed mental health services in Victoria. It noted that clients and families were reporting negative experiences about the NDIS planning process, particularly the lack of time in this process to appropriately identify and meet needs. It highlighted the following issues:

- the price of supports for people with mental illness are inadequate;
- the rest of Victoria is funded at a different cost under the reform, putting Barwon services at a disadvantage;⁷⁴
- the financial burden on services in the transition process is significant, with no allocation of resources;
- there is a lack of clarity around how the needs of Tier 2 clients will be met;
- only face-to-face time is funded, with no recognition of the additional time required for complex case support;
- there is a lack of understanding and recognition of workers' skills and qualifications, and what is needed in the workforce to provide effective support for people with mental illness;

72 Ms Anne Congleton, Executive Director, West Division, Department of Human Services, *Committee Hansard*, 15 April 2014, p. 5.

73 Ms Chris Faulkner, *Committee Hansard*, 15 April 2014, p. 5.

74 The committee clarified this point with the NDIA. The Agency responded that while providers in the Barwon region are now subject to the NDIA arrangements which differ in detail from those under the Psychiatric Disability Rehabilitation and Support Service (DRSS) contracts with the Victorian Government, this does not in itself create a disadvantage for providers. Further, the NDIA noted that there are ongoing regular discussions with providers locally to assist them to understand the structure of supports and prices available to the funded by the NDIA. *Correspondence received 25 July 2014*.

- there is an unrealistic expectation of the capacity of services to be able to meet demand;
- the timeframes for funding and client transition are in conflict impacting on service viability; and
- there is lack of support for services in the transition and for their input into development and review of the process.⁷⁵

Relationship between the NDIA and providers

2.89 Engagement with peak groups and service providers is critical to the success of the NDIS. On this matter, the committee heard evidence from the Motor Neurone Disease Association at the Geelong hearing:

We have made a number of suggestions to the NDIA. One is about bundling for people who have a progressive neurological condition, whereby they should automatically have a small selection of the core needs that we know every person, for example with motor neurone disease, has—some funds to rent equipment; some funds for complex case coordination; and some funds for, for example, respite care. The proposal was put to the NDIA and whilst it was received enthusiastically at the top, it went down like a lead balloon the further through the organisation we went. But we still believe that the NDIA is not drawing on the skills, knowledge and experience of the organisations particularly in this area. We tend to find that we have been treated like the enemy. Communication was very poor. In the last two months there has been a remarkable turnaround. I think the second quarter report has actually raised the issue of more effective use of resources that exist in the community and being able to actually return emails and provide information when it is requested.⁷⁶

2.90 The Chief Executive of the Association, Mr Rodney Harris, told the committee that automatically bundling supports for people with Motor Neurone Disease would take the NDIA less than three hours to complete a first-up plan. He added: 'It is a business decision. It is a sensible business decision and a cost-effective decision that we are putting to them'.⁷⁷

2.91 At the time of giving evidence, some Barwon-based service providers shared concerns that the NDIA had failed to strategically engage service providers to date. Ms Libby Mears, Chief Executive Officer of Leisure Networks stated:

Although engaging at the operational level is important, there are probably more opportunities for providers to engage to inform some of the strategic directions so that our experiences might improve and so that we are actually

75 Correspondence from Ms Kim Koop, Psychiatric Disability Services of Victoria, dated 12 June 2014, received 12 June 2014.

76 Mr Rodney Harris, *Committee Hansard*, 14 April 2014, p. 32.

77 Mr Rodney Harris, *Committee Hansard*, 14 April 2014, p. 32.

all part of moving forward together. I will leave it at that. I think the providers are probably not as engaged as they could be. There are a lot of day-to-day challenges, but in talking about strategic opportunities, I think that would be really valuable.⁷⁸

2.92 The committee notes that the NDIA is now moving to greater engagement with the disability sector by hosting regular forums to hear the experiences of participants and providers.⁷⁹

Housing issues

2.93 A challenge common to all trial sites is the issue of housing and in particular, the high level of unmet need for a range of different housing options. The committee emphasises that housing for people with disability has been a significant issue for some time. It has in no way become a problem because of the NDIS. Indeed, the NDIS is an opportunity for governments to fix the problem. This will require strong leadership from the federal government (see chapter 6).

2.94 The transition to the NDIS is occurring at a time when state governments are 'deinstitutionalising' their disability accommodation centres. In practical terms, this means that people currently within these centres will be moved into supported accommodation within the community. In Victoria, the state-run centres are the Colanda and Sandhurst Residential Centres. As shown in Table 2.2 at the beginning of this chapter, residents of Colanda will be brought into the NDIS in September 2014.

2.95 At the Geelong hearing on 14 April, housing was raised in various contexts. All the issues related to the capacity of persons with disability to find appropriate supported accommodation in the community. Miss Kirrily Hayward, a 26 year old currently residing in an aged care facility in Geelong, told the committee:

My primary condition is spina bifida, L4-5, and wheelchair bound as a result. I am fairly independent and can do most things myself. I am fiercely outgoing and very active. But the thing that is holding me back is my current health condition and the fact that I am residing in an aged-care facility to receive treatment. The issue I find the hardest has been trying to transition out of aged-care and find the facilities for me. There are only six supported accommodation facilities within the Geelong and Surf Coast region. I have also noted that I fall into the nice little gap where I am fiercely independent, fiercely outgoing and can look after most aspects of my self-care but I still need that extra bit of psychosocial support, medical care plus a little attendant care support, and I have trouble when I am reviewed or assessed for any such supported accommodation because, realistically, as an entity I can only tick one or two of those boxes. I do not

78 Ms Libby Mears, *Committee Hansard*, 14 April 2014, p. 36.

79 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, pp 3-4.

fit all the criteria. Hence, the reason that it has taken me so long to find appropriate accommodation to fit my needs.⁸⁰

2.96 DHS has noted that the *Younger People in Residential Aged Care* initiative concluded in 2011. Over five years, the initiative delivered:

- 104 new, purpose-built accommodation and support places at 22 sites;
- allowed 50 persons to remain in their homes or other private accommodation; and
- delivered 70 individual support packages to enhance the quality of life for younger people still living in residential aged care services.⁸¹

2.97 DHS noted that younger people with disability living in or at risk of entering residential aged care have priority status on the DSR for access to individualised support packages and/or vacancies within supported accommodation when they become available.⁸² The issue of young people living in residential aged-care is revisited in chapter 4 of this report.

2.98 Ms Croft had a different accommodation problem. As she explained:

I have a 30-year-old son who suffers from significant cognitive impairment ...We are completely stymied in Victoria, over developing accommodation, because of fire sprinklers. As I understand it, we have the most stringent regulations of any state. My son does not need to have someone leaning over his shoulder all the time, but he does require to be supervised, which means he needs to have a sleep-over. Nobody can give me the exact answer why—it may lie in the Building Code. I have explored the DHS regulations. I believe that applies to houses funded and managed by DHS, but it may not apply where we have got Commonwealth funding.

I, with a group of people, was looking to rent a house. We thought it would be quite easy: 'Let's go and rent a house. We'll have four bedrooms. We'll put three participants in, and the fourth bedroom will be for a sleep-over.' 'Oh, where is your fire sprinkler? You're not going to get a landlord to put in a fire sprinkler, are you?' A housing association said, 'Not a problem. We're providing accommodation for your son; that's all we're doing.' But now they are getting a bit nervous because it is morphing into a workplace—as well as needing sprinklers. We went to a service provider who initially said 'That's quite easy, we'll provide supports. Oh, no fire sprinklers!' So they are pulling out.

The only possible way we might be able to do this is if we employ the support workers ourselves. Frankly, I am not going to risk my assets to do that, nor do I want to be in a position where I am working full time to support my son. The whole point is for him to become independent. He is

80 Miss Kirrily Hayward, *Committee Hansard*, 14 April 2014, pp 22–23.

81 Department of Human Services, *Answers to questions on Notice*, received 5 June 2014, p. 3.

82 Department of Human Services, *Answers to questions on Notice*, received 5 June 2014, p. 3.

going to be less of a liability on the state system—and I use that broadly. If he can morph into independent accommodation, we can look at electronic surveillance; down the track, there are a whole lot of things we can start to look at. But, if it remains in the position he is in now, he is going to be a very big liability to the system.⁸³

2.99 Ms Croft told the committee that what is needed to resolve the current situation is collaboration between all tiers of government and housing associations. She emphasised that people with disability have different accommodation needs and it is not as simple as pooling resources and moving in.⁸⁴

Committee view

2.100 This chapter has outlined the main challenges and achievements of the Barwon trial site as presented to the committee on 14 and 15 April 2014 in Geelong. As noted at the outset, it is by no means a comprehensive account but it has identified those matters that witnesses thought—in their experience—were the achievements and issues of most concern in the progress of the trial.

2.101 The committee itself has a number of concerns arising from the evidence that it heard in Geelong from participants and service providers. It has pursued these matters in questions to NDIA and DHS officials on 15 April 2014 (see Hansard transcript) and in written questions on notice to the NDIA (see Appendix 3) and DHS (see Appendix 5). The committee is pleased that at least on some of these issues, there has been greater progress.

2.102 Two themes developed in this chapter recur throughout this report. The first is the culture of the NDIA and its need to improve the format, style and responsiveness of its communications with participants, their families and service providers. For many people, the experience of participating in the NDIS was very positive. However, other evidence from the Barwon trial site indicates there is a need for the Agency to focus on the participant and carers, rather than prioritising compliance with processes over their needs.

2.103 The second issue relates to the long term development of the disability support sector in the Barwon region. The committee seeks the Agency's response on the issue of how much has been spent and committed from the NDIA's Sector Development Fund in Victoria. In particular, the committee seeks information on the cost of grants delivered, to whom and for what purpose.

2.104 These and several other themes identified in this and subsequent chapters will form a baseline for examination and reporting by this committee.

83 Ms Krystyna Croft, *Committee Hansard*, 14 April 2014, p. 23.

84 Ms Krystyna Croft, *Committee Hansard*, 14 April 2014, p. 24.

Chapter 3

The Tasmanian trial site

3.1 This chapter presents the committee's evidence from the Tasmanian trial site. Again, the focus is on the achievements and the challenges of the National Disability Insurance Scheme (NDIS) in the trial site in its first nine months of operation.

The public hearings

3.2 The committee held public hearings in Hobart on 16 and 17 April 2014. On 16 April, it took evidence from 3 participants, a carer and 15 service providers. On 17 April, the committee heard from Tasmanian Department of Health and Human Services officials and Tasmanian-based National Disability Insurance Agency (NDIA) officials.

3.3 On 16 April, the committee held an 'in-camera' session to take evidence from an NDIS participant and from service providers in the Tasmanian trial.

3.4 The committee's public hearings in Hobart raised a number of issues specific to the progress of the Tasmanian trial site. These include the challenge of supporting people with disability in making the transition from study to a work environment, and providing NDIS participants with services in remote parts of the State.

Progress of the Tasmanian trial site

3.5 The first stage of the NDIS in Tasmania started on 1 July 2013 and will provide support for people with significant and permanent disability between the ages of 15 and 24. This is a critical life stage for young people with disability, their families and carers. The Tasmanian trial will provide valuable information about how best to support young people in the transition from school to work or further training.¹

3.6 Table 3.1 presents the statistics of the Tasmanian trial site up until 31 March 2014. It shows that the bilateral agreement between the Commonwealth and Tasmanian Governments planned for a total of 792 participants over 2013–14 in the trial site. Up to 31 March 2014, there had been 744 access requests, 685 participants had been accepted into the Scheme, and 585 participants had plans. The committee notes that Tasmania is on track to meet its intake target under the bilateral agreement.²

1 National Disability Insurance Agency, *National Disability Insurance Scheme Sector Development Fund Program Guidelines*, February 2014, p. 4, <http://www.ndis.gov.au/document/764> (accessed 23 July 2014).

2 Seventy-four per cent of the planned intake for 2013–14 had been achieved after nine months of the trial. See Table 3.1.

3.7 In the first nine months of the Scheme, the Tasmanian trial site recorded the most number of days of the four trial sites in terms of the average length of time from the access request to plan approval. Notably, there was not a single request for a review of a decision in Tasmania until 31 March 2014.

Table 3.1: Key statistics of the Tasmanian trial site (after 9 months)

	Tasmania	Barwon	South Australia	Hunter
Number of participants in bilateral agreement	792	4,076	1565	3000
Number of participants with plans, 31 March	585	2,113	979	1,724
Access requests	744	3,108	1,449	2,720
Accepted as eligible	685	2,495	1,152	2,042
Ineligible (i)	19	205	116	461
Other (ii)	59	613	297	217
Average days from access request to plan approval	56	49	51	54
Average time from application to commencement of services	90	101	76	79
Review of decisions	-	26	12	14
Participants accessing mainstream services (% of total)	76	92	88	68

Source: National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014.

3.8 The committee observed a relatively smooth and well planned implementation process for young people transitioning to the NDIS in the Tasmanian trial site. The NDIA appears on track to meet the targets in the bilateral agreement. The Tasmanian trial site manager, Ms Sue Ham, told the committee that 'we will be phasing in 80 per cent of the around 1,000 young people that will be involved in the trial in the first year'.³

3.9 The committee was particularly impressed by the relationships that have been forged between the NDIA and the non-government sector and the maturation of non-government service providers.

3.10 Of particular note, with the exception of housing and respite services, there are now no waiting lists for young people with a disability in Tasmania. The issue of waiting lists for equipment is discussed later in the chapter.

3.11 One of the key challenges for the NDIS is to effectively manage complex life transitions. The main transition in the 15-24 age cohort is the shift from a school to a work environment. The Tasmanian trial site manager and her team demonstrated to the committee a very good appreciation of this issue and are planning accordingly.

3 Ms Sue Ham, Tasmanian trial site Manager *Committee Hansard*, 17 April 2014, p. 15. The intake number in the bilateral agreement in Tasmania for 2013–14 is 792 people.

Table 3.2: Phasing arrangements in the Tasmanian site

Category of participant	Date of transition				
	1 July 2013	1 October 2013	1 January 2014	1 April 2014	1 June 2014
A person who is receiving, or on the needs register for, an individual support package or a community access package					
A student with a disability who has finished school in 2013					
A person receiving formal out of home care provided by the Tasmanian Government					
A person who is receiving community based mental health services provided by the Tasmanian Government					
Client of Australian Government Personal Helpers & Mentors					
A student with a disability aged at least 15 and under 18; A person who is receiving flexible respite assistance					
A person who is receiving therapy funded through Tasmanian specialist disability services					
A person living in large residential care facilities; A person who is receiving therapy funded through Tasmanian specialist disability services					
A person living in large residential care facilities					
A person who is receiving supported accommodation services and doesn't live in a large residential care facility					

Source: Fact Sheet: *Entry for existing clients of Australian and State Government funded disability programs – Tasmania*, <http://www.ndis.gov.au/document/234>

Phasing participants into the Scheme

3.12 Table 3.2 (above) shows the phasing schedule for participants in the Tasmanian trial site for the first year of operation (2013–14). The gradual intake has been designed to ensure that everyone who meets the access requirements of the Scheme receives the appropriate level of supports. The priorities for the first year have been young people with disability in the 15–24 year old age cohort with Individual Support Packages or Community Assistance Packages, those transitioning from state care (formal out of home arrangements), and 2013 school leavers.

3.13 Table 3.3 shows that all 58 Tasmanian respondents to the NDIA's survey indicated that their experience of the planning process was either 'very good' or 'good'.

Table 3.3—Participant feedback

YTD	Total responses	Very good	Good	Neutral	Poor	Very poor
Overall, how would you rate your experience with the planning process today?	784	571 (73%)	169 (22%)	33 (4%)	10 (1%)	1 (0.1%)
NSW	179	148	27	4	0	0
South Australia	272	157	83	21	10	1
Tasmania	58	52	6	0	0	0
Victoria	275	214	53	8	0	0

Source: National Disability Insurance Agency, correspondence received 8 July 2014.

3.14 The committee was interested in the extent to which the Tasmanian trial site's success to date can be attributed to geographic and demographic considerations (the 'contained' nature of the trial site, the small population size and stable community of clients who do not move as frequently). Ms Ham acknowledged that although it was a contained space with fewer participants, the comprehensive engagement strategy⁴ used to build strong relationships could be just as effectively employed by other jurisdictions.⁵ She noted that close arrangements with peak bodies, such as the Mental Health Council and National Disability Services, and regular conversations with participants, families and providers had meant that key issues were dealt with effectively through a number of channels.⁶

3.15 The committee notes that the Tasmanian trial benefitted both from the 'contained' nature of the trial site as well as the engagement strategy. These aspects facilitated strong relationships across a range of stakeholders. The committee is of the view that this framework of engagement could be effective in other jurisdictions.

3.16 The committee recognises that the Tasmanian trial has benefitted from the availability of comprehensive data from the state government and the Tasmanian gateway service about people with disabilities. In particular, having access to participants' contact details enabled tailored consent processes and early planning measures to be established prior to 1 July 2013.⁷

3.17 The General Manager of Baptcare, Ms Marita Scott, stated that:

We have identified early indicators of unmet need which include accommodation, respite and access to services in rural areas. Rural areas

4 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 16.

5 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 23.

6 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 16.

7 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 15.

require recognition of the cost implications of providing services across large geographic regions with small participant numbers.

We view the Tasmanian approach as scalable and able to respond to some of the issues experienced within the other launch sites. The key element that underpins the Tasmanian success is the creation of a robust partnership between government and the non-government sector.⁸

3.18 Local Area Coordinators (LACs) in Tasmania operate in a different structure than in the other trial sites. Ms Scott noted that she believed that outsourcing of the LACs should be expanded into all jurisdictions and that Bapcare would encourage the outsourcing of other key functions of the NDIS such as assessment and planning.⁹

Achievements of the Tasmanian trial site to date

3.19 As in the Barwon trial site, the committee heard various achievements that had been made in the rollout of the Scheme in Tasmania over the previous nine months. This section discusses the following achievements:

- participants' positive feedback;
- waiting lists reduced;
- the pre-existing 'Gateway' model in Tasmania;
- the interface with mainstream services and the School Transition Project; and
- the NDIA's improving communications with service providers.

Participants' views

3.20 As in Barwon, the Tasmanian trial site manager commented that participants had expressed strong satisfaction with the planning process and their outcomes:

Ninety-five per cent of participants who have completed the surveys that have been undertaken by the agency have indicated their strong satisfaction with the process in the planning conversations that they have had with the agency and with the outcomes that they have had to date.¹⁰

3.21 Chapter 6 notes some suggestions to improve the NDIA's surveys.

3.22 At the time of giving evidence, the NDIA reported they had received two compliments and 12 complaints, but no requests for internal review.¹¹

8 Ms Marita Scott, General Manager, Bapcare, *Committee Hansard*, 17 April 2014, p. 2.

9 Ms Marita Scott, *Committee Hansard*, 17 April 2014, p. 2.

10 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 15.

11 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 15. The complaints pertained to the planning process, issue of funded supports in plans and timeliness of responses and providers.

3.23 The committee also received some very positive stories from participants and their family members about the impact of the NDIS in the Tasmanian trial site directly. Mr John Coyle, a father and full time carer of three children, two of whom have severe intellectual disabilities, spoke of the challenges of the previous block funded system:

...in accessing the block funding we always found ourselves at the tail end. You are triaged and put on what was available, and you got what I would deem the minimum. You were always filling in forms even though my children are deemed permanently disabled from a congenital condition. We were asked to fill in forms and confirm that every two years. That is with Centrelink, that is with disabled services and that is with state government. You tell your story over and over and over again.¹²

3.24 Mr Coyle explained that under the NDIS, his situation has now improved dramatically:

With the advent of the NDIS we are given a lot more individual control. We go armed with the funding; so, when we approach a service provider, we are spoken to differently, we can tailor our situation and my children's development can be targeted... That was non-existent before...

The NDIS is probably a godsend for us and I hope it continues. This is not about holidays overseas or new cars; it is about the basic quality of life, lifting it up to become a community member, accepted at a basic level just to get out there and enjoy the sunshine. Now I have one-on-one support for my daughter, I can be the carer for my son. We can go out as a family unit and I do not have to constantly worry about traffic and people's perceptions etcetera...¹³

3.25 Mr Coyle had immense praise for his NDIA planner and a planning process which facilitated the development of a flexible, 'living' document:

All in all, from inception to now, the NDIS has been nothing but positive for us. It has been hard work. There has been a lot of negotiation and there are some absolutely wonderful people behind it. I tell you what, my planner at the NDIA was second to none—compassionate and caring, someone who came to my home, sat down and got every detail. The result is a living document and, for me, that is the beauty of it. It is a living document. We have already fine-tuned it once and it is still an open book. So while that is happening, I am a more relaxed person and I have a better and more positive outlook for my children's futures.¹⁴

12 Mr John Coyle, *Committee Hansard*, 16 April 2014, pp 1–2.

13 Mr John Coyle, *Committee Hansard*, 16 April 2014, pp 1–2.

14 Mr John Coyle, *Committee Hansard*, 16 April 2014, pp 1–2.

3.26 Mr Coyle also told the committee of some of the changes which he is seeing in his children as a result of having more choice and control in the selection of providers:

That is a crucial key with my kids—being repetitive and consistent. If you chop and change that, you go three steps forward and two steps back. This is about a slow progressive development. When they employed someone, they included me in the selection process. They let me read the résumés and they thought about how the applicant was going to adapt to my child's needs. We have never had that opportunity before. It puts so many positives into my children's lives in that they are not second-guessing who is coming the next day and how they are going to be treated.¹⁵

...

3.27 Ms Ham also told the committee:

One compliment that I can recall was high praise for their planner—the creativity and the approach that that planner took with a participant and family. This planner is a very visual planner and so works in a very visual way with those participants to draw out what the goals and objectives are. So she went back to do the final plan presentation, and the family still had the sticky notes up on the wall because they had such confidence in that planning process.¹⁶

Waiting lists reduced

3.28 The NDIA told the committee that with the exception of those seeking housing and respite services, there are no waiting lists in the Tasmanian trial site.¹⁷ However, the committee had heard that there can be long wait times for equipment in Tasmania, particularly for prosthetics.

3.29 The committee asked the Tasmanian Government to comment on the strategies that it has available to assist a participant if equipment cannot be made available. The Tasmanian Department of Health and Human Services (DHHS) explained that:

The former State Government committed an investment of \$1 million per annum over four years to reform the current service provision and to provide additional funding for equipment and assistive technology...

15 Mr John Coyle, *Committee Hansard*, 16 April 2014, p. 2.

16 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 23.

17 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 16.

The program is expected to be fully operational by December 2014. In the interim, any waiting lists are currently being managed with high priority clients being targeted for funding.¹⁸

3.30 Mrs Ganley of DHHS told the committee that there may be waiting lists in terms of NDIS participants accessing equipment. As she explained:

Our equipment program is run through the health side of our business, so it is sitting outside the trial.

...

The access to a package would assist with purchasing equipment, but if there is a waiting list to get that piece of equipment to the state, then that would apply.¹⁹

The pre-existing 'Gateway' model

3.31 A significant factor contributing to the success of the Tasmanian trial site has been the State's 'Gateway' model, which has been in operation since July 2009. The Gateway model is unique to Tasmania. It is a centralised intake point for people with a disability providing an entry point for the intake, referral and allocation of disability care packages.²⁰ Under this model, the delivery of disability services is a collaborative effort between the Tasmanian government, Mission Australia and Baptcare.²¹ Baptcare and Mission Australia work with mainstream and specialist disability support organisations providing services to more than 6,500 Tasmanians with disability.²² Previously, these services were run by the State Government. The committee was told that the current arrangement will continue for another three years.²³

3.32 The information from the Gateway has assisted to expedite the process of moving eligible people with disability in Tasmania into the NDIS planning process. Ms Scott told the committee that outsourcing Local Area Coordinator (LAC)

18 Tasmanian Department of Health and Human Services, *response to question on notice number 2*, received 23 June 2014.

19 Mrs Ingrid Ganley, Director, Disability and Community Services, Tasmanian Department of Health and Human Services, *Committee Hansard*, 17 April 2014, p. 8.

20 ProBono, *NDIS Gateway model already operating in Tasmania*, <http://www.probonoaustralia.com.au/news/2011/08/ndis-gateway-model-already-operating-tasmania#> (accessed 14 February 2014).

21 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 15. Baptcare and Mission Australia act as a partnership to serve different regions of the State. Baptcare provides Disability Gateway services in the South West and North regions of Tasmania while Mission Australia provides these services in the South East and North West regions of the State.

22 Tasmanian Department of Health and Human Services, *Mid-term Review of Disability Gateway Review Report*, November 2013, p 6.

23 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 15.

functions to the community sector has led to positive outcomes for participants. She elaborated:

The LACs have been involved in the development and implementation of high-quality plans, they participate in handover and ensure that accurate information is available during the planning process.

The LACs work with the participant providers and planners to implement a plan that is responsive to their individual needs. We note that participants are often anxious about current and future needs, and our role is to reassure participants that the planning process will accurately respond to their needs and that over time different supports are built in as required.

We see considerable value to LACs being embedded in the community as they act as the bridge between the agency and the sector. On the occasion that a plan requires adjustment, the local area coordinator supports the participant to advocate for these changes. LACs are able to be the conduit to assist a conversation between participants, service providers, the agency, and to rapidly amend plans to ensure they meet the clients' needs and reduce any potential perceptions of conflict of interest. LACs work with the service providers to be flexible and creative in their response to individual participants' needs.

Experience over the trial period has been that LACs provide a seamless client pathway. The community development aspect of the LACs role assists service providers and mainstream agencies to include people with disabilities.

We have received feedback from the sector of high satisfaction with the roles and function of the LACs.²⁴

Interface with mainstream services

3.33 The NDIA's *Third Quarterly Report* shows that 76 per cent of Tasmanian participants with plans are accessing mainstream services (447 participants of 585 people with plans).²⁵ The NDIA in Tasmania reported some success in establishing an interface with mainstream services by establishing early, strong working relationships with mainstream partners, particularly education providers. The trial site is currently piloting the School Transition Project which looks at improving the pathway for young people from school into employment through an integrated planning model.²⁶ This model is also being replicated with mental health and employment services,²⁷ although the committee was not provided with specific details. The committee is encouraged by this approach and emphasised the importance of continuing to ensure

24 Ms Marita Scott, *Committee Hansard*, 17 April 2014, pp 1–2.

25 National Disability Insurance Scheme, *Quarterly report to COAG Disability Reform*, 31 March 2014, p. 34.

26 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 16.

27 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 16.

that all parties maintain a concerted effort to resolve the challenges posed by complex interface arrangements.

The School Transition Project

3.34 The School Transition Project was developed to integrate planning for students with disability in years 11 and 12 through a series of meetings. It brings together a number of key stakeholders including the NDIA, Disability Employment Services, the Department of Human Services, Australian Disability Enterprises (ADEs), the school and the student. This model looks to streamline an otherwise complex transition process which potentially involves up to four different plans: one with the NDIA; another with the school; one with a disability employment service provider; and a fourth related to the receipt of the Disability Support Pension (DSP). The NDIA's primary function in this project is to:

...ensure that relevant personal supports are in place. A student's Individual Education Plan is updated by school staff to reflect their integrated goals. A final school/NDIA planning session is held in term 3 of year 12 to ensure that all efforts are aligned in preparation for a student to transition from school. A representative of the chosen post-school activity (e.g. TasTAFE, DES (open employment) or ADE (supported employment) may also be present if appropriate.²⁸

3.35 The committee asked the NDIA for examples of how the School Transition Project for people with disability in Tasmania is working and how many people have successfully made this transition, compared to the previous capped system. Ms Ham told the committee that 130 young people are now getting these services under the NDIS.²⁹ Through close collaboration and a Project Advisory Group that includes key stakeholders, the approach to developing these separate plans is reported to be working well.³⁰ On notice, the NDIA listed the following achievements of the School Transition Project to date:

- the establishment of a Project Advisory Group;
- the development of a Best Practice Guide endorsed by key stakeholders, incorporating the Integrated Planning Model;
- an engagement strategy developed and commenced with State and Catholic Education Colleges and High Schools: "Informing Aspirations" Forums scheduled for the week of 10 June 2014 to;
- develop a clear implementation plan and working arrangements for State-wide roll-out in term 3 of 2014; and

28 National Disability Insurance Agency, *response to question on notice no 11*, received 16 June 2014, p. 12.

29 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 21.

30 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 21.

- establish roles and responsibilities state-wide; and
- commencement of negotiations with Department of Social Services (DSS) to gain limited access to ESS for NDIS staff.³¹

Communication with service providers

3.36 Service providers in the Tasmanian site noted the evolutionary nature of the planning process, and were optimistic that recent measures would improve the planning process. In particular, providers welcomed the apparent shift in the NDIA's attitude to consulting with them about the planning process:

...there has been a fairly significant shift from not talking to providers and not seeking the appropriate information to actually now coming and talking to us, because the tos and fros between the agency and service providers—of which the family are the tennis ball in the middle—were pretty complex with up to as many as four or five iterations. That is not anyone's fault. We are learning as we go; and, through that process, sometimes clients who are not able to advocate well for themselves or their families who do not fully understand the service suite or do not have the language of the sector come back with a plan that is not sufficient to meet their needs. A lot of our clients and their families are disadvantaged. They are not working. They have poor literacy. There are a number of compounding factors that make that journey a lot more difficult for those families under the arrangement as it is. It is improving, but there has been a process of learning and getting that right.³²

Challenges for the Tasmanian trial site to date

3.37 As with the Barwon trial site, there are several challenges facing the Tasmanian trial, many of which relate to the capacity of the market to deliver services. This section discusses the following challenges:

- the planning and assessment process;
- the role of advocacy;
- the flexibility and self-management of plans;
- the enactment of plans;
- providers' transition to a fee-for-service model;
- gaps in service provision, particularly respite services;
- achieving greater economic participation for participants;
- training and qualifications for disability support workers;
- service providers and travel costs;

31 National Disability Insurance Agency, *response to question on notice no. 11*, received 16 June 2014.

32 Mr Drew Beswick, *Committee Hansard*, 16 April 2014, p. 24.

- the interface with mainstream services; and
- accommodation and housing.

The planning and assessment process

3.38 Notwithstanding the positive accounts discussed earlier, further work is still required in Tasmania around the planning and assessment process. Ms Ham acknowledged that one of the shortcomings of the planning and assessment processes, in the early stages at least, was the absence of a proper method or adequate data to identify all the existing supports for people transitioning into the Scheme. Amendments to the plan were frequently required as a result.³³ At times this occurred when participants and their families did not know which of the supports they were receiving were funded. To address the issue, the NDIA has been working with the state implementation team to obtain more information about the funded supports each individual is currently receiving through the state.³⁴

3.39 The NDIA also reported it has been trialling pre-planning workshops in Tasmania, drawing on the successes of these workshops in Barwon and South Australia. In these launch sites, these workshops had a positive impact on preparing participants for the planning process. It is hoped that these workshops will assist participants better prepare for the planning conversation by encouraging them to look at their goals and aspirations and receiving information.³⁵

3.40 Ms Ham told the committee that as part of the trial site team's engagement strategy over the next three years, the intent is to have a more structured approach to receiving ongoing feedback. She explained that as part of this approach, the NDIA will continue to support its staff through training and development that embeds the culture and values of the agency as a learning organisation.³⁶

3.41 The committee did hear from a service provider that NDIA planners were under some workload pressures, which had meant less access to the planner for the service provider. Ms Louise Sullivan from Able Australia told the committee that while planners are 'really hard working', her preferred option of working with the planner was not always possible. Instead:

...we have to work with a case manager. One of the reasons we have been told is, 'We're too busy now because it was trickling in and now there's a tsunami of clients, so we can't talk to you,' so we have to go through a case manager.³⁷

33 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 16.

34 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 16.

35 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 16.

36 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 18.

37 Ms Louise Sullivan, *Committee Hansard*, 16 April 2014, p. 22.

The role of advocates

3.42 The committee heard in Hobart of the need for better advocacy and support through the planning stage and in the process of self-management. Mr Coyle told the committee that while his experience was overwhelmingly positive, there is generally a lack of advocacy and information about the supports that are available:

What is needed is someone who understands the system to sit down with people and actually explain to them what is available and how it is going to work.

...

I was fortunate I had a wonderful planner and a lot of people I spoke to said the planners who worked with the NDIA were just wonderful. But some people cannot convey their message, they cannot get across what their needs are, so I think there is a need for advocacy and a keener assessment of what support is out there to tailor for these people. What I struggled to find was the information that was available about what was provided by service providers, how many of them there were, how they were funded and who has access to them. That is quite confusing.

...

The local area coordinator should have all that information about everyone that is available, about who was providing what in Tasmania.³⁸

3.43 Mr Coyle told the committee of the need for independent, trusted and well-founded advice for participants about the nature of services provided by all organisations, not just those in the mainstream.³⁹ To this end, he recommended the development of a handbook.⁴⁰ The Chief Executive Officer of Guide Dogs Australia, Mr Daniel English, suggested drawing on the existing model used by the Department of Veterans' Affairs of a 'trusted intermediary' for an automatic assessment of the suite of services available to them prior to the planning conversation.⁴¹

The flexibility and self-management of plans

3.44 The committee also received evidence in Hobart on the level of flexibility associated with the self-management option, and the assistance offered to those who choose this option. The experiences of those who have chosen this option have varied.

3.45 Mr Coyle expressed satisfaction at the level of flexibility he has had as a self-manager of his children's plans. In contrast to the experience of some witnesses at the hearing in Geelong, Mr Coyle was informed that any need to change times or dates of

38 Mr John Coyle, *Committee Hansard*, 16 April 2014, p. 5.

39 Mr John Coyle, *Committee Hansard*, 16 April 2014, p. 6.

40 Mr John Coyle, *Committee Hansard*, 16 April 2014, p. 5.

41 Mr Daniel English, *Committee Hansard*, 16 April 2014, p. 33.

a pre-arranged activity could be achieved by approaching the service provider directly (instead of the planner). Although he was also aware that he could employ someone himself if he wished to, this raised other challenges around the legislative frameworks in place at a state level that did not necessarily support this from happening in practice:

I have spoken to a few parents who have said, 'We are thinking about employing someone ourselves and creating a contract and doing all that sort of stuff', but they would then have to look at what the business overheads are, with workers compensation, public liability and all those things that come into it. That is why I opted for established businesses.⁴²

3.46 The committee was pleased to see that the NDIA is working toward improving the process for self-managing with participants and their families.⁴³

The enactment of plans

3.47 Tasmanian service providers reported incidences of participants not enacting their plans for substantial periods of time. Participants did not always seem to understand the process for activating their plan. Ms Linda Glover told the committee:

So there was that step: 'I've got my plan; how do I enact it?' That plan is a couple of months old and not much seems to have happened from the perspective of the individual.⁴⁴

3.48 Mr Symonds agreed:

That is an experience that we had. We have had a number of people rolling through our door: 'What do I do with this?' I can back up what Linda [Glover] said.⁴⁵

3.49 The NDIA has identified plan implementation as a challenge for participants and their families, service providers and the Agency itself in its six month review with the Tasmanian Gateway.⁴⁶ Ms Ham noted that Local Area Coordinators can play a greater role in explaining the requirements for plan implementation.⁴⁷

42 Mr John Coyle, *Committee Hansard*, 16 April 2014, p. 6.

43 Ms Sue Ham, *Committee Hansard*, 17 April 2014, pp 22–23. Ms Sue Ham also discussed a small project that has been funded in the non-government sector to build the capacity for self-management which will be another resource. Mrs Edwards noted the role of the LACs and the NDIA in providing assistance for self-managers.

44 Mrs Linda Glover, *Committee Hansard*, 16 April 2014, p. 25.

45 Mr Peter Symonds, *Committee Hansard*, 16 April 2014, p. 25.

46 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 16.

47 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 16.

Recommendation 1

3.50 The committee is concerned about the number of NDIS plans that appear not to have been activated and recommends that independent work be undertaken to establish the veracity of the evidence that plans have not been activated and what the causes and consequences this may have on the Scheme.

The transition to a fee-for-service model

3.51 As in the Barwon trial site, in Tasmania, the committee heard of the challenges that face service providers in their transition from a block funding to a fee-for-service model. While there are common challenges of access to capital and timely payment for services, other issues are specific to particular organisations.

3.52 OAK Tasmania offers both lifestyle and training and employment services for Tasmanians with disabilities. Its Chief Executive Officer, Mr John Paton, told the committee:

I think the issue for us in Tasmania is that, as a day service provider, we get—on 1 July—40 per cent of that annual grant, which actually sustains the organisation through a whole range of ups and downs throughout the year. What is going to happen in the NDIS world is that you will get it on payment of invoices. So the ability to have a cash injection at a particular critical period in time is certainly not going to be there. The viability of a whole range of providers in Tasmania, and probably around Australia, is going to be called into question, particularly issues to do with a whole range of things, like the SACS [Social and Community Services] award issues that are happening now. The impact on service providers is absolutely monumental at a time when there are so many critical issues happening in the sector. In a way, the NDIS could not have happened at a worse time from the prospect that there are so many other things happening. It obviously has to happen. Service providers need to now get their act into gear and come up with viability issues. We can talk about mergers, alliances and whatever needs to happen, but the lack of choice that is potentially out there for people with disabilities is a bit of an issue too.⁴⁸

3.53 Mr Ralph Doedens of STAR (Supported Tenancy Accommodation and Respite) Tasmania also highlighted the challenge of both the quantum and the timing of payments under a fee-for-service model. He told the committee:

One of the big challenges with NDIS is the rates that they have established based on the block-funded amounts that were given. The block-funded amounts given were just enough, but the good thing about block funding is that it covers all the beds you have and all the houses you support, regardless of whether somebody actually vacates it or you have a vacancy for three months, and you are paid up-front. So we are getting interest on the money we are given, we are guaranteed money for the beds we provide

48 Mr John Paton, *Committee Hansard*, 16 April 2014, p. 26.

and we obviously try to fill them, but they are not always full. Under NDIS, they will not be all full, there will be more vacancies and you will get paid in arrears. So the rates have to be looked at and they have to take into account those two things. If they do not, most of our service provision will go broke. We are supporting around 20 NDIA clients at the moment, and I can tell you that we are losing money on the whole lot. It is just not covering it.⁴⁹

3.54 Mr Doedens also noted that substantial work needs to be done to market the organisation, to have in place record keeping system for regular billing of clients and to ensure that staff are recording this information. He also noted the importance of having staff that recognised that they are now part of a business and that work needs to be undertaken with the business model in mind.⁵⁰

3.55 One option raised by some service providers in Tasmania to adapt to the fee-for-service model was to share resources and service arrangements. Ms Tracy Mackey, the Executive Director of Life Without Barriers, told the committee:

The other thing that is really clear to us is that as a sector we need to start thinking about shared service arrangements. We cannot continue to think that we can all afford to invest in the IT that is required. We know that even as a really large provider we are moving quite quickly in terms of some of the quite sophisticated technology that is needed to allow clients to opt in and manage themselves, but it is very costly. So we are working with other larger providers, one in particular that is across four states, to try and develop that technology and then make it available as a shared services platform.

...[W]e see that you can work together in alliances and partnerships and not necessarily take away what makes up the particular organisations that are already there. It is quite a mature conversation that the sector needs to have. There is not support for that mature conversation at the moment because everyone is focused on the how-to, rather than on what is the future we imagine as a sector.⁵¹

3.56 The committee does foresee benefits to the disability services sector—particularly in a small state such as Tasmania—from collaborative arrangements that share resources and rosters between service providers. It may be that effective delivery of services and supports to participants in regional areas of the State will come to rely on these arrangements.

3.57 Mr Dale Eastley of the Multiple Sclerosis Society of Tasmania told the committee that his organisation was 'probably in a better position than most' given it

49 Mr Ralph Doedens, Chief Executive Officer, STAR Tasmania, *Committee Hansard*, 16 April 2014, p. 30.

50 Mr Ralph Doedens, *Committee Hansard*, 16 April 2014, p. 30.

51 Ms Tracey Mackey, *Committee Hansard*, 16 April 2014, p. 29.

had relied on government funding for only 23 per cent of its operations. However, he noted that there are 'some real risks' in terms of fundraising capability:

We started to make changes in terms of where we have done the traditional fundraising side of things, but we do expect that there will be a drop. The fundamental thing for us is to recognise that this is a new start and that we must start from the fundamental premise that this is for the clients. What are the services that we want to be able to provide and who might be attracted to us as an organisation as a quality provider?

For the board to get around that, I basically went to them and said that we have got two choices: either we close the shop or we get on with it. They signed off on the latter, and it was reiterated at the weekend: we want to make that fundamental change. For us to do that, we will have to substantially retrain two-thirds of our staff because they have never worked in a commercial environment. Our clients have never had to pay for the services they have received. So we are going to have a cultural change, with us saying, 'Yes, you've got a care plan and we'll help you through that process, but you're going to have to pay for the specialist advice that you receive from our staff.'⁵²

3.58 Mr Daniel English of Guide Dogs Australia feared that the fee-for-service model will encourage for-profits to grasp commercial opportunities and thereby pose a threat to the financial viability of not-for-profit service providers in Tasmania. As he told the committee:

There are going to be for-profits that will move in, and they will cherry-pick. They will take the services that are the cheapest to provide and yield the highest returns, because they have a requirement to build a profit for their shareholders. There are organisations in this space that do not have access to capital, that do not have access to the resources, that cannot run at a loss for 12 months or two years, but these for-profits can actually run a loss leader, price us out of the market, and yet long term the benefits for participants will be significantly less. This is why we are looking at a process where we have got to make sure that organisations have that access.⁵³

3.59 The organisational structure of Riding for the Disabled has led to some uncertainty as to how it should register with the NDIS and structure its financial arrangements under a fee-for-service model. Ms Cathy Bantick from the organisation's Tasmanian State branch told the committee:

We are a voluntary organisation. We have no paid employees. We are currently not a member of the NDIS. We would like to become one but we are uncertain of the procedure and protocols for doing so, because we are a

52 Mr Dale Eastley, Chief Executive Officer, Multiple Sclerosis Society of Tasmania, *Committee Hansard*, 16 April 2014, p. 28.

53 Mr Daniel English, Chief Executive Officer, Guide Dogs Tasmania, *Committee Hansard*, 16 April 2014, p. 32.

state body with centres running under us. They are all voluntary, but we provide equestrian activities to people with disabilities. With the NDIS packages coming up, and I understand that the plans will be made to suit that individual, we are not certain as to whether we should be a member of the NDIS or whether both the state and centres should register. We do not get any payment for those clients who go horse riding or carriage driving or vaulting. The centres actually get it. Currently, the participants pay the centre.

...

We have a national body—state is a member of the national body—then we have centres under state, which are members of the state body. State gets funding through DHHS, currently, and the centres do not get funding other than grants—or their local councils or whatever—but they charge the clients to access their programs.⁵⁴

3.60 The committee suggested that Riding for the Disabled discuss its arrangements with the NDIA. At the time of writing, the organisation had not had any further discussions with the NDIA about funding arrangements.⁵⁵ It would seem logical that registering the state body as a registered service provider for the NDIS would enable the state body to invoice the NDIA for rides for participants whose plans the Agency manages, while participants who self-manage would pay the centre directly. Riding for the Disabled is unsure as to whether, and if so when, its grant funding from the Tasmanian Government will discontinue.⁵⁶ The committee understands that the state and territory governments are currently participating in workshops to clarify Tier 2 arrangements.

Market information for service providers

3.61 In theory, markets work effectively where information is transparent and known by all competitors. However, as economists recognise, there is often information asymmetry, where one party has more or better information than the other.

3.62 In the case of the NDIS, the NDIA does—and should—hold important information about the number and the composition of packages and where participants and service providers are located. There is a question, however, as to whether service providers should be privy to this information to enable them to plan and make decisions, or whether disclosing this information may risk giving a competitive advantage to particular providers.

54 Ms Cathy Bantick, Office Administrator, Riding for the Disabled Association of Tasmania, *Committee Hansard*, 16 April 2014, p. 21.

55 Telephone conversation with Ms Cathy Bantick, 3 July 2014.

56 Telephone conversation with Ms Cathy Bantick, 3 July 2014.

3.63 These issues have not been pursued by the committee in any detail to date, but they were hinted at in evidence from some service providers in Tasmania. Mr Scott Harvey from the recreation service provider COSMOS told the committee that one of his organisation's concerns was to identify the quantum and the nature of the demand from the NDIS for his service. In his view, there was a lack of information on these matters which was affecting business planning:

The issue for us at COSMOS now is looking at our sustainability. There is uncertainty around where we are going as far as the number of clients we are going to get coming through the NDIS. We fully understand the contestability and that sort of thing and we agree with that. Our problem is that on the other side of that we are not getting much information about what services are being required. So while we are doing our current services it is very hard for us to project into the future and say what we will look like as an organisation, because under the current funding that NDIA is providing for our cohort, we would need to do something different or something more. That is going to be our major issue.⁵⁷

He added:

I think the difficulty we are having as an organisation is working out what the market is and where we can go. I think the details of what types of packages have been given, what the specifics are of what people have been funded to do, is important for us to look forward as far as deciding where as an organisation we are going to position ourselves.⁵⁸

3.64 Mr Glenn Campbell, the Chief Executive Officer of Optia, also identified this as a problem for his business:

We are largely an accommodation and respite support provider. When you project that lack of information long term, we have respite clients who are coming through NDIS and we need to be able to make provision for that respite care, and we need reasonable lead times to be able to make those capital investments. Notwithstanding the sustainability issue and the fact that probably most organisations do not have the balance sheet to be able to develop facilities, even if you are able to get access to capital to be able to do the development, there is a long lead time with that sort of work—whether it be around group homes or respite provision. Even beyond the current lack of understanding of the clients that are coming through, that longer-term ability to project where they are going to be is really critical information for us.⁵⁹

3.65 The committee did hear some positive stories from Tasmanian service providers about their planning for a fee-for-service model. Optia's Chief Executive

57 Mr Scott Harvey, COSMOS, *Committee Hansard*, 16 April 2014, p. 26.

58 Mr Scott Harvey, *Committee Hansard*, 16 April 2014, p. 34.

59 Mr Glenn Campbell, Chief Executive Officer, Optia, *Committee Hansard*, 16 April 2014, p. 26.

Officer, Mr Glenn Campbell, noted that his organisation was making a number of changes to prepare:

One of the peculiar issues here is that we are not able to build any sort of funding reserves. We are doing a lot of the work, and we can talk about some of the preparation work that we are doing. We are doing a lot of work around the way we roster staff and moving to flexible industrial awards, and we are doing a lot of work around our branding, our marketing and rebuilding our structures. We are doing all of that work and the heavy lifting so that in 2½ years we are able to make the transition to a market based environment and will be ready for it.

The issue in Tasmania is that, once we have done the heavy lifting and we are able to build surpluses in sufficient to be able to sustain us for the shift in cash flow, we have to give them back. We have to give back the savings under the funding. That constraints you because, if you make a loss, then you wear your loss; if you make a profit, which is to build reserves for the future, you have to give it back. So you are never able to get there. One of the things for us is a real need for change in the contracting environment with the state government. That is a particular issue.⁶⁰

Gaps in services

3.66 An obvious concern in a small market such as Tasmania is whether there will be an adequate supply of services and service providers to satisfy demand in a system based on individualised supports through a fee-for-service model. The advent of the NDIS trial has attracted more service providers to the State. As Ms Ham told the committee:

We do have an increased number of providers that have now registered to deliver funded supports. I think when we started there were around 45 specialist services in the state. We now have around 130 registered providers, ranging from sole traders to the specialist disability sector to mainstream organisations that are starting to register to think about what they can offer to participants, and also the private sector.⁶¹

3.67 On notice, the NDIA added :

Sixteen providers are mainland-based while the rest are all local organisations. All organisations that provide only disability-specific services have registered, and over the past few months many of those organisations have increased the range of services that they are registered to provide. The NDIA has also seen an increase of registered providers from the non-disability-specific 'mainstream' service sector – for example, taxi companies (to enable invoicing to the NDIA for participants) and the not-for-profit sector. Disability organisations have increased the services they were initially registered for, thereby suggesting an expansion of service

60 Mr Glenn Campbell, Chief Executive Officer, Optia, *Committee Hansard*, 16 April 2014, p. 27.

61 Ms Sue Ham, *Committee Hansard*, 17 April 2014, pp 16–17.

delivery. New providers are coming into the sector, either as sole providers or new not-for-profit organisations, established specifically to meet the needs of NDIS participants.⁶²

3.68 The NDIA told the committee that one of the problems compounding the challenge of plan implementation in Tasmania has been the lack of services available, particularly in transport, housing and informal supports such as respite.⁶³ The committee highlights that the issue of adequate funding and support for respite services has been a serious issue for people with disability for a long time.

3.69 Mr Glen Cockerell, a parent of an NDIS participant in Tasmania, told the committee that the shortfall and irregularity of staff meant that continuity of respite was a problem for his son. He noted the importance of having the same carers for his son's development.⁶⁴ Ms Ham told the committee that the NDIA would be talking with providers about how to address the inadequacy of respite service, particularly in regional areas of the State.⁶⁵

3.70 The committee is encouraged that the NDIA in Tasmania appears to have a systematic approach to identifying and responding to service gaps. Mrs Jenny Edwards, the NDIA's Director of Service Delivery in the State, told the committee:

What we are doing as a matter of routine is making sure that, where there are gaps in services, and where people cannot enact components of their plan because of that, we capture that, and that that becomes a piece of work for our LACs in conjunction with the engagement team to address. I come from the deep north-west, where there are fewer services than elsewhere. So we are making sure that we collect that information and do something with it.⁶⁶

3.71 The committee notes that the problem of gaps in service provision is not unique to Tasmania. Chapter 4 on the Hunter trial also identifies some shortfall in service provision.

Recommendation 2

3.72 The committee heard evidence that 'gaps in service' have been identified in each of the trial sites. The committee recommends that further work be undertaken by the Independent Advisory Council which is well-placed to identify and inform the Agency about where there are gaps in service and possible options for addressing these shortfalls.

62 NDIA, *answer to question on notice number 12*, 22 May 2014 (received 16 June 2014).

63 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 21.

64 Mr Glen Cockerell, *Committee Hansard*, 16 April 2014, p. 11.

65 Ms Sue Ham, *Committee Hansard*, 17 April 2014, p. 22.

66 Mrs Jenny Edwards, Director of Service Delivery, National Disability Insurance Agency, Tasmania, *Committee Hansard*, 17 April 2014 p. 22.

Achieving greater economic participation for participants

3.73 A critical factor in the success of the Tasmanian trial—and indeed the Scheme generally—will be the capacity of providers to support participants to gain and maintain employment. The committee acknowledges that there are some complex challenges in this area, such as the link between NDIS funding on the one hand and an employer's obligations on the other. Ms Donna Bain of the Tasmanian Association of Disability Employment Services told the committee:

There may well be a situation that arises in the future with a participant employee where, for whatever reasons, their funding support changes. Their employment with me remains unchanged—I still have an obligation as an employer under fair work legislation and all the other bits and pieces to continue to employ them—but there may well be some viability issues that arise if that funding package decreases substantially or disappears and that employment obligation still exists. So probably over the next few years we need to tease out some of those issues about how we might work those arrangements so that we do not disadvantage people with a disability; so that they can continue to work for as long as they want to and do a variety of things but understand that the employment context in which that occurs in supported employment is a little bit different to the relationship they have with a community service provider or their accommodation provider.⁶⁷

3.74 Ms Bain emphasised that the NDIS is not the panacea to all the barriers faced by people with a disability in achieving economic participation.⁶⁸ She told the committee that broader cultural issues also need attention, one of which is the attitude of corporate Australia:

There are a whole series of cultural issues that we need to change in Australia. Until businesses catch up, I will continue to have a job, but there are other ways for the commercial world to be involved. For example, we are constantly working with customers about providing labour force teams—that is, taking a team of my employees out to their workplace, working alongside their workers to do all sorts of bits and pieces, whether that is packing timber, catering, washing cars, all sorts of things. That is part of the way of engaging my supported workplace in their business: they are my employee, but they are in their business. That starts to dismantle some of the barriers.⁶⁹

...

The other thing is about encouraging corporations to procure from ADEs. For example, we have developed a wonderful relationship with a Melbourne based company. They came to us and said: 'We would like you to cut parquetry flooring. We will buy you the parquetry cutting machine,

67 Ms Donna Bain, President, Tasmanian Association of Disability Employment Services, *Committee Hansard*, 16 April 2014, p. 19.

68 Ms Donna Bain, *Committee Hansard*, 16 April 2014, p. 20.

69 Ms Donna Bain, *Committee Hansard*, 16 April 2014, p. 20.

we will install it at our expense, we will write the safe work method statements that go with that, we will put in all the ducting and wiring and then we will provide you with the parquet flooring to cut.' They have worked out that we are really good at providing supported employment; we know what we are doing. It does not make sense for them as a business to try and do that in their enterprise. What they want to do is build our capacity in our enterprise so that we can do that and employ more people.⁷⁰

3.75 Mr Peter Symonds, General Manager of the Ability Tasmania Group, told the committee that the introduction of the NDIS threatened the viability of successful State-funded programs to transition people with disability into work. He explained:

The rollout of the NDIS in Tasmania has created a significant barrier for people with disabilities, who may need extra time and real experiences to learn about real work...The COAG Reform Council showed that in the period 2005 to 2010 there was an 18 per cent increase in the number of people going into non-work segregated day programs. The research shows that for people with cognitive impairments a longer transition period post school needs to occur, as the maturation process is slower. We know that people with cognitive impairments need real work experiences to understand what work is like in a particular setting and how it is done. We know this not only through the study of the successful programs overseas but from what we have done here in Tasmania. We self-funded a program with TasTAFE in 2013, assisting 12 school leavers in their transition to work process. Seventy-five per cent of those 12 found work two months within leaving school. The national average for people with disabilities finding work in the employment program is 30 per cent. Sixty-six per cent of those people will go on to hold their job for 26 weeks or longer. The national average is 28 per cent, and here in Tasmania it is only 25 per cent. Pre-NDIS such a work experience program which produced these outcomes was funded by the Tasmanian supporting individuals pathways program. That no longer exists because it was taken over by the NDIS at the end of 2013.⁷¹

3.76 Mr Symonds told the committee that if a person is deemed to have a work capacity of eight hours-plus in their job capacity assessment, he or she is ineligible to have work preparation or work in their NDIS plan, or funded through their NDIS plan.⁷² He argued:

So...what needs to happen...is that the NDIS needs to allow work preparation to be included in the plans of any NDIS participant who wants that work component in there. Otherwise, we condemn or re-condemn a

70 Ms Donna Bain, *Committee Hansard*, 16 April 2014, p. 20.

71 Mr Peter Symonds, Chief Executive Officer, Ability Tasmania Group, *Committee Hansard*, 16 April 2014, p. 15.

72 Mr Peter Symonds, Chief Executive Officer, Ability Tasmania Group, *Committee Hansard*, 16 April 2014, p. 16.

number of young Australians with a disability into the segregated and disadvantaged lifestyle that they currently experience.⁷³

3.77 The committee sought clarification on this point from the NDIA. The NDIA noted that work and work preparation can be included in a participant's plan.

In developing a plan with a participant, all planners are mindful of the need to address likely employment options with participants, if this is at all feasible – from working in Australian Disability Enterprises through to full time employment.

...

Some programs are available through mainstream services such as private training colleges, TAFE or University and some are provided by disability specific providers such as Australian Disability Enterprises and Disability Employment Services. NDIA will directly assist or fund the means of accessing mainstream services and will link the participant with disability specific services.

Examples of initiatives by NDIA are: funding a place in an Australian Disability Enterprise to enable a participant to obtain specific work skills following which he will be linked to a Disability Employment Service to find appropriate employment; a contract with TAFE Tasmania to cost effectively provide necessary personal care and other assistance for school leaver students with disability commencing at TAFE colleges in 2014; a mother who was able to return to the workforce because assistance was made available for her child who had a severe disability.⁷⁴

Recommendation 3

3.78 As people transition to the NDIS, the committee is cognisant of the need to assist people develop the necessary skillsets to enable them to successfully move into the workplace environment and participate in the workforce, where possible. The committee recommends that work be conducted through the relevant Commonwealth departments of education and employment to assess what is and can be done to help participants make these choices. The committee also recommends working with employers to appraise issues concerning disability discrimination in the workplace, and remove barriers through education and reform to better integrate NDIS supports.

73 Mr Peter Symonds, Chief Executive Officer, Ability Tasmania Group, *Committee Hansard*, 16 April 2014, p. 15.

74 National Disability Insurance Scheme, 'Employment Opportunities through NDIS', *response provided to committee on 10 July 2014*.

Training and qualifications for disability support workers

3.79 The committee heard of the impediments facing disability support workers in accessing appropriate and affordable training to continue providing a quality service to their clients. Mr John Ferguson, a disability support worker with Able Australia, noted that being able to receive direct support for studying a Certificate IV would suit his needs better than the current system of being funded through his employer. As he told the committee:

Able Australia have to get funding to put staff through it. Then you attend the class once a month, through them, and it takes 18 months. You have got to sign a contract to do that—to commit for the full 18 months with one organisation. Personally I would find it more beneficial to do it through correspondence or attending part-time study at night and doing it individually. But, to do that myself, from what I have looked at, the courses are between \$3,000 and \$5,000 if you go through an organisation in Tasmania that is not polytechnic. As a support worker, the way it affects me, I know another state like Victoria they fund courses like that for the disability industry. So you can do the course and there is funding for it through the private training organisation. Would there be any implementation for that in Tasmania—so you can do it individually and you do not have to go through your organisation and go through the processes of that?⁷⁵

3.80 Mr Nathan Balcombe of Anglicare noted that the lack of staff qualification is a 'big issue', particularly given the requirement of a Certificate IV for higher needs support positions.⁷⁶ The committee makes a recommendation on the need to develop a workforce capacity building strategy in chapter six (recommendation 14).

Travel costs

3.81 At the Hobart hearing on 17 April 2014, the committee asked the NDIA whether it will take into account the time it takes a carer to drive to the participant's location and back, and to complete their paperwork, as part of the Agency's unit pricing. Ms Ham explained the rationale for the development of unit pricing as follows:

The prices that have largely been used in Tasmania are based on the unit pricing that the Tasmanian government developed when they outsourced all of the disability services to the non-government sector. As I understand it, that unit pricing took account of back office administration into that hourly rate.⁷⁷

75 Mr John Ferguson, *Committee Hansard*, 16 April 2014, pp 8–9.

76 Mr Nathan Balcombe, *Committee Hansard*, 16 April 2014, p. 12.

77 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 19.

3.82 The NDIA's responses to the committee's questions in Tasmania on how it deals with transport costs reflect inconsistency and a lack of clarity.⁷⁸ At the public hearing, the NDIA suggested that if an hour is allocated, then this is interpreted by the NDIA as time to be spent with the participant.⁷⁹ It had built up to ten kilometres of travel costs into the unit price of the service being provided, but beyond this, providers were only eligible for mileage based on the Australian Taxation Office rates.⁸⁰ Unless 'part of the service is to collect that participant and take them somewhere in the car'⁸¹, the NDIA indicated that providers were not otherwise compensated for travel time beyond the ten kilometres.⁸² Again, this was based on the 'understanding [that] the unit price that was established by the state government also took account of the fact that a support worker may have to travel to deliver that hour of service...'.⁸³

3.83 On notice, however, the NDIA provided the following response:

Providers are reimbursed for travel beyond a 10km round trip *at their usual hourly rate* (emphasis added). A calculator is available on the National Disability Insurance Scheme website to enable Agency planners, participants and providers to calculate these amounts.

This pricing arrangement was developed to encourage efficient rostering by providers.

It is an aspect of the current pricing review being conducted by National Disability Insurance Agency in conjunction with National Disability Services (NDS).⁸⁴

3.84 The issue of transport costs is raised in later chapters of this report. The committee flags here that it is an area that the NDIA needs to address the conflicting advice and interpretation provided both to the committee and the sector as a matter of urgency.

Accommodation and housing

3.85 Housing has long been a significant issue all across Australia (i.e. this issue has not emerged with the launch of the NDIS). The NDIS presents an opportunity to address the issue of housing for people with disability. This will require discussion by participating governments through Council of Australian Government (COAG) about

78 See the evidence of Ms Sue Ham and Mrs Edwards, *Committee Hansard*, 17 April 2014, pp 18–19.

79 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 17.

80 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 18.

81 Mrs Edwards, *Committee Hansard*, 17 April 2014 p. 19.

82 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 19.

83 Ms Sue Ham, *Committee Hansard*, 17 April 2014 p. 19.

84 NDIA, *answer to question on notice*, 22 May 2014 (received 16 June 2014), p. 11.

appropriate strategies for developing mainstream services to ensure an adequate supply of appropriate housing as the NDIS rolls out across the country.

3.86 Parents of participants voiced significant concerns they held about the lack of availability of long term supported accommodation options:

My next step now is to aim for fully-supported accommodation for them. I am no spring chicken—I am 60 this year—and I have to project where my children go from here and I am hoping that the NDIS will be able to provide that. I am not demanding it or expecting it, but I am hoping. The infrastructure in Tasmania for fully-supported accommodation seems to be lacking. The next focus for me is to try to have built accommodation—whether it be state or federally supported accommodation—with real estate that will allow fully-supported accommodation to be long term and not short-term rentals with support provided to them, an actual residence that is long term and permanent and theirs to live in and resourced accordingly.⁸⁵

3.87 Mr Glen Cockerell, the father of a 23 year old man with autism, told the committee that he had commenced discussion with his NDIA planner to try and find long term supported accommodation. He recognised that while it is 'a slow process', '[I]t will happen eventually, hopefully'.⁸⁶

3.88 In response, the Committee Chair emphasised the need for more work on housing options through close collaboration between the NDIA, the Commonwealth and State Governments:

We on the committee all recognise, and the whole sector does, that that is a really big problem. We do not have the answers for that yet, but we have to work towards those answers. The NDIA has done some work, which they will release shortly. There are regulations around how you can build houses that allow more than two families to live in them, and there are all sorts of things which are different in Victoria to Queensland to New South Wales and to Tasmania. That is why we say this has to be a holistic approach. It is at every level. If we are going to come up with supported accommodation options beyond what has always been there, we will need people to work together and perhaps change some of the things that are way beyond disability. They are about building codes and things like that which might work. That is the level of detail that people are going into, Glen, so that people like your son can have options in the years to come.⁸⁷

3.89 The Director of Disability and Community Services at the Tasmanian Department of Health and Human Services, Ms Ingrid Ganley, outlined for the committee some of the accommodation projects that the state government is currently financing:

85 Mr John Coyle, *Committee Hansard*, 16 April 2014, p. 2.

86 Mr Glen Cockerell, *Committee Hansard*, 16 April 2014, p. 11.

87 The Hon. Mal Brough, *Committee Hansard*, 16 April 2014, p. 11.

We have a project on the go at the moment which is called Trinity Hill, which is a mixed accommodation model for young people, and we are building 18 units for people with disability as part of that overall complex. It is actually inner city, co-located near educational facilities, with the aim to bring that in, and we are targeting that at our NDIS participants. That should come on line. It is being conceptualised at the moment. It will take a while to get built.

We also have a model that is being built in the Kingston area from some SAF funding—that is the supported accommodation fund. A group of families got some funding, and they are building a unit complex with a house. Part of that facility is being targeted for this cohort group when that gets built.⁸⁸

3.90 In addition, Ms Ganley mentioned that she was aware of other work currently underway at a national level through the NDIA on accommodation more generally:

We are aware that the agency is working on a paper around housing and housing options, and the state government housing sector has met with the agency to discuss that. There has been a housing conference that both Housing and the community sector were at. I think it is happening more at a line agency and agency level at the moment about: what are the options? I think the will is there; it is just really: how can we look at the capital investment and get the buy in for the funding?⁸⁹

3.91 Mr Noel Mundy, the State Director of Mission Australia, Tasmania, added:

It is absolutely a major issue, but also the state government started—12 months ago, Mission Australia took over 500 properties as part of Better Housing Futures, which is a rollout of the tenancy management, and then in March they announced another three organisations in other various regions of the state, so there are about 4½ thousand properties in total. Certainly I know from our organisation and from discussing with the other housing providers as well that, as part of rejuvenating those local communities, we will be building new properties, and a percentage of those will be available for people with disability. Again, we will not be providing the service, so we will be working with the various disability agencies. That is another thing that will come online over the next few years. By the end of this calendar year, our organisation is planning to build another six properties in the location we are in.⁹⁰

88 Mrs Ingrid Ganley, Director, Disability and Community Services, Tasmanian Department of Health and Human Services, *Committee Hansard*, 17 April 2014, p. 12.

89 Mrs Ingrid Ganley, *Committee Hansard*, 17 April 2014, p. 12.

90 Mr Noel Mundy, *Committee Hansard*, 17 April 2014, p. 12.

Committee view

3.92 The committee recognises the many achievements made in the first nine months of the Tasmanian NDIS trial and congratulates everyone involved.

3.93 As of 31 March 2014, three-quarters of the nearly 600 young Tasmanians with plans were accessing mainstream services. The pre-existing Gateway system has undoubtedly helped to ensure that participants have received supports and advice in a timely manner. The feedback from participants seems overwhelmingly positive, and the service provider sector appears to be growing, energetic and engaged with the challenge of moving to a fee-for-service model.

3.94 There remain some significant challenges, however, for both the market and the NDIA to provide adequate services in regional and remote areas of the State and to ensure that eligible participants are enacting their plans and receiving supports. There are also challenges in Tasmania that are common to all trial sites, such as the accessibility and readability of information for participants and carers and the need for a more coordinated and strategic approach to housing and supported accommodation.

3.95 The committee emphasises the importance of planners canvassing NDIS participants' employment options. A successful transition from a school environment to the workforce where possible is crucial in terms of the long-term well-being of a person with disability and the outcomes for the community as a whole. To this end, the committee emphasises two key issues:

- the importance of enabling work preparation, and work itself, to be included in a participant's plan where possible; and
- that the NDIA, the Commonwealth Government and the Tasmanian Government to work closely with those Tasmanian businesses and educational facilities that train and employ people with a disability, and encourages corporations to continue to procure from disability enterprises in Tasmania.

Chapter 4

The Hunter trial site

4.1 This chapter presents the committee's evidence on the achievements and the challenges facing the National Disability Insurance Scheme (NDIS) in the Hunter trial site in New South Wales.

The public hearings

4.2 The committee held public hearings in Newcastle on 5 and 6 May 2014. On 5 May, the committee took evidence from 17 participants and carers and 25 individuals representing service providers. On 6 May, New South Wales Government officials from Ageing, Disabilities and Home Care (ADHC) officials and New South Wales National Disability Insurance Agency (NDIA) officials in the Hunter trial gave evidence to the committee.

4.3 The committee's public hearings in Newcastle raised a number of issues specific to the progress of the Hunter trial site, as well as various broader themes raised at other trial sites. These themes are developed in chapter 6 of this report.

Progress of the Hunter trial site

4.4 Table 4.1 presents the statistics of the Hunter trial site until 31 March 2014. It shows that the bilateral agreement between the Commonwealth and New South Wales Governments planned for a total of 3,000 participants over 2013–14 in the trial site. As of 31 March 2014, there had been 2,720 access requests, 2,042 participants had been accepted into the Scheme, and 1,724 participants had plans. On these measures, the Hunter trial site recorded the second-highest intake of the trial sites behind Barwon.

4.5 Data from the NDIA's Third Quarterly Report shows there are some notable features of progress of the trial in the Newcastle local government area relative to the other trial sites. The Hunter trial site recorded the highest number of ineligible requests. In the first nine months of the trial, the NDIA in the Hunter assessed 461 persons or 17 per cent of its applicants as 'ineligible'. The average percentage of ineligible requests across the four trial sites was 10 per cent. The table also shows that only 68 per cent of participants in the Hunter trial site are accessing mainstream services. This was the lowest proportion of any trial site.

Table 4.1: Key statistics of the Hunter trial site (after 9 months)

	Hunter	Barwon	South Australia	Tasmania
Number of participants in bilateral agreement	3000	4,076	1565	792
Number of participants with plans, 31 March	1,724	2,113	979	585
Access requests	2,720	3,108	1,449	744
Accepted as eligible	2,042	2,495	1,152	685
Ineligible (i)	461	205	116	19
Other (ii)	217	613	297	59
Average days from access request to plan approval	54	49	51	56
Average time from application to commencement of services	79	101	76	90
Review of decisions	14	26	12	-
Participants accessing mainstream services (% of total)	68	92	88	76

Source: National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014.

(i) This figure relates to the intake for the 12 months from 1 July 2013.

(ii) This is a combination of 'in progress', 'closed', 'revoked' and 'withdrawn'.

Transition to the NDIS in the Hunter trial site

4.6 From 1 July 2013, the first stage of the NDIS commenced for people living in the local government area of Newcastle. People living in the Lake Macquarie local government area will enter the Scheme from 2014, and people living in the Maitland local government area will access from mid-2015 (see Table 4.2). From July 2016, the NDIS will progressively roll out in New South Wales and by July 2018, all eligible residents will be covered.¹

Table 4.2: Transition arrangements in the Hunter trial site

Category of participant	Date of transition
A person who resides in Newcastle City and receives Australian Government disability services or New South Wales disability services, or Australian Government mental health services	From 1 July 2013
A person who resides in Lake Macquarie City and receives Australian Government disability services or New South Wales disability services	No later than 30 June 2014
A person who resides in Maitland City and receives Australian Government disability services or New South Wales disability services	On, or after, 1 July 2015

Source: Fact Sheet: Entry for existing clients of Australian and State Government funded disability programs – New South Wales, <http://www.ndis.gov.au/document/237>

1 National Disability Insurance Agency, *Fact Sheet: Entry for existing clients of Australian and State Government funded disability programs – New South Wales*, <http://www.ndis.gov.au/document/237> (accessed 21 July 2014).

Achievements of the Hunter trial site

4.7 As in the Barwon and Tasmanian trial sites, in Newcastle the committee heard many positive stories from participants, carers and family members about their experience with the NDIS. These include:

- participants are able to access supports;
- positive feedback on planning processes and the attitude of planners; and
- the positive effect of the Scheme on participants' lives.

Table 4.3—Participant feedback

YTD	Total responses	Very good	Good	Neutral	Poor	Very poor
Overall, how would you rate you experience with the planning process today?	784	571 (73%)	169 (22%)	33 (4%)	10 (1%)	1 (0.1%)
NSW	179	148	27	4	0	0
South Australia	272	157	83	21	10	1
Tasmania	58	52	6	0	0	0
Victoria	275	214	53	8	0	0

Source: National Disability Insurance Agency, document received 8 July 2014.

4.8 Ms Laurel Lambert has a daughter who is an NDIS participant and also acts as a guardian and an advocate for other participants. She told the committee:

I applaud the NDIS. It is everything that many of us have asked for for many years, so thank you.

...there are some really good stories coming out too. There are some really good stories. People who are now receiving support who hitherto had never been able to get that support, and that is great to see.²

4.9 Ms Lambert told the committee that in her experience:

...the planner was very respectful. She managed me quite well, which I thought deserved a bit of acclamation. In terms of her presence on the day, she was very respectful and she listened appropriately.³

4.10 Another parent of a participant, Mr Michael Fitzpatrick, was glowing in his praise for his son's planner, his package and the process generally.

I am very fortunate. My son's package was very good. We had a very good planner. As to the process for us, we were very excited; we got on the web-checker and got our names in there early. Our package was finished in early

2 Ms Laurel Lambert, *Committee Hansard*, 5 May 2014, p. 9.

3 Ms Laurel Lambert, *Committee Hansard*, 5 May 2014, p. 9.

November last year. We had four meetings with the planner in our home, because at the time service providers were not invited to come along to the sessions. I think service providers should be allowed to come along. I think that has changed now. So we had about three or four meetings with our planner. Our planner had understood Connor's needs a bit before they came out. It went backwards and forwards quite a bit. It took about four visits, four sessions.

...

We spent many months planning and getting our information ready. We looked at informal supports as well as formal supports. When the planner came out, we gave them a three-page document about exactly where all of our support and informal support was coming from at the time. Our support was basically six hours a week worth of nursing support. That is now nine hours a week of nursing support, plus we are also getting some community participation support. Our process was good, but it is because we were informed, our planner was informed and we had a good working relationship that we were able to make that happen. I do not think a lot of people have the ability to do that and they need that support from other people.⁴

4.11 Mr Kevin Parsons, who with his wife cares for their 35 year old daughter, Caroline, was another who offered praise for the Scheme, its processes and what it has actually delivered:

The NDIS has made a positive difference for our daughter in that she is getting services now that are relevant to her needs. That has occurred because, for the first time in her life post-school, she had someone from an agency responsible for the provision of funding for her services sit down with her and go through her aspirations and what it was that she really needed to lead a fulfilling life.⁵

4.12 Mr Parsons told the committee that her daughter's package of supports has assisted her to keep mobile, where there had been deterioration in her mobility over time. Prior to the NDIS, Caroline 'was not actually achieving things, because in many cases the support worker had to do the things that Caroline should have been doing'. As a result of receiving and accessing her package of NDIS supports:

That has changed. Her program is now significantly based around keeping her mobile, because she wants to be mobile. Doing aqua therapy programs and those sorts of things is more relevant to her now than what she was getting under the previous arrangements.⁶

4.13 Mr Parsons recognised the important role of the planner in contributing to their positive experience:

4 Mr Mike Fitzpatrick, *Committee Hansard*, 5 May 2014, p. 16.

5 Mr Kevin Parsons, *Committee Hansard*, 5 May 2014, p. 16.

6 Mr Kevin Parsons, *Committee Hansard*, 5 May 2014, p. 17.

...it really worked for us because we had a good planner. We were well prepared. A concern for us is that there are many parents and carers who may not be in the same position as us and therefore will get a different sort of plan to the one we achieved. Our experience has been interesting in that we decided not to self-manage, because of other issues that we have as a family, and thought we would take the easy path, but the reality is that, even those who do not self-manage have to actually manage the process, because, in part, a plan is in black and white, and the one that we have is a little difficult to understand. It is not so difficult, I guess, if you were there as part of the process. With the planner involved in the process, we understand it and we understand it very well.⁷

4.14 Mr James Bailey, a young man who suffered severe brain injury in an accident, told the committee:

...I am lucky to be a participant in the NDIS. I was lucky that I had previous service providers, nurses, caseworkers and also my family to inform me and help me in the NDIS process. Their experience in managing my previous packages was needed as the NDIS planning was quite detailed, and a lot of questions were directed to the NDIS planner. After specialists' reports were gathered, and after a few hiccups, the plan was finalised very close to my previous packages, thanks to the team around me and our hardworking local NDIS planner...

Every morning I wake up and smile because I know my life is better now, I get to choose what I want to do and that makes me feel responsible. If I could not do these things I would feel old, sad and bored. I am happy NDIS funding supports me to live a happy and full life.⁸

4.15 James' mother, Carole, corroborated her son's positive experience as an NDIS participant to date. She told the committee:

Our service provider sent us paperwork regarding NDIS and thus the process of becoming a participant began. To access information we went online and also spoke to our service providers. We also used the MyAccess checker tool. After the first meeting James had some assessments carried out. With all our meetings we had insisted that all the people who were contributing to James's wellbeing be allowed to attend these meetings to impart their knowledge of James's needs also. Thank you very much. Our planner was very diligent in producing a package that was very similar to previous funding packages. The main differences were reduced funding for speech pathology and massage therapy, which was a bit disappointing. James has always had a good rapport with his carers and service providers, and the decision was made to remain with them. These people know and understand James, and they help make his life enjoyable, fun and worthwhile.

7 Mr Kevin Parsons, *Committee Hansard*, 5 May 2014, p. 16.

8 Mr James Bailey, *Committee Hansard*, 5 May 2014, p. 20.

In summary, I feel that James was very lucky to have a wonderful group of carers and people around him who all contributed to this outcome...⁹

4.16 Disability advocate, Mr Cain Beckett, told the committee that the NDIS will lead to positive change in the way that people with disability are treated in Australia. Specifically, he noted that:

It is the inclusion aspect of the NDIS that I think is going to cause change. The processes that we are hearing a bit about today are about asking people with disabilities what they want and what they need. Whilst that is obviously challenging if you have not done that before, it is part of a journey that we are on to change the way society thinks about asking people with disabilities what they want. Most people would be very surprised, for example—perhaps the members of the panel are not—to hear that 42 per cent of the people shot by police have a disability, on the figures that the Human Rights Commission recently looked at; or that right now we have people that have been locked up for 10 years without charge because they have a disability in Australia. This is a continuum that we are on about changing the way society works for people with disability.¹⁰

4.17 Mr Beckett explained that he was fortunate to have had choice and control in his supports from a young age under the previous system. Many people did not have this and, in consequence, had much worse life outcomes. As he explained:

My mum was a scientist and she looked at what I needed as a person with a disability and figured out that the standard supports and services that were being offered as a default when I was born were not appropriate and, scientifically, did not work. So we went self-managed 40 years ago. I have absolutely no doubt that, as a result of that, that is the only reason that I am not in a wheelchair and that I have a career. If I had done what was being told was the right thing to do, and for the fact that we received death threats for not doing that, I would be in a wheelchair and I would be on the disability pension permanently. That would be where I would be at right now. You can see it as clear as day. I know that in the population of people with disabilities that are out there at the moment there are people now who are missing those chances to change their trajectory because of the way the service system works.¹¹

4.18 Mr Beckett told the committee that the NDIS was a chance to change these missed opportunities for people with disability. He added:

That is why the scheme will ultimately be hugely beneficial for Australia from an economic perspective. We cannot afford to keep shutting out

9 Ms Carole Bailey, *Committee Hansard*, 5 May 2014, p. 20.

10 Mr Cain Beckett, *Committee Hansard*, 5 May 2014, p. 23.

11 Mr Cain Beckett, *Committee Hansard*, 5 May 2014, p. 23.

15 per cent of the population. So, in that sense, please focus on: what are we changing? What are we doing differently than we used to do before?¹²

4.19 There was also praise for the Scheme at the Newcastle hearing from service providers in the area. Ms Beth Gwalter, the Managing Director of Recovery Station, providing occupational therapy services, told the committee:

It is extremely pleasing to be able to say that all of the participants we have worked with have received assistance in the form of equipment, home modifications, assessments or interventions which have made amazing improvements to their lives. Because of the NDIA, we have seen families change, individual lives improve and quality of life increase, which is wonderful.¹³

Challenges of the Hunter trial site

4.20 This section identifies some of the challenges that have faced the implementation of the NDIS in the Hunter trial. The committee heard evidence that identified the following challenges in the Hunter trial site:

- participants' forums and the role of advocacy;
- the NDIA's communication with stakeholders;
- the role of the planner and the readability of plans;
- the flexibility of the planning process;
- self-managing plans;
- issues facing service providers;
- the Stockton Centre and supported accommodation;
- young people living in aged care facilities;
- public liability insurance;
- early childhood supports; and
- reproductive and sexual health.

Participants' forums and the role of advocacy

4.21 One of the main issues that arose from the public hearing in Newcastle was the need for participants and carers to have a forum in which their views and experiences could be heard. Ms Lambert put her concerns as follows:

...the question I would ask you is: why is there not a structure in place to allow us to give feedback in a constructive manner to NDIA and work

12 Mr Cain Beckett, *Committee Hansard*, 5 May 2014, p. 23.

13 Ms Beth Gwalter, Managing Director, Recovery Station, *Committee Hansard*, 5 May 2014, p. 35.

collaboratively together to give you real life experience and help you to perhaps modify and adjust as the need requires?...

I would like to see some formal structure set up where people with disability and their carers are able to operate and connect with NDIA in probably a structured way to provide that feedback.

I am getting a constant flow of information as more and more people proceed into the NDIA experience, and that sort of feedback is very useful for all of us to get together and say, 'Okay, can we look at doing something about making this a little better and improving stuff for the people who will come after us.'

I guess what I am looking at is trying to get together a group that could meet on a regular basis, where the NDIA could give us feedback about where they are at and we can give them feedback about what is happening for our sons and daughters or family members with a disability.¹⁴

4.22 The committee asked the NDIA's Chief Executive Officer, Mr David Bowen, if the Agency had plans to establish forums in trial sites to gain feedback from participants. He responded:

We will now start to extend out from that with mechanisms for this informal consultation. We would propose to do it with local groups. So, in South Australia, it would be appropriate to have one around autism, for example, because there are a lot of issues that are central around that. That is part of the communications strategy. Louise and I have wanted to kick some of this off by ourselves, first doing a visit, not just to staff but to providers and participants, to reinforce to everyone—including, the agency, the sector, the participants, right through to the very top of the agency—that we are interested in hearing from people, hearing their experiences, and responding to that. That was our thought. We think it is appropriate to set that as a starting point and then build structures underneath that, inviting people in on a more regular basis.¹⁵

4.23 Several witnesses at the Newcastle hearing on 5 May 2014 emphasised the importance of an advocacy role for prospective and actual participants to navigate their way through the process and gain an informed and positive outcome. Ms Bailey expressed her concern that the process of becoming a participant:

...seems to be aimed at people who can make decisions for themselves, who can access the internet and negotiate their way through this process, or have family et cetera who will do this for them. I do wonder what happens to others who cannot do these things, who do not have family or a good network of caring people around them. Who looks out for them?¹⁶

14 Ms Laurel Lambert, *Committee Hansard*, 5 May 2014, p. 8.

15 Mr David Bowen, *Transcript of meeting with NDIA*, 8 July 2014, p. 3.

16 Ms Carole Bailey, *Committee Hansard*, 5 May 2014, p. 20.

4.24 The same sentiment was put by Mrs Salzano of the group Family Advocacy. Her concern was for those people with disability negotiating the planning process who did not have a family member or friend to advocate on their behalf. She asked:

...how are the interests of the most vulnerable people with disabilities going to be safeguarded in these processes and how are opportunities for them going to be maximised, recognising the potential limitations that currently exist?¹⁷

4.25 Similarly, Ms Melanie Schlager, a member of Community Disability Alliance Hunter (CDAH), asked:

...if the person does not know that they need help, then how do they ensure that they get a good plan? I have heard so many people this morning say: 'We went along to the NDIA with our three-page document,' or whatever. But what do you do if you do not have that? How can we create a level playing field for those people so that they get a fair and equitable chance to have a plan that meets their needs?¹⁸

4.26 Another advocate, Mr Ken Clift, expressed concern that people with cognitive or intellectual disabilities are not getting adequate advocacy support unless they are accompanied by a carer or family members. As he told the committee:

I am speaking as someone who has made several referrals of people with intellectual disability to the NDIS. It would not have happened had I not been able to spend up to two working days which each of those people to walk them through the system. Basically most of my clients cannot read or write. If they can read or write it is usually not adequate to the standard that they would need to get through the NDIS portal. Having said that, I can say that the NDIA agency is fantastic, they have been really helpful, but there is this barrier. A few people have already raised that unless there is an independent support person who is trusted by the person who is trying to become a participant in the NDIS, that person may not even get past the access checker. That is the main point I wanted to make: especially for people with intellectual or cognitive disabilities, the access setup at the moment is not good, unless they know someone, unless they have a family member, and my clients tend not to have family members, my clients tend to be people on the fringes of society and people going through the legal system who may not have anyone to speak for them. There needs to be a means to outreach to those people to bring them into the system and hopefully they can benefit the system and society can benefit from them being in the system rather than being an expense on the system.¹⁹

17 Mrs Maree Salzano, *Committee Hansard*, 5 May 2014, p. 21.

18 Ms Melanie Schlager, *Committee Hansard*, 5 May 2014, p. 30.

19 Mr Ken Clift, *Committee Hansard*, 5 May 2014, p. 24.

4.27 This view was also put by Dr Geoff Rigby of the L'Arche community, an international federation representing people with disabilities. Dr Rigby told the committee:

It would appear to us from our experience that the planning process within NDIA does not make adequate provision for the fact that many people with intellectual disabilities do not have the opportunity to adequately develop plans that truly reflect their needs. In some cases, these people have come from institutional backgrounds and other disturbed and damaged backgrounds and carry a great deal of fear that, if they do anything other than accept the status quo they find themselves in, they may well be removed from what may be seen by them to be an okay place to live at present. Some people with intellectual disabilities have poor communication skills or, in some cases, no speech at all.

...

From our experience, it would seem that many of the current NDIA practices have been developed for people who have disabilities other than intellectual, and these people are far more able to express and advocate for their needs. We want to highlight these limitations and suggest that a more equitable system be put in place to take the needs of people with intellectual disabilities into account when developing plans and assessing their needs. We suggest that provision be made to set up a group who have the necessary skills to offer assistance for people with intellectual disabilities, especially those who have communication difficulties. We believe that such a service and the associated funding are not readily available at present.²⁰

4.28 Ms Caroline Daley expressed her desire to see greater informal supports put in place to assist her in caring for her daughter. She noted that this was also the feedback that she had received from other families:

In particular they have had difficulties with family members looking after their loved one—I am talking mainly about children, Siobhan's age and younger. Going out and asking friends or anyone like that to do that is quite a challenging thing for them. Within that peer support realm, to be able to see something for parents of young children to help them develop those skills and confidences—²¹

4.29 Ms Daley told the committee that she has been involved in the development of CDAH. CDAH offers informal supports, including planning cafes.²² She provided the committee with further information on the format of these events:

To date we have run 3 Planning Cafés - these are facilitator run sessions discussing issues of importance to people with disability and their families

20 Dr Geoff Rigby, Chairman, Hunter Friends of L'Arche, *Committee Hansard*, 5 May 2014, p. 36.

21 Ms Caroline Daley, *Committee Hansard*, 5 May 2014, pp 13–14.

22 Ms Caroline Daley, *Committee Hansard*, 5 May 2014, p. 14. The Community Disability Alliance Hunter was established in 2013 as a user led disability support organisation. It was established through some funding from the Practical Design Fund.

within the Hunter region - with another couple planned in the coming months. Planning cafés are only open to people with disability and family members and we regularly turn away 'service providers' who attempt to join the meetings.²³

4.30 Ms Linda Hughes, a representative of CDAH, explained the benefit of these planning cafes:

It has been said so often that people who are well prepared who go to the NDIA seem to come out with better outcomes, so we are running at the moment what we are calling planning cafes. They are monthly peer support meetings...to help people think about their plan before they go to the NDIA and also the other side of it: how, when they come out of the NDIA with their plan, they can then implement that and how they can translate a piece of paper with 35, 16 or 10 line items into what might be a great life for the person with a disability or for themselves, if it is a person with a disability themselves.²⁴

4.31 Ms Hughes' colleague at CDAH, Ms Catherine Mahony, told the committee that:

...there is an incredible need for independent peer support, for independent advocacy for people with disability and their families going through the process. In all the input that you have heard this morning—the confusion, the lack of information—there is a need for a really clearly articulated step-by-step process from the first meeting to the final handing over of the plan and then its enactment...There is an incredible need for information and advocacy in all aspects of that process.²⁵

The NDIA's communication with stakeholders

4.32 A related theme raised at the Newcastle hearing was the need for stakeholders to receive better information. This issue has a number of dimensions. Service providers, for example, wanted better information to be given to participants from planners about the services that providers offer. Ms Gwalter, who runs a private occupational therapy practice, told the committee:

...establishing stronger relationships with planners and regional support officers, and educating them on the different functions of all service providers would be beneficial. Some NDIA staff have a lot of expectations around communications and are very hands on and instructive, while others take a step back and do not seem to know much about occupational therapy or the services we provide and are unable to make sensible

23 Ms Caroline Daley, correspondence received 8 July 2014, available at http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Disability_Insurance_Scheme/Correspondence_received

24 Ms Linda Hughes, *Committee Hansard*, 5 May 2014, p. 19.

25 Ms Catherine Mahony, *Committee Hansard*, 5 May 2014, p. 9.

recommendations. Education on what each service provider can do for an individual is key in getting the individual the outcome they desire.²⁶

4.33 Service providers also requested better information from the NDIA about its policies and procedures. Ms Gwalter noted that these policies and procedures:

...are changing all the time within the NDIS, and the scheme is progressing and growing every day. These developments are not being communicated to service providers effectively. Often we learn things, whether in regard to new administrator forms or processes, just by a chance conversation with NDIA staff or other service providers. Another example of these inconsistencies and the lack of communication is that we have spent large amounts of time developing our own report templates as there was no provision of these for consistency with what the planners expected. We have not had any feedback on this, but we keep getting referrals. To us, that means we must be on the right road, but a lot of the time we feel we have been left lying in the dark.

Additionally, unlike other government agencies such as the Department of Veterans' Affairs, the NDIA does not appear to have any formal feedback mechanism or consultation processes with providers. These may exist, but we have not been approached about them. Having these processes in place would give us and planners clarity around our roles and processes and engagement with participants. There have also been instances where this lack of communication has led to planners operating at odds with what participants have identified to us, the service providers, as in their best interests—that is, planners making decisions against the identified needs of participants.²⁷

4.34 Chapter 6 of this report makes key recommendations aimed at improving the NDIA's feedback processes and the accuracy and timeliness of its online materials.

The role of the planner and the readability of plans

4.35 Several witnesses in Newcastle emphasised the importance of the planner's role in ensuring a positive outcome for the participant. Ms Lambert, for example, told the committee:

It is my view at this stage that the quality of outcome for the individual is invariably connected to the quality of the preparation and the calibre of the planner. The planners do obviously have different skills and abilities, and there are many, many people out there who do not have resources to be able to prepare in a way that is meaningful. Also I think the process of building a good life for your son or daughter takes a long, long time; it is not something that can happen overnight.²⁸

26 Ms Beth Gwalter, *Committee Hansard*, 5 May 2014, p. 35.

27 Ms Beth Gwalter, *Committee Hansard*, 5 May 2014, p. 35.

28 Ms Laurel Lambert, *Committee Hansard*, 5 May 2014, p. 9.

4.36 There was significant support among participants and carers at the Newcastle hearing for the role of planners (see above). However, several participants and carers expressed their concern with the complexity and rigidity of plans. Ms Lambert told the committee:

...families cannot understand the format of the plan. I have sat for up to 3 hours with families, trying to decipher what that plan actually means for them. Just the way it is formatted is too difficult.

...

Many of the carers I work with are aged. I have carers who themselves have intellectual disability, and younger carers. It really is too difficult for them. They do not understand, at the end of the day, what the heck this means. What does four hours, or 3.2 hours, of something or other mean? It is a very prescriptive document. That is something that frightens me as a carer because the current issue for me, with my daughter in the state system, is that we have extraordinary flexibility in that bulk-funding arrangement to be able to respond to her needs immediately and do what is required, within her goals, for her to continue to progress through her life and achieve her objectives. She is doing it, but the way in which the NDIA plan is written very clearly delineates that this amount is to be spent on X and this amount on Y, and I have not yet experienced whether that is going to thwart her ability to be able to call on supports outside of it if she needs to.²⁹

4.37 Ms Caroline Daley, the mother of a 14 year old girl with severe cerebral palsy, also noted that plans were 'quite difficult to understand'. Ms Daley opted that her daughter would fully self-manage her plan. She told the committee that:

I would like to see something that is more aligned to the goals and the objectives as opposed to line items around pricings in particular. Also, you need to determine the hourly rate. It should be quite apparent. You need to calculate that back out again. That is pretty much the one thing that service-provider-land talks in. Being able to get that information quite easily would be ideal. Being able to relate to goals is a lot easier. I think it would also initiate more change when people do approach service providers. At the moment we have directly employed staff, we have employed a subcontractor and we are now also using an agency and have approached a couple of agencies. So I have a personal range of quite a few different approaches we have gone through.³⁰

The flexibility of the planning process

4.38 The committee heard in Newcastle concerns about the lack of flexibility in plans. Mr Parsons told the committee:

When you get your plan back, you have a number of line items. It says you have the flexibility to shift between those line items as long as you do not

29 Ms Laurel Lambert, *Committee Hansard*, 5 May 2014, p. 9.

30 Ms Caroline Daley, *Committee Hansard*, 5 May 2014, p. 12.

overspend. The reality is that it is difficult to shift between those line items, because, one, other people involved in the process, like service providers, do not understand that there is a level of flexibility; and, two, the systems within NDIA do not allow the level of flexibility that we, who were involved in the development of the plan, thought was there. As a result, there is a real risk that the individual who needs the service will not get the service unless they have someone who can advocate on their behalf to work through the issues. We have made phone calls to NDIA. Unlike others, we have got pretty immediate responses, and we have got the changes necessary to meet the individual situation that has come up that was intended to be covered by the plan but, in the black and white, for others it seems was not.³¹

4.39 Ms Linda Hughes, a representative of CDAH, also identified challenges with the inflexibility of NDIS plans.³² She told the committee:

I just want to say things about the line items on the plans. It is really rigid. For example, someone with fairly complex disability might end up with a plan with about 35 line items. That might be something like self-care, weekday; self-care, Saturday; self-care, Sunday; self-care, evenings; community participation, weekdays, evenings—so each of those is a separate line item, and it is really up to interpretation by the service provider about how flexible they will be. I know of somebody who was not able to have a support worker go to a concert in Sydney because they did not have evening support, even though they had a month of Sundays.³³

4.40 Ms Hughes explained that the NDIA's processes for a service provider to claim have influenced how service providers interact with participants:

I think the issue around that is that the rigidity is because the providers have to claim back—I think that is the term—to the agency, to the NDIA, so some providers are being very rigid in how they use it because they have to claim back within those line items. Other providers are doing it in a way that suits families better. I think that is where the rigidity comes from.³⁴

4.41 Ms Hughes also told the committee that whether a particular line item was transferrable from one timeslot to another 'seems to be up to interpretation by the service provider'. She also noted that she had been in planning sessions with two different planners who gave her two different answers.³⁵ This issue of consistency in the NDIA's approach is addressed in more detail in chapter 6 of this report.

31 Mr Kevin Parsons, *Committee Hansard*, 5 May 2014, p. 16.

32 Ms Linda Hughes, *Committee Hansard*, 5 May 2014, p. 18.

33 Ms Linda Hughes, *Committee Hansard*, 5 May 2014, p. 18.

34 Ms Linda Hughes, *Committee Hansard*, 5 May 2014, p. 19.

35 Ms Linda Hughes, *Committee Hansard*, 5 May 2014, p. 18.

4.42 Ms Hughes suggested that one option to add flexibility to the current system is to enable the line items for social participation and self-care support to become a global budget—'so long as you are using it on support or you are using it in the right way'. She noted, for example, that with the New South Wales Government's current funded programs such as the Supported Living Fund, there is a lot more flexibility.³⁶

4.43 Chapter 6 of this report comments on the issue of the lack of flexibility in plans more generally. The NDIA has advised that it is moving away from a line-by-line approach to planning items and adopting a model based on clusters or bundles.³⁷ The committee welcomes this new approach.

Self-managing plans

4.44 A self-managed plan is one where the NDIA makes a direct payment to the participant, who is then free to choose and pay their own service providers. As of 31 March 2014, only two per cent of participants in the Hunter trial were self-managing their plans (see Table 4.4). As Mr Cain Beckett told the committee:

We have heard a little bit this morning about people attempting to forge a new pathway and be self-directed and some of the challenges of managing their own funding and insurance and so on. I think it is really important that we develop as many supports and processes as we can to help people do that. At the moment there is a very high percentage of people who are choosing to leave their funds with the NDIA, I understand. I expect that will change over time as the rollout continues, but if we end up with a system where all we have done is change the funding model we have not achieved very much. So we need to make sure that we encourage and facilitate people that want to make that choice if they so choose.³⁸

Table 4.4: NDIS plan management arrangement

State	Agency Managed	Combination	Plan Management Provider	Self-Managed
NSW	68%	30%	0%	2%
SA	83%	12%	0%	5%
TAS	66%	31%	0%	3%
VIC	71%	29%	0%	1%
Total	72%	26%	0%	2%

Source: National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014, p. 18.

36 Ms Linda Hughes, *Committee Hansard*, 5 May 2014, p. 18.

37 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 4.

38 Mr Cain Beckett, *Committee Hansard*, 5 May 2014, pp 23–24.

4.45 The committee did take some evidence in Newcastle from participants (and their carers) who were opting to self-manage their plan. Mr Fitzpatrick, who manages his son's plan, told the committee of a few of the hiccups in having chosen this option:

...in February I had a lengthy discussion with a service provider that lasted several hours because they were not charging the listed price. As a self manager, I needed to know the price. Apparently, there was a price change in December when the New South Wales award increase was introduced, but the price list was not updated on the agency website until 28 April. As a self manager, I need to know that pricing so that I can ensure that it is all being done adequately. It is that communication again.³⁹

4.46 Ms Hughes, who self manages her son's state funding with ADHC, explained their current arrangements as follows:

We recruit his support workers, and then they get signed on by the employer, by the disability service, which then fulfils the obligation of statutory employer, or statutory employment obligations. We advertise and recruit and such. We get support workers who work only with my son, so they do not have to dash off anywhere else, although sometimes they have to dash off to uni. He is a young man, and most of his support workers are students. We create a bit of a roster. We also have a lot of informal support with my son with family members in particular, so any gaps in the day will be filled by me or other family members.⁴⁰

Issues facing service providers

4.47 The committee is aware that one of the major challenges in successfully moving to full scheme will be to create and sustain a competitive service provider market. Some service providers may amalgamate. Many new providers may come into the market, and some may leave the market altogether. However, it is important, in the short, medium and long-term, that there are service providers to cater for participants' needs as enabled in their plans. The NDIA has acknowledged the challenge of keeping demand and supply for disability services in broad sync.⁴¹

4.48 The committee took some evidence in Newcastle that there are gaps in service delivery. Mr Parsons told the committee:

The issues that have come up for us are going out of the area on an extended holiday and being able to access services in other areas. That was a real issue. I had to really chase that through myself. There was some support from NDIA. They identified a service provider that was registered in the area that we were going to. But I think we need to do more as a community to encourage service providers in other areas to register so that,

39 Mr Michael Fitzpatrick, *Committee Hansard*, 5 May 2014, p. 15.

40 Ms Linda Hughes, *Committee Hansard*, 5 May 2014, p. 19.

41 Dr Bruce Bonyhady, Board Chairman, National Disability Insurance Scheme, *Address to the National Press Club*, 9 July 2014.

if we have people from this area going out into their area, they can continue to get some service whilst they are there.⁴²

...

...in terms of the viability of service providers, we are seeing all the hourly rates. We look at it and we say: 'Yes, that funds the workers. What about the organisation?' An organisation does not exist without bricks and mortar or the ability to pay rent, to buy buses to get our people around or to buy respite houses. That is not clear to me. Maybe it is there somewhere, but I guess as a parent I would want some surety about the viability of service providers long term.⁴³

4.49 The ability of service providers to remain viable will depend in part on their own efforts to market their services, identify demand, receive information and communicate with participants and their carers. Broadly, all businesses face these challenges. In the newly-established market for disability services, however, the committee heard of some particular problems.

4.50 Ms Tonina Harvey, the General Manager of Community Services for ParaQuad New South Wales, told the committee of a number of her concerns relating to the operation of her service under the NDIS:⁴⁴

- firstly, she noted 'major concern about the rates allocated for care services and the implication this has on participants and on the sector in the long term';
- secondly, she had not been 'fully advised' on when block funding would end and the process for transitioning people who are not yet in the NDIS;
- thirdly, she claimed that the NDIA has not assisted her organisation to gain access to consumers—'in fact, this is discouraged'. She noted that her organisation was 'excluded from approaching NDIA staff with any resource or orientation information about our services'. Rather, the information that it had received was from forums, seminars and conferences where there were discussions with people that had had experience with planners;
- fourthly, she told the committee that some organisations 'have successfully planted their shopfronts next door to the NDIA office here in Newcastle'. In her view, this strategy 'disenfranchises' other providers; and
- finally, she noted that her organisation had been marketing widely, which included a roadshow along the central coast.⁴⁵

42 Mr Kevin Parsons, *Committee Hansard*, 5 May 2014, p. 17.

43 Mr Kevin Parsons, *Committee Hansard*, 5 May 2014, p. 18.

44 Community Services for ParaQuad New South Wales is a peak disability organisation providing clinical support and personal care for people with spinal-cord injuries and other high-level physical disabilities. Community Services for ParaQuad New South Wales also operates a subsidiary company in Newcastle called BrightSky Australia, which offer equipment, incontinence and women's care products for people who live independently at home.

4.51 To date, the committee has not had an opportunity to examine in detail the strategies that service providers are employing to market their services and understand the newly created market. This is an area of committee future interest (see also chapter 3).

4.52 The committee notes that service providers can identify and inform participants of their services through the Local Area Coordinators. Further, the names and details of registered service providers in the various trial sites are on the NDIA's website.⁴⁶

The Stockton Centre and supported accommodation

4.53 The inadequacy of the stock of supported accommodation in the Hunter area was of particular concern to many witnesses at the Newcastle hearing. They highlighted the New South Wales Government's decision to close the large residential centre at Stockton and—among other matters—the pressure that this will place on the small existing stock of supported accommodation options.

4.54 The committee acknowledges that many people in the Stockton Centre and who have family members in Stockton, have ongoing concerns about the impact on residents from the proposed closure. Mr Parsons was one witness to express his concern with the availability of places for supported accommodation. He told the committee that in terms of these places:

I know we are going to be competing. There are a whole lot of people in Stockton to be placed in whatever arrangements, and we see that our daughter will obviously be competing for places with many, many people, but I do not see a structured plan there going forward....

We talked to the Cerebral Palsy Alliance and others about what the future holds, and they said: 'Support and those sorts of things we can do. Bricks and mortar are a problem.' We could look at it in a range of ways, I guess. There are some of us in the community that can contribute maybe financially to some of these things, but there is no structure. There is just nothing there that takes us forward and allows us to get some comfort in what the future holds for our children.⁴⁷

4.55 The committee has also received correspondence from concerned family members of Stockton residents. Ms Jean Koshemakin wrote in a letter to the committee:

My sister, Joy Robinson, has been living at Stockton Centre, Stockton NSW for fifty years...I am already very unhappy with State Government plans to break up the Centre and transfer people to group homes, which will be

45 Ms Tonina Harvey, *Committee Hansard*, 5 May 2014, p. 40.

46 See 'Registered Service Providers', <http://www.ndis.gov.au/providers/registered-service-providers> (accessed 10 July 2014).

47 Mr Kevin Parsons, *Committee Hansard*, 5 May 2014, p. 17.

placed under the administration of non-Government organisations from 2018. I have always supported the NDIS because I saw it as a way to increase services and choice to people in the community who now have very few supports. I had no idea it would be misused to put at risk essential services that Joy needs and take away her and my right to choose her staying where she is well cared for, safe and happy.⁴⁸

4.56 The committee does note that some relatives and disability advocates expressed positive views about the decision to close down the Stockton Centre and argued that it was the right outcome. Mr Ron Sharkey provided the following evidence to the committee:

I would like to make the point that there are a lot of relatives who are very supportive of all this, who are supportive of the closure of Stockton and the move into group homes. My sister has been in Stockton for 60 years...I think, in the future, when people have a choice, it will be a lot better world.⁴⁹

4.57 The committee emphasises that the closure of the Stockton Centre was not a consequence of the NDIS. It was a decision of the NSW State Government as part of its long-held policy of deinstitutionalisation of state-run residential centres. As such, the closure of the Stockton Centre is not a matter of direct relevance to the NDIS. It appears that the NSW Government will either fully or at least substantially fund the cost for the alternative accommodation for all residents leaving the Stockton Centre. The Chief Executive of ADHC, Mr Jim Longley, told the committee the budgetary processes to build this alternative accommodation are underway.⁵⁰ The committee understands on advice from the NDIA that it has no obligation to contribute to this cost from its budget.⁵¹

4.58 In his budget speech to the NSW Parliament, the State Treasurer, the Hon. Andrew Constance noted:

48 Ms Jean Koshemakin, Correspondence received, 12 February 2014.

49 Mr Ron Sharkey, *Committee Hansard*, 6 May 2014, p. 8. See also comments of Mr Kurt Fearnley, Disability Advocate & member of the Independent Advisory Council, *Committee Hansard*, 6 May 2014, p. 10.

50 Mr Jim Longley, Chief Executive, Ageing, Disability and Home Care, Department of Family and Community Services, *Committee Hansard*, 6 May 2014, p. 23.

51 Ms Louise Glanville, National Disability Insurance Agency, *Correspondence received on 25 July 2014*.

Today we are investing \$587 million to deliver Ready Together, to assist people move to the NDIS and \$30 million towards new accommodation for people with disability in the Hunter Residential Centres.⁵²

4.59 At the public hearing in Newcastle on 6 May 2014, the committee took evidence from ADHC officials on the progress of the New South Wales Government's plans to deinstitutionalise its large residential centres. Mr Longley told the committee:

The New South Wales government remains committed to devolution from all large residential centres. Those people with disability who are currently our clients will be our clients until such time as they are with the NDIA, and they will be in accommodation, and that accommodation will be the best and most appropriate that we are able to organise.⁵³

4.60 Mr John Ryan from ADHC provided the committee with the following detail on the progress of consultation with people currently living in large residential centres in NSW. He told the committee that:

...the redevelopment of large residential centres in Western Sydney is underway and will be complete by 2015. Stockton, Kanangra and Tomaree are going through the budget processes at the moment. It is a large project, but it is possible—as it happens, we are actually starting to develop a land bank for people at Stockton, because we are presuming that the people at Stockton will behave fairly similarly to the people in Western Sydney, where an awful lot of people will choose to change their location when we give the opportunity to families...

It is our intention to have some sort of an answer for everybody who is living in Hunter residences, which are those three centres, by 2018. We are only, at this stage, at the consultation phase, where we are going to families—at the moment, only in Stockton—and saying to them, 'Look, this is what we have in mind.' ...

Once we have explained to families, shown them working models of what is involved, frequently they say, 'Oh, is that what you've got in mind? We would love it if our family members could move closer.' And only about 80 people who live in Stockton actually have a person responsible or family members living in the Newcastle area, so we are expecting a considerable number of them will actually choose to relocate their family members to other parts of the state, and we will build them brand-new houses, with their friends, that will better meet their needs than Stockton does.⁵⁴

52 The Hon. Andrew Constance, Treasurer, New South Wales Government, *Budget Speech*, http://www.budget.nsw.gov.au/data/assets/pdf_file/0020/124328/2014-15_Budget_Speech_-_Budget_Paper_No.1.pdf (accessed 15 July 2014).

53 Mr Jim Longley, Chief Executive, Ageing, Disability and Home Care, Department of Family and Community Services, *Committee Hansard*, 6 May 2014, p. 22.

54 Mr John Ryan, Ageing, Disability and Home Care, Department of Family and Community Services, New South Wales, *Committee Hansard*, 6 May 2014, pp 21–22.

Young people living in aged care facilities

4.61 At the Newcastle hearing on 5 May 2014, the committee heard of other cases of a young person living in an aged care home (see also chapter 2). Mr Colin Brodie told the committee that his 29 year old son currently resides in a residential aged care home. He noted that the federal government's Young People in Residential Care Program (YPIRAC) funding initiative was 'very greatly appreciated' as it 'provided for at least a modest array of services and assets to make up some of the shortfall that exist in the system for young people in aged care facilities'. Mr Brodie added:

One of the great reliefs that we appreciated by way of that YPIRAC funding was that there was a modest array of services provided, one of which was therapeutic massage. Massage has been of tremendous benefit, if you can imagine not being able to move and the relief. It is a therapy in itself.⁵⁵

4.62 However, Mr Brodie expressed his concern that under the NDIS, massage is not provided and once signed to be an NDIS participant, YPIRAC funding ceases. He elaborated:

We have been advised that, once you sign up to the NDIA, the YPIRAC funding ceases. We have been advised that, once you sign up to the NDIA, massage ceases. We have been advised that, if you do not sign up to the NDIA by a certain date, YPIRAC funding ceases. So we are left in a complete conundrum as to how it could transpire that in regard to the NDIS, which was introduced on the basis that everything would be better now, we find that quite the opposite applies. There is a meanness of spirit, no doubt driven by budget constraints, in regard to the packages that have been provided to other people that we know of. It is not uncommon at all for services that are currently being provided to have been either withdrawn or reduced. I find it extraordinary. I have written to the NDIA in regard to this matter, pointing out what I have just related to you, and I have reiterated my inquiry several times since the original inquiry that I made nearly two months ago, only to have been told that it has simply been referred to head office. It seems to be too hard.⁵⁶

4.63 The committee emphasises that its focus is on systemic issues rather than individual matters. That said, the committee is of the view that the matter raised by Mr Brodie does have wider implications. It asks that the NDIA review the matter, and cases similar, to see what is an appropriate intervention or service that meets the needs of participants in the Scheme.

4.64 The broader issue of young people transitioning from funding assistance under the New South Wales YPIRAC program to the NDIS was raised by Ms Penny Paul from the Summer Foundation. She told the committee that the work of her

55 Mr Colin Brodie, *Committee Hansard*, 5 May 2014, p. 27.

56 Mr Colin Brodie, *Committee Hansard*, 5 May 2014, p. 27.

organisation is focussed on ensuring that young people are not forced to live in aged care. She provided the following evidence:

In January 2013, we began a number of projects related to young people in nursing homes in the NDIS, to locate young people in nursing homes in the trial sites, to build their capacity to access the NDIS and to conduct research about the information needs of them and their families to participate. Building on this work, we have now launched an NDIS connections project in the Barwon and Hunter trial sites and anticipate appointing a project officer in the ACT shortly. We have already identified a number of young people in the launch sites, supported them to register with the NDIS and assisted them through the planning processes. We have had some excellent outcomes to date.

...While achieving some excellent outcomes, eligibility to the YPIRAC program was limited to people under 50 years of age. YPIRAC concluded on 30 June 2011, so there are many young people in nursing homes who are not able to access YPIRAC or who have entered a nursing home since the program concluded. The number of young people in nursing homes nationally remains stubbornly high. The Australian Institute of Health and Welfare data indicates that there are 6,209 young people residing permanently in RAC nationally. There were 2,692 permanent admissions between 1 July 2012 and 30 June 2013. Two hundred and ninety two of these people were under 50 years of age. There are 149 people under the age of 65 in the three local government areas that comprise this launch site, 72 of whom entered in the 2012-13 year and so will not have had access to YPRAC funding. These figures do not capture the young people in respite or transitional care within the aged-care system. While the data is both compelling and vital, for planning purposes, it does not help us locate those individuals or their families to provide them with the information about how to access the NDIS or that, indeed, they are eligible.

Provision has been made to transition existing YPIRAC clients to the NDIS...They have received YPRAC funding and have been brought across. But many of the young people in nursing homes are neither YPIRAC clients nor clients of state funded disability services, because that is regarded as double-dipping. As a consequence, they will not be known to the National Disability Insurance Agency and so will not be transitioned across in the trial sites.

There are three preconditions to the scheme delivering for young people in nursing homes. Firstly, they must be made aware of their eligibility. Secondly, they must be provided with the support they require to participate and thirdly, they must be empowered to exercise the choice and control that is at the heart of the scheme's design. Our research of the trial sites shows that most young people in nursing homes are not aware of the NDIS. They have not engaged with that so far. We know that family members are a vital source of information about the NDIS for this target group. Without the close involvement of family members or links to advocacy organisations

the NDIS misses out—these people are potentially going to miss out on this program.⁵⁷

4.65 Ms Paul urged the committee to consider a 'protocol' to ensure that all young people in nursing homes, and their families and carers, are informed about how to make an access request to the NDIS. She suggested that those without support should be referred to an advocacy agency to support them through the NDIS planning process.⁵⁸

4.66 Ms Paul also argued that the 52-day social leave rule⁵⁹ should be waived. She reasoned:

...if you have lived in aged care for a while you will be very hesitant to move out, and so you are going to need that thing where you might spend two days a week out of aged care and build that up over time. People very quickly run out of time, with 52 days, and then are very concerned that they may have lost that bed, so they are not prepared to try new things.⁶⁰

4.67 On notice, the committee asked ADHC to respond to the committee's concern about future accommodation options for the young people living in a state-funded aged-care home in Wallsend. The New South Wales Government responded that eight of the nine young people in the Wallsend home have transitioned to the NDIS with the remaining client expected to complete their plan 'in the very near future'. It added that as Wallsend is within the Hunter trial, those young people with NDIS packages will become clients of the NDIA and ADHC will no longer provide their supports. The NSW Government also noted that the YPIRAC program is writing to those previously supported through the program to advise them that all future supports will come through the NDIA.⁶¹ Chapter 6 recommends that the NDIA also take action.

Public liability insurance

4.68 In Newcastle, the committee heard that public liability insurance for carers is not offered in insurance policies. Ms Daley told the committee that in her case, she is employing one person directly to care for her daughter within the home. She told the committee that she has not been able to find an insurance company to cover this employee and added:

Traditionally, if you had a home and contents insurance policy that included a public liability component, it would cover those particular staff. However,

57 Ms Penny Paul, *Committee Hansard*, 5 May 2014, p. 28.

58 Ms Penny Paul, *Committee Hansard*, 5 May 2014, p. 28.

59 This rule states that after being absent from a residential aged care facility for a total of 52 days in any one financial year, if there any further absences required the resident pays the full-bed fees. The rule applies to all permanent residents of aged care.

60 Ms Penny Paul, *Committee Hansard*, 5 May 2014, p. 28.

61 New South Wales Government, Family and Community Services, *response to question on notice number 7*, received 23 June 2014.

as soon as you say they are doing attendant care or personal support, they are not covered under that particular policy. There does not appear to be any other product that does that. I have still got insurance brokers out there looking.⁶²

It is a matter that I would really like investigated, because it is one of the big things that is preventing a lot of people from being able to go down that path...

It appears as though the UK have some quite good insurance policies and products to cover that direct employment, but there is nothing even remotely comparable within Australia at this point in time.⁶³

4.69 Mr Michael Fitzpatrick told the committee that he faced the same difficulties.

In regard to the insurance issue, this is something I am going down the track of self-managing for my 15-year-old son as well. He has high medical needs. There is a specific clause in all insurance policies in Australia which specifically excludes a person from employing a person as a carer for someone who lives in the same household. It is in all insurance policies.⁶⁴

4.70 Mr Fitzpatrick added:

I spoke to the agency [NDIA], and the agency referred me to the Insurance Council, who provided me with the names of several different insurers. I went through about half-a-dozen different insurance brokers, who within three or four days came back to me and said, 'We're going to refer you to our underwriters, because we can't work it out.' The underwriters then came back to me and discussed the specific scenario with me. I had two or three of them talk to each other, and they came back to me and said, 'We don't know how we can get around this in Australia,' and they said, 'We would love for the agency to come and talk to us, because the government has enacted this scheme but the insurance is nowhere near ready to do exactly what I want it to do.'

...

One provider actually told me to go and talk to the GIO about insurance because that is what their clients did and that was the coverage that their clients had. When I spoke to the GIO they said, 'We have never had that insurance in the 12 years that the person worked here,' so I am quite concerned that the information provided by service providers is not relevant and is not accurate.⁶⁵

4.71 The committee contacted the Insurance Council of Australia to ask its view on two issues:

62 Ms Caroline Daley, *Committee Hansard*, 5 May 2014, p. 14.

63 Ms Caroline Daley, *Committee Hansard*, 5 May 2014, p. 13.

64 Mr Michael Fitzpatrick, *Committee Hansard*, 5 May 2014, p. 15.

65 Mr Michael Fitzpatrick, *Committee Hansard*, 5 May 2014, p. 15.

- (a) whether carers of a person with disability are covered by the public liability component of the person with a disability's home contents insurance policy; and
- (b) whether there is any insurance available for a carer who is employed to care for someone in the same house.

4.72 The ICA responded:

A household public liability policy held by the person with a disability may not respond to injuries suffered by family members whether or not they are providing care services. Family members and people employed or contracted by the householder are often excluded from the policy as other insurance may apply.

Carers who provide care commercially as sole traders can take out public liability insurance to deal with any injury to the person with a disability caused by their negligence. They can also take out personal accident insurance to compensate them in the case that they suffer an injury. In these circumstances, it may be prudent for the carer to seek the advice of a specialist broker as to the types of insurance they may need.

4.73 In terms of insurance cover for a carer employed to care for a person in the same house, the ICA noted that workers compensation can be taken out by the employer to cover employees. For a family member carer, there is personal accident insurance and various life insurance policies including income protection, total permanent disability and health insurance. The ICA concluded:

Though the provision of individual products is a commercial matter for each insurer, public liability and other commercial products are available in the marketplace. We suggest that in home family carers seek advice as to the potential insurance for their own risk of injury and risk of injury to others.⁶⁶

4.74 The committee asked the NDIA whether these issues of gaps in insurance cover had been raised previously with the Agency and if so, whether the Agency had discussed these concerns with the ICA. The NDIA responded:

The National Disability Insurance Agency is in the process of publishing materials developed in conjunction with participants who wish to self-manage.

Workers compensation insurance is readily available for people employed by a participant.

Public liability insurance is available but is more expensive as there is limited call for this type of insurance at this stage.

It is intended to discuss this matter with the ICA but whilst the market remains as small as it is, there may not be a viable business prospect for an insurer. A more attractive market prospect will emerge with increased

numbers of participants in the National Disability Insurance Scheme and an increased take-up of self-management of funds by participants.⁶⁷

Early childhood supports

4.75 The committee received data from the NDIA showing that in the first nine months of the Hunter trial, the average package costs for children aged 0–4 years was \$14,624.⁶⁸ At the public hearing in Newcastle on 5 May 2014, the committee received evidence from Mr Jim Hungerford of the Shepherd Centre that the NDIS funding model for early intervention supports 'does not work'. Specifically, he told the committee that the NDIS early intervention model:

...is written around \$6,000, \$12,000 and \$16,000 per year. Unfortunately, to provide the level of support to enable these children to speak, the average cost is somewhere between \$18,000 and \$20,000 per child—that is across the children who need less support as well as the children who need the high level of support. So there is a significant shortfall. In conjunction with that, there is the expectation that, for children who have multiple disabilities—and approximately a third of our children have got needs in addition to their hearing loss—there is no increase in the early intervention funding because it is a transdisciplinary package. However, there is clearly a significant increase in the effort required from all of the services that are supporting those children, so there is a further shortfall there.⁶⁹

4.76 Mr Hungerford told the committee that while the average costs per child fell well below the NDIS' funding model, for high-needs children, 'we would be spending well in excess of \$20,000'.⁷⁰

4.77 Mr Hungerford also drew the committee's attention to the broader implications of the introduction of the NDIS for his organisation's funding model. He described the current situation faced by the Shepherd Centre as follows:

...donors are already saying to us, 'We do not need to give as much money to you because the problem is solved by the NDIS.' So we are at risk of being caught by a pincer movement in terms of lack of funding.

...

Our charitable funding. At the moment, we receive a lot of philanthropic support. However, donors, because they hear all of the positive success stories of the NDIS, have the expectation that they can put their money into other causes rather than our cause. So we are at risk of the NDIS not

67 National Disability Insurance Agency, *response to question on notice number 18*, received 16 June 2014.

68 National Disability Insurance Agency, *Information provided to the Parliamentary Joint Standing Committee on the National Disability Insurance Scheme*, received 8 July 2014

69 Mr Jim Hungerford, *Committee Hansard*, 5 May 2014, p. 34.

70 Mr Jim Hungerford, *Committee Hansard*, 5 May 2014, p. 34.

equalling our funding need, and then, at the same time, our charitable dollar decreasing.⁷¹

4.78 Mr Hungerford told the committee that if the NDIS falls short of children's funding needs, and organisations like the Shepherd Centre are unable to cover the shortfall in costs through fund-raising efforts, there would be consequences in terms of poorer early intervention outcomes. He explained:

The children will not be able to get to primary school with age-appropriate spoken language. They will then need to have higher levels of support whilst they are in school. They will not be able to achieve as good employment and social outcomes, dramatically increasing the cost to the community in the future, as well as, clearly, curtailing the opportunities that those individuals have in front of them. As a result, I request that the committee review the early intervention funding model for children in this sort of situation and, in particular, the arbitrary cut-off in funding limits.⁷²

4.79 Mr Hungerford told the committee that his organisation had made 'a number of representations' to the NDIA and the Chief Executive Officer who has understood where they are coming from and is sympathetic to that. However he goes on to clarify:

Our problem has been much more with what has been written, because the \$16K limit has been written into the TD packages, and also with what actually gets funded on the ground.⁷³

4.80 As mentioned in paragraph 5.74, the committee has noted that it has been advised by the NDIA that there are no funding caps.

4.81 The committee flags that the issue of the NDIA's assessment of early intervention support packages is discussed in detail in the following chapter of this report. In particular, the focus of chapter 5 is on the NDIA's operational guidelines for transdisciplinary packages for children and the effect that this document has had in constraining package costs.

Reproductive and sexual health

4.82 At the Newcastle hearing, Family Planning New South Wales gave evidence highlighting the importance of sexuality and relationship issues for people with disability. The organisation is seeking to become a registered service provider in the Hunter trial site. It currently runs an education program for service providers to support people with disability in the area of sexuality and relationships, as well as offering a range of resources for people with disability. Mr Rob Hardy, Senior Health Promotion Officer with Family Planning NSW, told the committee:

71 Mr Jim Hungerford, *Committee Hansard*, 5 May 2014, p. 34.

72 Mr Jim Hungerford, *Committee Hansard*, 5 May 2014, p. 34.

73 Mr Jim Hungerford, *Committee Hansard*, 5 May 2014, p. 34.

We would like to put on the radar the gap that exists in the provision of specialised services for people with disability in supporting them around their sexuality and relationships. This may include managing life changes around puberty; managing sexual behaviours of concern, which are often the concern of service providers and family members; supporting and participating in intimate relationships, things like developing dating skills; and negotiating safe and lawful sexual relationships and other life stages, such as menopause. The gap exists because clinical services are able to offer a very limited role in supporting people around health matters and clinical matters. The disability service sector has historically not ventured into the area of supporting people in this area, so a large gap exists between those two areas.⁷⁴

4.83 Mr Hardy told the committee that his organisation is well positioned to provide a new service providing individualised support for people with disability around sexuality issues. For the service to work properly, he emphasised it would be important for NDIA planners to include sexuality and relationship issues in their assessments. Mr Hardy argued that planners' assessment tools 'should specifically include the area of sexuality and relationships'.⁷⁵

Committee view

4.84 This chapter has noted the various achievements of the Hunter trial site over the first year of its operation. Since the publication of the Third Quarterly Report in March 2014, the Newcastle Local Government Area has accepted its two-thousandth NDIS participant. Participants in the Hunter are accessing a range of services and spending their package funding. And, as this chapter has detailed, there are many positive stories from participants and their carers highlighting the important role of their planner, their satisfaction with the planning process and the change that the Scheme has made to their life. The committee congratulates the NDIA, participants, carers, family members and service providers for their achievements to date.

4.85 As with the other NDIS sites, the trial phase in the Hunter has raised a number of challenges that require the attention of the NDIA, advocacy groups, service providers and others. None of these challenges are insurmountable but they will require the various stakeholders to communicate and the Agency to show initiative in coordinating a response.

74 Mr Rob Hardy, *Committee Hansard*, 5 May 2014, p. 37.

75 Mr Rob Hardy, *Committee Hansard*, 5 May 2014, p. 37.

Chapter 5

The South Australian trial site

5.1 This chapter presents the committee's evidence on the achievements and challenges facing the National Disability Insurance Scheme (NDIS) in the South Australian trial site.

The public hearings

5.2 The committee held public hearings in Adelaide on 7 and 8 May 2014. On 7 May, the committee took evidence from 15 participants and carers and 8 individuals representing service providers. On 8 May, South Australian Department for Communities and Social Inclusion and South Australian National Disability Insurance Agency (NDIA) officials gave evidence to the committee. While the South Australian trial presented similar broad themes as the other three trial sites, it raised specific issues regarding the transitioning of children aged 0–5 years into the Scheme.

Progress of the South Australian trial site

5.3 Table 5.1 provides some key statistics relating to the progress of the South Australian trial site. The table shows the progress of transitioning participants against the bilateral agreement between the Commonwealth and South Australian governments. As of 31 March 2014, 1152 participants had been found eligible to access the Scheme and 979 participants had approved plans.¹ This represents a 62 per cent transition approval rating against the agreed bilateral figure for the first year's intake in 2013–14 of 1565 participants.

Table 5.1: Key statistics of the South Australian site (after 9 months)

	Sth Australia	Tasmania	Barwon	Hunter
Number of participants in bilateral agreement	1,565	792	4,076	3,000
Number of participants with plans, 31 March	979	585	2,113	1,724
Access requests	1,449	744	3,108	2,720
Accepted as eligible	1,152	685	2,495	2,042
Ineligible (i)	116	19	205	461
Other (ii)	297	59	613	217
Average days from access request to plan approval	51	56	49	54
Average time: application–commencement of services	76	90	101	79
Review of decisions	12	-	26	14
Participants accessing mainstream services (% of total)	88	76	92	68

Source: National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014.

1 National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014, p. 12.

Transition to the NDIS in South Australia

5.4 This section discusses the transitional arrangements in South Australia for the 2014-15 cohort. Table 5.2 below shows the phasing schedule for the South Australian trial site. It displays the process through which the South Australian Department for Communities and Social Inclusion (DCSI) intends to transition clients into the NDIS.

Table 5.2: Transition arrangements in the South Australian trial site

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Transition timing	0–5 year olds	6–13 year olds	13–14 year old	Transition to Full Scheme		Full Scheme	
Client numbers	1565	4688	5085	32–34,000		Over 100,000	

Source: South Australia NDIS bilateral agreement. Note: All yearly intake number are cumulative.

5.5 The South Australian trial, like the Tasmanian trial, opted for an aged-based introduction to the NDIS. South Australia's first priority has been to transition children under the age of six—birth to five years old—bringing them in quarter by quarter, age cohort by age cohort. From 1 July 2014 the trial started transitioning children aged 6–13 years. Children aged 14 will be included from 2015.

5.6 As shown in Table 5.2, the next intake of participants will bring in an additional 3123 in 2014–15 from 1 July 2014 expanding the South Australian trial site to 4688, nearly triple the 2013–14 number of 1565. In 2015, a further 397 participants aged 14 will enter the trial site.²

5.7 As all participants in this trial site are very young children, all responses have been provided by parents or carers and for the purpose of this chapter they will be referred to as carers.

Achievements of the South Australian trial site to date

5.8 As in the other trial sites, the committee heard from the National Disability Insurance Agency (NDIA) South Australian trial site manager, Ms Meryl Zweck, that there have already been some important achievements in the site. These are:

- participants' positive views of their planning process;
- significant progress in approving plans;
- new trial of pre planning discussions;
- regional and remote support;
- Indigenous disability and employment opportunities; and

2 *Schedule C: Bilateral Agreement for NDIS Launch between the Commonwealth and South Australia*, 7 December 2012, p. 7.

- participants self-managing plans.

Participants' positive views of their planning process

5.9 The committee notes that Table 5.3 shows according to the NDIA survey results, 89 per cent of South Australian respondents stated that their experience with the planning process was either 'very good' or 'good'. The committee emphasises that all survey work data should be transparent and accurately reported. In chapter 6 of this report, the committee recommends the need for greater clarity on how NDIA surveys are conducted and compiled.

5.10 The committee heard positive feedback from Mrs Dollard who recounted her experiences with her child's first NDIS plan at the South Australian trial site:

Our first planning meeting was fantastic. It all happened in our home; my husband was there and my son was there. We had about two sessions with our planner. We had time to go through our goals with her really carefully. She listened to us. She was fantastic. At no point did I feel confused or anything. So that was a really great process for us. The plan came through and we were very happy with it.³

Table 5.3—Participant feedback

YTD	Total responses	Very good	Good	Neutral	Poor	Very poor
Overall, how would you rate your experience with the planning process today?	784	571 (73%)	169 (22%)	33 (4%)	10 (1%)	1 (0.1%)
NSW	179	148	27	4	0	0
South Australia	272	157 (58%)	83 (31%)	21 (8%)	10 (3%)	1 (0%)
Tasmania	58	52	6	0	0	0
Victoria	275	214	53	8	0	0

Source: National Disability Insurance Agency, document received 8 July 2014.

Significant progress in approving plans

5.11 Ms Zweck highlighted the South Australian trial site achievements to date, including processing the initial backlog of transitioning participants, stating that:

The first nine months of the scheme have been both rewarding and challenging...Third quarter data has been released and demonstrates sound performance, with significant progress and plan approvals, including addressing the backlog that had developed in the first six months. For South Australia that means 89 per cent achieved against the bilateral agreement*.

3 Mrs Michaela Dollard, *Committee Hansard*, 7 May 2014, p. 10.

But probably more importantly, 979 children have now had plans approved in South Australia...⁴

Likewise, our interactions with service providers facilitate collaborative relationships and continual learning and improvements. This work is underpinned by a strong, pragmatic working relationship with the SA government. Progress with the scheme in South Australia has been sound.⁵

5.12 NDIA noted that the number of days between when an access request for a plan is made by a participant and when supports are approved in South Australia is 51 days just below the average of 52 days across all trial sites.⁶

5.13 Further, Ms Zweck noted that in South Australia:

The majority of participants and their families are accessing the scheme under early intervention provisions. Transdisciplinary packages are increasingly being funded to support families to enable flexibility and recognise the frequently changing needs of young children, and access and information is being provided statewide through a network of metropolitan and regionally based local area coordinators. The scheme is ensuring that parents are linked into local mainstream supports and is strengthening the sustainability of supports provided by families and carers. There are early indications of providers expanding their services and developing innovative responses to enable choice for participants.⁷

New trial pre-planning discussions

5.14 As part of the NDIA's facilitation of information, the NDIA informed the committee that it had begun trialling pre-planning workshop discussions designed to assist and inform carers and participants about the planning process:

[O]ur local area coordinators and regional areas meet with parents to assist them with preplanning activities and connection to the mainstream and community supports.⁸

Regional and remote support

5.15 The committee also heard evidence about how the Agency was engaging with people in regional and remote communities who will be accessing the Scheme:

4 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 20.

5 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 20. *[This percentage is based on a pro-rata figure of the bilateral agreement for the 2013–14 year].

6 National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014, p. 15.

7 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 21.

8 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 21.

In regional areas, we recognise the uniqueness of each region and the challenges of providing funded supports across a range of activities to a relatively small number of children in a vast geographical area.

While seeking individual responses for participants, we are also working on ways to facilitate increased options for families and service provision. In remote areas, we are working closely with NPY Women's Council and the Tullawon Health Service through the KW Health Alliance to develop local solutions and culturally appropriate responses informed by community members. We are ensuring that we incorporate their expertise and views into how we can design our processes and communication materials to address these challenges.⁹

Indigenous disability support and employment opportunities

5.16 As part of the Agency's engagement in regional and remote communities, Ms Zweck elaborated on NDIA's work with Indigenous communities and with the national peak disability organisation representing Aboriginal people with disabilities, First Peoples Disability Network:

We continue to work with other government agencies and their capabilities to ensure that processes are sustainable and scalable. First Peoples Disability Network support us in this engagement and in facilitating NDIA access to community members. Insight from these projects has been very valuable, and we are exploring how we may formalise our input from these agencies on an ongoing basis.

Two additional areas of focus include how we effectively communicate and share information about the scheme with Indigenous and culturally and linguistically diverse groups, including designing communication and engagement strategies. Secondly, in recruitment activities, we are looking to see how we can create innovative employment opportunities to maximise engagement with Indigenous groups.¹⁰

Participants self-managing plans

5.17 The committee notes that South Australia has the highest rate of self-management of plans out of the four trial sites at 5 per cent of total plans approved with 12 per cent undertaking a combination of agency managed and self-managed.¹¹ The committee commends the early progress that the South Australian trial site has made in promoting the option of self-managing plans. In keeping with the Scheme's intent to provide greater choice and flexibility, the committee considers that there needs to be greater support and encouragement by the NDIA for participants to gain

9 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 21.

10 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 21.

11 National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014, p. 18.

the necessary skills to become self-managers of their plans and that this should be a key objective for every site.

Table 5.4: NDIS plan management arrangement

State	Agency Managed	Combination	Plan Management Provider	Self-Managed
NSW	68%	30%	0%	2%
SA	83%	12%	0%	5%
TAS	66%	31%	0%	3%
VIC	71%	29%	0%	1%
Total	72%	26%	0%	2%

Source: National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014, p. 18.

5.18 The committee heard that self-management of plans has had a greater uptake in South Australia primarily to ensure that carers are able to manage the allotted funds under their child's transdisciplinary plan. Mrs Michaela Dollard who self manages her three year old son, Harry's package stated that:

I self-manage and have always self-managed, so again I was happy with that process, because it allowed me to spend my funding where I could. It also allowed me to try out new therapists and to access private therapy on recommendations from other parents and whomever. That was good. It was flexible and I was really happy with that.¹²

Challenges for the South Australian trial site to date

5.19 As with the other trial sites, the committee heard responses from stakeholders about areas and processes that represent challenges in the implementation of the NDIS. This section identifies some of the challenges that have faced the implementation of NDIS in progressing with the South Australian trial. The committee heard evidence that identified the following challenges in the South Australian trial site:

- transition challenges in South Australia;
- the culture within the NDIA;
- NDIA complaints and reviews;
- communications from the NDIA;
- the planning and assessment process;
- support needs assessment tool;
- transdisciplinary packages;

12 Mrs Michaela Dollard, *Committee Hansard*, 7 May 2014, p. 12.

-
- additions to transdisciplinary packages;
 - providers views of transdisciplinary packages;
 - participants using fund managers;
 - the backdating of plans; and
 - the role of advocacy.

5.20 South Australian trial site manager, Ms Zweck, gave the committee a detailed account of the challenges facing the South Australian trial site to date. Ms Zweck acknowledged and articulated the array of individual challenges stating that the organisation is constantly working to improve its operations:

We are a learning organisation and in this spirit acknowledge that there are refinements and improvements that can be made to the processes we use to implement the scheme. For example, clearer operational guidelines in regard to 'reasonable and necessary' have improved the capacity of staff to communicate their decisions with families and service providers.¹³

5.21 Ms Zweck also noted a number of site specific issues that have been particularly challenging for the NDIA staff:

...[T]hings specific to South Australia: there is a need for an increased definition for developmental delay and eligibility in access requirements; implementation of the transdisciplinary approach and the role of the primary service provider still needs to be explored and trialled; travel and transport costs to deliver a service in regional and remote areas need to be clarified; there is a need to implement strategies to ensure the continued contribution of donors in terms of fundraising; the funding for access to tier 2 supports can be an issue; and there are concerns about the impact of the increased numbers of participants and year 2 phasing.¹⁴

Transition challenges in South Australia

5.22 As highlighted above and in paragraph 5.5, a significant challenge in the South Australian trial site is the ability of the NDIA and the South Australian Government to process the increased intake of participants into the Scheme. Under the South Australian bilateral agreement, 4688 participants are scheduled to join the South Australian trial site by the end of 2014/15 (estimated cumulative total including 2013/2014 intake). This requires the NDIA to process twice as many participants in 2014–15 as it did in 2013–14. This will effectively triple the number of participants in the South Australian trial site with an additional 397 participants entering in 2015.

5.23 Both the Executive Director for Disability SA, DCSI, Mr David Caudrey, and the NDIA South Australian trial site manager, Ms Meryl Zweck, shared their concerns

13 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 20.

14 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 22.

with the committee regarding the capacity and readiness of the trial site to process this next cohort starting from 1 July 2014. Mr Caudrey states that in regard to 2014:

We are already beginning to be concerned, both in terms of our processes and NDIA processes, that in year two [2014] we are...working at double the rate because we are bringing in children from six through to 13.¹⁵

5.24 Ms Zweck also told the committee that in regard to the 2014 intake:

[Y]ear 2 [2014] additional participant numbers remain unresolved and expansion issues for those aged six to 13 will be considerable; and our workforce needs to be developed and implemented, particularly in the remote and regional areas...We expect to see the vast majority of participants in year 2 [2014] of the scheme, and the challenge for our staff will be to continue to provide a high level of responsive service to our current participants and providers while substantially increasing the number of participants who are seeking access to the scheme.¹⁶

5.25 Ms Zweck also said that NDIA was working to address similar transitioning issues for remote Indigenous communities in Year 2:

[R]emote Aboriginal communities; year 2 [2014] additional participant numbers remain unresolved and expansion issues for those aged six to 13 will be considerable; and our workforce needs to be developed and implemented, particularly in the remote and regional areas.¹⁷

5.26 The committee is cognisant that all sites will face increases in the number of participants requiring transition to the Scheme as it approaches full scheme. This will impact considerably on both the capacity of the jurisdiction and the NDIA to process the expected numbers. The South Australian government has highlighted this concern with the size of the current transitioning cohort and with the future cohorts commencing in 2016.

5.27 The committee understands that this issue is still being dealt with through Council of Australian Governments (COAG) and phasing arrangements for 2014/15 are yet to be finalised.

The culture within the NDIA

5.28 In understanding the culture of the Agency and how this was operating, the committee heard evidence from a number of carers about their experiences with the NDIA planners and about the culture in the Agency. Although some carers were happy, the committee heard examples where carers encountered both welcoming and unwelcoming, sometimes rude and terse behaviour during interactions with NDIA

15 Mr David Caudrey, *Committee Hansard*, 8 May 2014, p. 3.

16 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 22.

17 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 22.

staff. For example, Ms Diana Ots, mother of an NDIS participant, stated that she found that the staff appeared to have become very judgemental:

I am concerned about comments from planners that lead me to believe that an unhealthy culture has formed in certain NDIA offices. Comments I have heard are along the lines of: 'Other participants are asking for too much, which is why we are cutting back'. Because participants are talking to each other, they are finding out what they did not get and requesting reviews. This attitude alienates participants from each other and creates an 'us versus them' environment. I feel that the total cost of the plan should be irrelevant to the planner; it leads to judgement and pressure.¹⁸

5.29 Ms Mia Lester, mother of a two year old with multiple disabilities including blindness, recounted a similar tone from her first planning interview:

The process, I felt, was subjective and not factual. It was not based on all of the medical reports that I had provided prior to the meeting...The planner was rude. She was like talking to a machine. Her responses were just really well rehearsed.¹⁹

5.30 In examining some of these accounts, the committee spoke with the South Australian NDIA management team about the planners and the culture within the South Australian trial site. The committee enquired as to what the NDIA was doing to create a positive culture with their planners.

5.31 Ms Zweck explained that there are extensive induction training processes for new staff:

[A]s part of staff's commencement with us they took quite extensive induction training, which included those aspects of the value of the agency and the culture of the agency and reinforced what that would look like to them. The sorts of things that our planners would say to us that, I suppose, reinforce what the culture and the values are do not appear to be reflected in the perceptions or the experiences of what the families are indicating to us. So one is that sort of training approach. The other thing that we do is that we have meetings where I stand up, I talk about the vision and the culture of the agency, and I talk about that with all staff. That is then reinforced through my directors of service delivery, who work very closely with the administration staff, the planning staff and also the local area coordinators. We are continuing to message that...

...When we actually have feedback from participants, as I said before, we will actually have a discussion about that at our management team. We will talk about, 'Does that mean we need change processes in some way?'²⁰

18 Ms Diana Ots, *Committee Hansard*, 7 May 2014, p. 4.

19 Ms Mia Lester, *Committee Hansard*, 7 May 2014, p. 8.

20 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 24.

5.32 In the committee's meeting with the NDIA on 8 July 2104, the NDIA Chief Executive Officer, Mr Bowen informed the committee that the Agency would be undertaking a 'culture audit' of its services that would seek to address and capture feedback on all Agency interactions with its stakeholders. In addition, NDIA stated that it was implementing a further feedback mechanism in each trial site of conducting regular local participation forums.²¹

5.33 The committee also heard from the Operations General Manager, Ms Liz Cairns who told the committee that the NDIA's quality framework is expanding to cover more qualitative data and KPIs on the Agency's interactions with stakeholders:

We have had a quality framework in place since July last year. I have just recruited a new quality and innovation team that is taking the existing framework, which I think has provided us with some useful information to date, but clearly needs to be expanded, both in response to this process and also in response to where we are in our organisation.

So it will catch all the possible sources of information, including the qualitative customer satisfaction engagement that we need to do in addition to the survey. It will look at complaints. It will drill into records in terms of timeliness of responses. Then run we will run that through a continuous improvement process. The outcome of that will effectively be a recourse analysis: what is the change; what is the reason for a particular issue or deficit; is it about an individual staff member; is it broader than that; is it a training issue; does it need to be dealt with by way of a process change?

The other thing we are introducing is a set of KPIs for the operation staff, which will talk to the key deliverables of the scheme—for example, client outcomes being achieved and scheme sustainability. But in response to this particular issue we have two. One is around timeliness; particular time frames around responsiveness to phone calls, emails and written communication. And an aspect of the KPI for each individual will be their score against our behaviours and values.²²

NDIA complaints and reviews

5.34 In providing the committee with information about the achievements of the South Australian trial site, NDIA trial site manager, Ms Zweck noted that the trial site had received:

...37 complaints and 18 requests for a review of decision. An application for review has been lodged with the Administrative Appeals Tribunal.²³

5.35 In reference to the complaints, the Ms Zweck stated that:

21 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 3.

22 Ms Liz Cairns, *Transcript of meeting with the NDIA*, 8 July 2014, p. 4.

23 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 20.

These complaints [the above quote] largely relate to funded supports, particularly the level of reasonable and necessary supports included in plans, the implementation of the transdisciplinary approaches and planning outcomes. Many of the latter arise from confusion with the definition of the no-disadvantage provisions agreed between governments. While many have interpreted this as ensuring maintenance of the dollar value of specific items, the agency has attempted to retain a focus on maintaining and/or increasing the overall outcomes for the person in the context of the goals of the scheme and as required under the intergovernmental agreement.²⁴

Communications from the NDIA

5.36 A concern that was consistently raised with the committee by participants and providers who participated in the hearing in Adelaide is the complexity of the Scheme and lack of clarity of information provided by the Agency. The committee notes that others not present at the hearing may not have had the same experiences.

5.37 Mr Philip Martin, Chief Executive Officer, Muscular Dystrophy Association noted that:

From our point of view, regrettably, the vagaries of the political system and the inconsistency of the parameters for the trial sites have created circumstances where a lot of clients are very confused about when they can get something and what they can get. It was initially in fact overpromised and at this point under-delivered. Many of our direct service workers and our clients are overwhelmed by the volume of changing information and the nature of the information. We would ask the agency to consider a series of well thought through, clearly articulated information to families and people with disability... We are getting a lot of information directly from the agency about what is happening in the rollout, but it is without context of what may be available within the new system.²⁵

5.38 Evidence has also been brought to the committee's attention of the constant changing of documents on the NDIA website with little version control to identify whether a particular document is current or not. A recent example brought to the committee's attention, was the *NDIS planning guide and workbook* that one day appeared with a new section, *Step 4 Approve your plan*—that stated:

...that your planner would send you a copy of your plan to approve, and if you are happy the supports will meet your needs and how they will be managed, you can approve your plan.²⁶

5.39 A new version appeared on the NDIA website a day or so later where Step 4 becomes *Implement your plan* with no mention of approving it or the supports.²⁷

24 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 20.

25 Mr Philip Martin, *Committee Hansard*, 7 May 2014, p. 30.

26 National Disability Insurance Agency, *Planning guide*, 16 June 2014, p. 13.

5.40 The committee also heard evidence from Ms Anna Van Den Brook, mother of three year old Amir, who spoke about the challenges of getting accurate information about a lifting device and vehicle modifications she required for her child:

I was told to refer to the NDIA website at my last meeting in November regarding vehicle modifications. They said the guidelines were on there. I spent ages searching the website, and they were not up. I contacted the NDIA a number of times before they got back to me and was told, they're being altered and we'll email them to you.' So they were not on the website. Quite frankly, I do not have a spare minute in my day to sit down searching for things that people should know are there. I got them and the early guidelines stated that vehicle modifications would not be provided for children under five.²⁸

5.41 On a related communications issue, Mrs Louise Trinkle, mother of an NDIS participant referred to the NDIA not returning phone calls and e-mails.²⁹

5.42 In replying to questions from the committee on the issue of poor communications, the NDIA acknowledged that clear and concise communications is an issue they are addressing:

Our communication and agency communication products could be improved at all levels, including in our interactions with families and carers and in describing the participant pathways, our decisions and the review options. Plan implementation is challenging for all parties. For example, where there are multiple providers within a transdisciplinary package, it can be difficult.³⁰

5.43 The committee heard from Dr Bruce Bonyhady that the Agency is working with a greater focus to improve communications consistency:

...[W]e are working to strengthen our training and internal and external communications. So, for example, guidelines are guidelines and there is greater consistency.³¹

5.44 After Ms Lester recounted the reception she received in her first planning meeting, she explained the change in the planner's behaviour at the next meeting. She also explained that before attending the second meeting she engaged the services of a professional advocate to assist her with the planning assessment:

Between the first planning meeting and the repeat planning meeting the tone was very different. It seemed as though the planner had actually read all of the reports that I had provided. I sort of felt like there was such a shift

27 National Disability Insurance Agency, *Planning guide and workbook*, 20 June 2014, p. 13.

28 Ms Anna Van Den Brook, *Committee Hansard*, 7 May 2014, p. 6.

29 Mrs Louise Trinkle, *Committee Hansard*, 7 May 2014, p. 20.

30 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 21.

31 Dr Bruce Bonyhady, *Transcript of meeting with the NDIA*, p. 1.

in her attitude, her tone with me, that it was more to get rid of me, because I had sent her a formal agenda that I had set for the second meeting. I had refused to come on site and said that I would be calling the meeting in home with my advocate and with my husband present. The second planning meeting, I felt as though from that first meeting, where she had said to me, 'Expect to get nothing more than one home visit a week,' all of a sudden I had the funds to pay for two, plus one on site somewhere. I was also provided with a draft plan, which I was told did not exist, was not a possibility.³²

5.45 The committee in its future work plan will monitor the implementation of these remedial actions.

The planning and assessment process

5.46 The committee heard evidence about a range of matters relating to the planning and assessment process. These include information about the assessment process, attitudes and conduct of planners and the importance of tailoring plans to suit individual needs.

5.47 The majority of participants' carers at the South Australian hearing told the committee that they felt confused about the planning process. The committee reiterates that there was only a small number of witnesses at the hearing. Participants' carers explained that they would have a conversation with the planner and come to a verbal agreement, that would agree to some supports but not others—which they felt were required. The carer would want to pursue the missing support but would be told they can only dispute the plan if they agree to the plan. And if they agreed to the plan they would not want to draw on it because they wanted the missing support.

5.48 Ms Lester described her daughter's first planning session:

I felt my treatment during the planning meeting was disgusting. I was not listened to. I was not allowed to discuss everything I had brought with me. The way that the planning process started was with the planner putting her hand up to me and telling me to stop and that she would be asking the questions. I had put a lot of time and effort into preparing for that meeting. I would probably estimate it at about 50 hours. The planner only had the decency to take one little piece of paper that I had brought in with me with her to look through at a later stage. I felt the planner assessed my daughter's competencies on the spot with trivial questions based on my opinion from which she made her own assumptions. I was only allowed to choose three or four of the most important goals for my list for my daughter, as if the rest were not really important enough to be considered.³³

32 Ms Mia Lester, *Committee Hansard*, 7 May 2014, p. 8.

33 Ms Mia Lester, *Committee Hansard*, 7 May 2014, p. 8.

5.49 The committee heard from Mrs Dollard who told the committee about how the funding in the plans didn't take account of the interplay between the age of the child and what their next stage of development is in going to kindergarten or going to school:

My son is about to start kindie...I was not aware...that each of our therapists will need to visit the kindie... A quarter of his therapy will actually be assigned to training kindie staff and developing programs for them. Once you take a quarter out of a 50 per cent drop then that is another huge thing.³⁴

5.50 The committee asked the NDIA if it could clarify how the planning process functioned—how much is written down and how much is done separately by each planner. Ms Zweck responded by explaining that:

Once we have had that planning conversation and we develop the plan that includes the funded supports we would have a discussion again with parents about that. That may not necessarily be face to face; it could be over the telephone. We would talk to them about what their package would look like and we would try to have a negotiation to resolve things at that point.³⁵

5.51 Ms Zweck added that:

We do have a senior planner for quality assurance, who actually works very closely with those people who seek a review of our decisions and also undertakes the independent internal review. We also have a national quality assurance framework, where we start to look at particular areas that might be themes. That is, to look at things like access decisions, what is included in funded support plans and those sorts of things. It gives us actual feedback around quality assurance.³⁶

5.52 In response to a question from the committee about whether anything was written and provided to participants or if plans are provided upon participant's request, Ms Zweck responded:

We would usually talk about it verbally with, potentially, a draft plan, but we do not necessarily want to bring the plan into being yet

...

we cannot provide it as an approved plan—but as a draft, yes.³⁷

5.53 The committee also asked whether anything was provided to participants in writing, during the planning process about the no disadvantage test. NDIA Operations General Manager, Ms Liz Cairns, responded:

34 Mrs Dollard, *Committee Hansard*, 7 May 2014, p. 14.

35 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 23.

36 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 24.

37 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 29.

I do not think it is, but I think it is a really good idea and we will take it back, I think, as part of the need to have really appropriate communication products. We are trying to convey some really complex agreements.³⁸

5.54 The committee is aware that the confidence of the public in the Agency and the success of the NDIS will rest in part with how well the Agency is able to communicate effectively with its stakeholders. The committee welcomes the Agency's implementation of strategies to receive feedback and assess and improve behaviour and communications across the Agency and will continue to monitor their success during the life of the committee.

Recommendation 4

5.55 The committee recommends that as part of the planning process, NDIA implement a process similar to normal insurance industry practices, where participants are provided with: clear disclosure documentation (about the planning process that includes reference to the 'no disadvantage test'); a written draft plan; incorporates a 'cooling-off' before a package is agreed; and requires participants to sign their final agreed plans. The committee believes that this is a fundamental element of the original intent of the policy to empower and provide choice to people with a disability in the National Disability Insurance Scheme.

The Support Needs Assessment Tool

5.56 The committee heard how the Support Needs Assessment Tool plays a significant role in assisting an NDIA planner to assess the appropriate support package for a participant.

5.57 The committee asked the Chief Executive Officer for Autism SA, Mr Jon Martin what role his organisation had in assisting in the development of the assessment tools to assess children with autism. Mr Martin responded saying that Autism SA had:

No formal role at all. We are involved in the trial site working party and have been allowed to comment on particular elements of both the eligibility criteria and the layered approach to the funding levels for the transdisciplinary package. But we feel that this has happened almost after the horse has bolted. It would have been good to have that information and advice early in the piece, considering the extensive work done around the Helping Children with Autism package and also the Better Start program. There was a lot of information gathered on best practice, how diagnosticians link with service delivery planning—all those kinds of things. That has not really been considered or incorporated, from our perspective, into the planning and assessment model.³⁹

38 Ms Liz Cairns, *Committee Hansard*, 8 May 2014, p. 29.

39 Mr Jon Martin, *Committee Hansard*, 7 May 2014, p. 32.

5.58 Mr Martin in response to further questions about whether the assessment tool needs further work for testing autistic children replied that he thought it was:

[A] very generic tool that is more geared towards people who are physically or cognitively disabled. It does not necessarily pick up on the sensitivities related to autism spectrum disorder.⁴⁰

5.59 Mr Martin added that:

In South Australia we have a very comprehensive process with the diagnosticians network that we operate. The diagnosis is made on the basis of a multidisciplinary assessment. They have all been accepted by the NDIA. But nationally there is not a consistent approach to diagnostic assessment. I know in other states and territories where there are launch sites they have experienced difficulties.⁴¹

5.60 The committee asked the NDIA if they were undertaking any work into the early childhood intervention issues. Ms Cairns responded stating that:

Ongoing work is continuing between that part of the agency and the sector more broadly about establishing what the evidence base is, including some of the high-end, complex autism programs.⁴²

The trans-disciplinary packages

5.61 The majority of participants (90 per cent⁴³) that entered the NDIS in the first year of the South Australian trial site require Early Childhood Intervention Services (ECIS) which provides specialised support and services for infants and young children with developmental delays or disabilities. Often, because of the level of multiple disabilities these children have, they require coordinated multidisciplinary services that interface across disability, health, education and Indigenous services. Additionally, South Australia also has the second highest incidence (26 per cent) of autism across the trial sites.⁴⁴

5.62 The funding of an early intervention for children with disabilities was one of the central ideas regarding the economic sustainability in disability funding identified by the Productivity Commission in its 2011 report, *Disability Care and Support* (PC Report) which states:

...[T]he overarching objective of early intervention is to incur expenditure on a particular intervention today that, not only improves individual

40 Mr Jon Martin, *Committee Hansard*, 7 May 2014, p. 32.

41 Mr Jon Martin, *Committee Hansard*, 7 May 2014, p. 32.

42 Ms Liz Cairns, *Committee Hansard*, 8 May 2014, p. 26.

43 National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014, p. 13.

44 National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014, p. 33.

outcomes beyond that which would occur in the absence of the intervention, but lowers the costs and impacts associated with the disability for individuals and the wider community over the longer-term.⁴⁵

5.63 The committee notes that in recognising the ECIS requirement for a coordinated approach, the NDIA introduced multidisciplinary packages referred to as trans-disciplinary (TD) packages in October 2013. The NDIA told the committee that the development of the packages were:

[I]nformed by experts in early childhood services that evidence based practice requires a transdisciplinary, family centred, key worker approach to services to children with disability under six and their families.

Transdisciplinary teamwork involves a team of professionals who work collaboratively, and share the responsibilities of evaluating, planning and implementing services to children and their families. Families are valued members of the team, and are involved in all aspects of intervention. One professional is chosen as the primary service provider for the family, and acts as the conduit for the expertise of the team. The full team remains involved, and the primary provider reports back to the team constantly.⁴⁶

5.64 As a result of their young age, South Australian participants' packages were made shorter in length than other trial site packages. As such, the trial site has the highest number of plans that require early review of any site at 23 per cent, as noted in the *Third Quarterly Report*:

[T]he proportion of plans requiring review less than 12 months after the plan commenced is higher in South Australia compared to the other trial sites, as expected, as South Australia only has 0-5 year olds in the Scheme. However this proportion has fallen substantially since the previous report. As participants move to their second and subsequent plans, the distribution of plan lengths in South Australia has shifted away from 3-6 monthly plans towards annual plans.⁴⁷

5.65 At the Adelaide hearing, the NDIA told the committee that it has recognised that many of these ECIS children have multiple needs that impact on the level and cost of care that they require. The NDIA stated that:

The majority of [these] participants and their families are accessing the scheme under early intervention provisions. Transdisciplinary packages are increasingly being funded to support families to enable flexibility and recognise the frequently changing needs of young children, and access and information is being provided state-wide through a network of metropolitan

45 Productivity Commission, *Disability Care and Support*, 10 August 2011, pp 608 – 609.

46 National Disability Insurance Agency, *Early childhood intervention – transdisciplinary approach to service provision, Information for NDIA staff, service providers participant families*, 2 October 2013, p. 1.

47 National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 March 2014, p. 13.

and regionally based local area coordinators. The scheme is ensuring that parents are linked into local mainstream supports and is strengthening the sustainability of supports provided by families and carers. There are early indications of providers expanding their services and developing innovative responses to enable choice for participants.⁴⁸

5.66 In the *Second Quarterly Report* (December 2013) the Scheme Actuary foreshadowed that new operational guidelines were being developed for a number of supports :

[O]perational reforms are underway, such as development of guidelines for typical volumes of travel, domestic assistance, community participation, therapy, and respite, along with work on a national assistive technology strategy. Implementation of these reforms will impact trend analysis.⁴⁹

5.67 The committee heard that due to their short length many of the South Australian packages came up for review in early 2014, and some carers were shocked and dismayed when they found that their new package funds were cut by approximately half with no explanation.⁵⁰

5.68 Mrs Michaela Dollard who reported a very positive initial planning experience found the second planning meeting quite different:

When it came to our second plan meeting, our funds were about to run out. It was booked in for about a week before. I had been trying to get a meeting before that, but they were very busy. It did not happen with our planner either, so it was someone completely new, someone I had not met before. Because of how well the first plan meeting went, in hindsight I went in a little naively, thinking it was going to be the same. Looking back, I probably was not as prepared as I should have been, but I was not given any documentation on what to bring with me and I was not told that I would need to fight our case again. I assumed that we would have a bit of a rollover. Everything was working; Harry was making great gains. Why wouldn't we just keep the plan the same?

His second plan is slightly less than half of his first plan. At the meeting I felt quite bamboozled. I realised I was quite ill-prepared for it and I was not prepared to go into battle either. I did not realise that is what was going to have to happen.⁵¹

5.69 The committee heard from Mrs Wendy Hosking who had been supporting her six year old by increasing her mortgage until she gained entry into the Scheme. Mrs Hosking explained that at her first planning interview she was told:

48 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 21.

49 National Disability Insurance Agency, *Quarterly Report to COAG Disability Reform Council*, 31 December, 2014, pp 14-15.

50 Mrs Michaela Dollard, *Committee Hansard*, 7 May 2014, p. 14.

51 Mrs Michaela Dollard, *Committee Hansard*, 7 May 2014, p. 14.

'We are now approving transdisciplinary packages for a maximum amount of \$12,000. I have the discretion to approve up to \$16,000 in more complex cases.' She said: 'More can be approved if it goes to a higher authority...

That was a shock because initially we had been told it would be needs based. What I was asking for and what we are currently providing is well beyond that, so obviously it was not going to go nearly as far as we had hoped...

The process of the NDIS planning had already put a lot of stress on us to get it all ready; I thought, 'Emotionally I can't cope with having to appeal this, so I won't go to an appeal. I will just accept what I've got; I've had nothing so it's a bonus.' And I do really appreciate it, because I do not feel, necessarily, that the government should be paying for my daughter.⁵²

5.70 The reduction in package costs may not affect all South Australian recipients as mentioned by Ms Ots who commented:

[P]articipants that are reasonably happy are the ones with the more minor or moderate disabilities. They pretty much seem to be happy with the system, from my experience. The ones who have anything a little bit more complex are the ones who are not happy. There are big gaps in the crossover between medical treatment, therapy and the schooling system—nobody knows where medical goes or where therapy starts. There are a lot of gaps. The more complex the issue, the more gaps. There is no differentiation between a minor thing and a more severe complex one.⁵³

5.71 A number of carers also spoke to the committee regarding the consistency of the packages for similar disabilities, Mrs Liz Cohen noted the inconsistency of planner's decisions to include travel costs in the TD plan:

Families have been upset that travel has not been separated out of the transdisciplinary package and put within the package where other families have actually had it separated from that service provision. We would just like to identify that there are some inconsistencies with what families are receiving and we know—everybody in this room would know—that families talk, and so they are very well aware of what they are receiving and what other families are receiving.⁵⁴

5.72 The committee questioned the NDIA on the 8 May 2014—noting it had heard similar examples at both the Barwon and Hunter trial sites related to children's TD packages—as to whether the NDIA had provided sufficient rational reasons why their packages were cut by half. Ms Zweck stated that:

52 Mrs Wendy Hosking, *Committee Hansard*, 7 May 2014, p. 16.

53 Ms Diana Ots, *Committee Hansard*, 7 May 2014, p. 21.

54 Mrs Cohen, *Committee Hansard*, 7 May 2014 p. 33. NDIA state in their Pricing, Payments and Supports document that travel costs are to be included in the cost quoted for a program of supports, such as trans-disciplinary early childhood intervention, and are not payable as additional items.

I think what I am also hearing from you is the way that we communicate that decision is not clear to families, that they do not actually understand what the reasons are behind it.⁵⁵

5.73 The committee enquired about the timeframe for the introduction of the TD approach and the decision to set them at particular levels. The NDIA explained that there had been a change in policy and that new TD packages and operational guidelines were introduced in January 2014.

5.74 The advice contained in the NDIA fact sheet accompanying the operational guidelines for TD packages for children states that:

Costing of services is to be within the pricing levels outlined on the Agency's price list. Provision of a mix of therapies and a key worker for the family are expected to fall into one of the three categories;

- a) Level 1 – low needs – up to \$6000 to \$8000 per annum,
- b) Level 2 – medium needs - \$8001 to \$12000 per annum, or
- c) Level 3 – high needs - \$12 0001 to \$16000 per annum.

Level 1 (low needs) is generally appropriate for a child with a developmental delay, or mild disability, who is developing slower than their peers.

Level 2 (medium needs) is generally appropriate for a child with a disability or developmental delay who either has moderate single and/or multiple areas of needs/concern that require specific intervention, or behavioural concerns or some family complexities that require referral to other agencies.

Level 3 (high needs) is generally appropriate for a child with a disability and/or severe developmental delay, multiple disabilities, severe behavioural difficulties, rapid deterioration and/or complex health/medical needs who has severe and/or needs that require specific intervention.

It is expected that the NDIS will fund necessary and reasonable early childhood interventions that are intensive where the intervention is able to deliver significant improvements within a period of approximately 6months. Up to four periods of early intervention may be funded.⁵⁶

5.75 Ms Liz Cairns, NDIA's Operations General Manager said that:

55 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 27.

56 National Disability Insurance Agency, *Individualised transdisciplinary services for children with disability*, Fact sheet: NDIA staff, service providers participant families, 6 May 2014, p. 2. See also National Disability Insurance Agency, *Operational Guideline – Planning and Assessment – Supports in the Plan – Supports for Early Childhood (v 1.0)*, 11 March 2014, http://www.ndis.gov.au/sites/default/files/documents/og_plan_assess_supports_early_childhood.pdf (accessed 22 July 2014).

The operational guidelines are designed to support staff in what we understand is likely to be an appropriate response to a typical circumstance. They are not caps, and they are not limits.⁵⁷

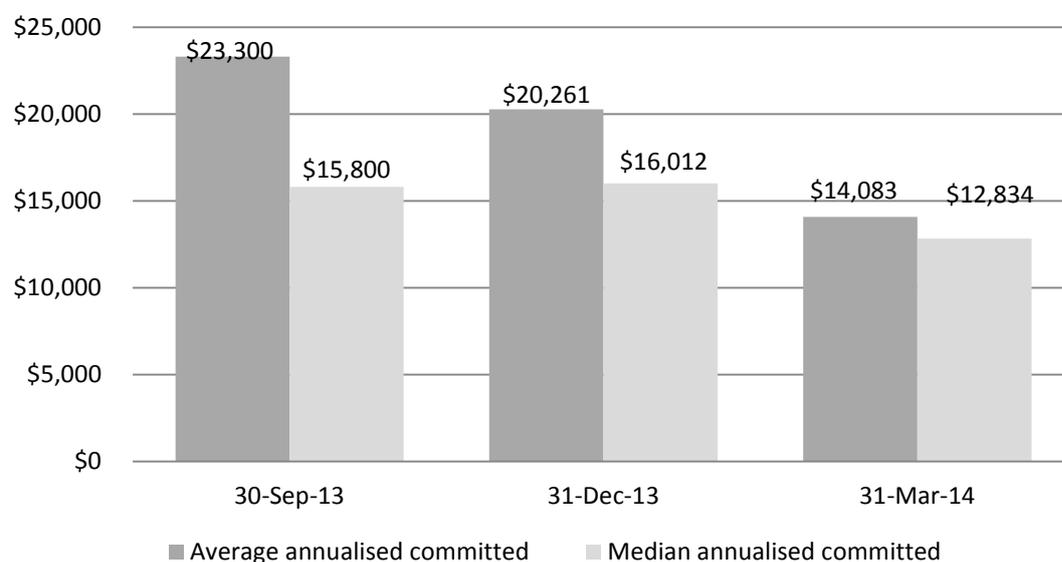
5.76 This point was reiterated by Dr Bonyhady at the public hearing in Canberra:

The operational guidelines make it very clear that these are guidelines. They are not mandatory limits.⁵⁸

5.77 In the NDIA's first quarter report, the average annualised plan cost in South Australia was \$23,300 and the median price point was \$15,800. At the end of the third quarter in March 2014, after the implementation of the new operational guidelines, the South Australian average annualised package had reduced to \$14,083 and the medium annualised committed package cost was down to \$12,834.

5.78 Since the introduction of the new operational guidelines for TD packages in January 2014, the average annualised package cost for South Australia decreased by \$6178 from the December 2013 quarter. As of the 31 March 2014, the South Australian package costs are the lowest average annualised package cost out of the four trial sites. The change in average South Australian package cost can be seen in Figure 5.1 below.

Figure 5.1: South Australian annualised package costs



Source: National Disability Insurance Agency, Table 2.1.9. *Real, average and median costs of individualised support packages*, Quarterly Reports to COAG Disability Reform Council: 30 September 2013, p. 38; 31 December 2013, p. 54; and 31 March 2014, p. 30.

57 Ms Liz Cairns, *Committee Hansard*, 8 May 2014, p. 24.

58 Mr Bruce Bonyhady, *Committee Hansard*, 14 May 2014, p. 4.

5.79 While the NDIA emphatically states that there is no cap or limit on the TD packages, the committee is of the view that the effect that the operational guideline advice had on planners would appear to have significantly influenced a reduction in approval of the cost of packages.

Additions to trans-disciplinary packages

5.80 This section highlights the issue of where the new funding levels are insufficient to cover a range of supports required by a participant. The committee heard evidence that when the requested package supports exceed the standard level 1–3 packages (see paragraph 5.74), the local planner is unable to grant approval. The committee noted that this requires approval to be sought from NDIA executive—generally in Canberra—which takes some time and then potentially jeopardises meeting the early intervention needs of the child.

5.81 Providers also gave evidence regarding TD packages, stating that much of what an individual actually receives as a package often depends on their ability to articulate their needs which raises the issue of the role of effective advocacy that will be discussed further on in this chapter. Mrs Amanda Haskard stated that:

If you have a standard TD plan they are going through quite nicely. When you have requests that are over and above, then, lately, it does feel like each one of those then needs to go through some kind of escalation method. It was not like that in the early days. So I do feel that there has been a shift.⁵⁹

5.82 With the changes made to transdisciplinary packages, many carers have told the committee of the long waiting periods 'for a decision from Canberra' for approval of supports that exceed the standard funding levels 1-3. Ms Amanda Van Den Brook relayed her frustration:

I got the plan. I really do not have time to sit down and go through and try to understand how this all works—is something funded or is something not funded?—and I feel that no-one really explained terms to me. We were talking about reviews and appeals and getting things added on. I have requested things to be added on and I have been told to fill in a review and go through it that way. I do not have time for that. I emailed and asked for simple, small things to be added on, and I have not received any response. It has been over a month and I have not received a response, and the email has been resent. I do not have time to go for reviews and I do not have time to go through appeals.⁶⁰

5.83 The committee at its 8 July meeting received evidence from the NDIA which indicated that 10.5 per cent of children in South Australia with a primary diagnosis of autism have plans where the agreed costs of early intervention exceed the guidelines of \$16 000.

59 Mrs Amanda Haskard, *Committee Hansard*, 7 May 2014, p. 26.

60 Ms Van Den Brook, *Committee Hansard*, 7 May 2014, p. 7.

5.84 The NDIA also provided evidence to the committee that stated as at 31 March 2014, across the Scheme, there were 1558 children aged 0–6 years with an approved plan. Of these children, 267 exceed \$20 000 when calculated at an annualised cost (NDIA notes that some of these plans were for periods less than 12 months).⁶¹

Provider views on trans-disciplinary packages

5.85 The committee also heard from providers regarding the impact of the TD packages and how the levels of funding amounts are impacting children's services particularly for children who are deaf or hearing impaired. Mr Michael Forwood, Chief Executive Officer for Cora Barclay Centre told the committee that:

Some of the recent changes to the so-called transdisciplinary funding packages put a few things in jeopardy. In the first place, if a child only has one disability, \$16,000 does not cover the cost of the early intervention program, which would cost more like \$20,000 to \$22,000 per child per annum. Secondly, the newly introduced high, medium and low cost differential brought in within the TD package as indicative caps of funding based on the perceived extent of the disability does not work with children who are deaf and hearing impaired. Logically, this may be appropriate and applicable for people who have got care needs related to intellectual and physical disabilities, but to learn to listen and speak and to participate effectively in the mainstream school system someone with bilateral hearing loss that is mild or moderate will need the same program as a person who has severe and profound hearing loss. In fact, some of the children with lower levels of hearing loss may be disadvantaged when compared to kids who are profoundly bilaterally deaf who have got dual implants because the access to speech and language available to a bilaterally implanted child could be superior to that available to a child who has bilateral moderate loss or moderate-severe loss. This is the technology that helps the kids here who have implants.⁶²

5.86 Mr Forwood continued, noting the commercial impact of what he described as the TD funding caps on his business and sharing the advice that he had provided the NDIA. The committee, as mentioned at paragraph 5.74, has been advised by the NDIA that there are no funding caps:

We have said to the NDIA and I have said to David Bowen [NDIA CEO] that if you fund a \$22,000 per child per annum program for 70 kids at a rate of \$16,000, \$12,000 or \$10,000, we will either be out of business within two or three years, because it will not be financially sustainable, or we will have to compromise the program. We have measured and published the outcomes of centres catering for a cohort of over 700 children with hearing loss but no additional disabilities, and over 90 per cent of the children develop age-appropriate speech, language and comprehension by age 5... The tightening up of funding through capping and squeezing—a

61 Mr David Bowen, *Correspondence with Committee*, 8 July 2014, p 3.

62 Mr Michael Forwood, *Committee Hansard*, 7 May 2014, p. 28.

phenomena of the last couple months—puts in jeopardy the objects of the scheme.⁶³

5.87 In written evidence provided on 8 July 2014, the NDIA noted that it is commissioning work on developing the guideline approach for autism. The Agency has engaged an internationally recognised epidemiologist and academic, Dr Katrina Williams, to convene a group of experts to update the research evidence for the management of autism. It told the committee that this work will lead to the development of more specific guidelines for needs assessment and reasonable and necessary interventions for children with autism. The NDIA will also commission a similar project for children with sensory disabilities (hearing and/or visual impairment).

Recommendation 5

5.88 Based on the evidence received on trans-disciplinary packages, the committee recommends that the Agency undertake a review of the current arrangements regarding trans-disciplinary packages, in particular, the operational guidelines and advice and training it provides to its planners. This review should encompass and be informed not just by clinical experts and researchers, but it should also consult participants, carers and providers.

The backdating of plans

5.89 The committee heard of a number of incidents where participant's plans had had their start date backdated. This issue of backdating plans had been raised with the committee at other trial sites (see chapters 2 and 4). The implications of backdating, which were also raised in the Barwon chapter, were that some providers were impacted in that they incurred expenses for services from packages which were not valid.

5.90 The committee discussed this issue with the NDIS at two separate private meetings in Canberra. The NDIA Chief Executive Officer, Mr David Bowen, told the committee that there had been two ICT system errors that had affected how dates were registered in the NDIA system:

I have done some investigation on this and I would like to start by saying that there is not one instance we have discovered where a planner has deliberately backdated a plan. But we have two system problems that were in fact resolved by December. The first was that during July-August, when we were just starting, planners were putting on the plan the date when they commenced the discussion and that was being reported as the commencement date. When the word 'dataset' was going to the states they were using that to turn off supports for people, and that was leading to a service gap because the date the plan is effective is the date of the plan approval.

63 Mr Michael Forwood, *Committee Hansard*, 7 May 2014, pp 28–29.

...

That is the first one. The second one is also a system problem, in that we would have a plan that was concluded and approved. A person would come in and have a discussion about some variation to supports. When we made those variations to the supports, the system we were operating in did a write-over of the approval date. So you had a circumstance where a plan had a date of commencement that was earlier than the date of approval, because the date of approval had been written over with the latest date.

When I first heard this I thought, 'It is extraordinary that we are operating in a system that does a write-over in what is supposed to be a longitudinal database.' So we have fixed that up. While the date will change, we have a record of the first day on which the plan was approved, and that is the date on which the services commence.⁶⁴

5.91 The NDIS has since acknowledged that a number of providers had been impacted and that it has made a commitment to reimburse providers for any out-of-pocket expenses upon receipt of an itemised invoice.⁶⁵

The role of advocacy

5.92 The committee also heard from a number of carers and providers who spoke of the benefits of using an advocate to assist them with the planning process, particularly in understanding the complexity of the Scheme and providing support through the planning process. Ms Lester advised:

I had read every booklet, leaflet and pamphlet I could get my hands on that were provided at all the morning teas and seminars prior to my daughter becoming a participant of the scheme. I had read the word 'advocate' many times. I have gone back through all of these booklets and I cannot actually find anywhere that says there are organisations of advocates. I do not know whether that is because I am young or I have not asked the right questions, but during the whole process I was never told that there is actually a group of people who can be advocates rather than just me presuming that I am the advocate of my daughter.⁶⁶

5.93 The committee enquired as to how Ms Lester found this person.

I had started a Facebook page for my daughter... It was purely a fluke that one of those people, who has a child with a disability who she has been dealing with for 15 years, asked me, 'Have you called an advocate?' I said, 'What do you mean?' She gave me the number of an agency. I called the agency and they commenced assisting us immediately...Without her I would not have known that I could question many things that I had many more rights than I was led to believe. She is on her way. She had a meeting

64 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 8.

65 Mr David Bowen, *Correspondence received*, 8 July 2014, p. 3.

66 Ms Mia Lester, *Committee Hansard*, 7 May 2014, p. 11.

today that she could not cancel. I tell everyone I talk to, 'Get yourself an advocate,' because she has been worth her weight in gold. She gave feedback to me that the NDIS was insinuating that advocates would not be required anymore because of this fantastic new scheme where everybody has choice and control. Mine was the first complaint that she received and, since me, she says they have not stopped coming. I am wondering how many other people do not realise that there are actually organisations of advocates rather than just this wishy-washy 'advocate' word that is in all of the literature.⁶⁷

5.94 The committee also heard from Mrs Amanda Haskard about advocates sitting in on planning meetings:

As a support provider, we are offering to be at the planning meetings with them. We have had a little bit of resistance of that from the agency. We understand their point as to why they do not necessarily want providers at meetings, but we believe it is parents' choice to have us there. We are circumventing it by generally attending all of the planning meetings with our families.⁶⁸

5.95 The committee also heard from Mr Phillip Martin, Chief Executive Officer of the Muscular Dystrophy Association, on the importance of advocacy services:

I believe this system is exceptionally vulnerable to decisions that were taken between six and eight years ago to remove funding for advocacy, which has then left a hole in the planning and a major gap in the development of cost-beneficial or cost-neutral outcomes as well as the opportunity to get maximum outcomes for people.⁶⁹

5.96 Mr Martin expanded on the advocacy role especially concerning autism advocacy services:

At the moment we have block grant funding from the Commonwealth, individualised funding from the Commonwealth, block grant funding from the state, individualised funding from the state and individualised funding under an NDIS model. The autism adviser roles, for example, are funded by a block grant from the Commonwealth. We have been put on notice that it is highly unlikely that they will continue, though they have been an immense and very effective support for the autism community in assisting families—especially in the pre-planning process before families even get to the NDIA—through the process of getting to understand the diagnosis; working through the grief process with accepting a diagnosis; how families can tell their extended family members; how to support siblings of the person with the diagnosis through that process; and what kinds of supports and systems might be necessary to best move that family to a position where they are effectively integrating and supporting their son or daughter.

67 Ms Mia Lester, *Committee Hansard*, 7 May 2014, p. 11.

68 Mrs Amanda Haskard, *Committee Hansard*, 7 May 2014, p. 27.

69 Mr Phillip Martin, *Committee Hansard*, 7 May 2014, p. 31.

So we would like that to continue, in terms of the autism adviser role, but, as I said, we have been put on notice that that is unlikely to continue.⁷⁰

Recommendation 6

5.97 The committee notes the importance of the role of advocacy services in ensuring quality plans and supporting participants in the planning process. The committee recommends that certainty regarding the role and support for advocacy services in the NDIS be urgently resolved through the Ministerial Disability Reform Council.

Committee view

5.98 The committee recognises that there have been many achievements made in the South Australian NDIS trial. Many participants are receiving supports and moving on with their lives. Perhaps as expected, because of the age cohort South Australia has had a difficult and emotional experience transitioning to the NDIS. As Mr Jon Martin said:

We are implementing an NDIS, and if that were all we were doing we would probably be going full throttle, gung-ho, and achieving unbelievable outcomes. But we are also trying to unscramble the state funding system and moving to individualised funding. We are also trying to unscramble the old Commonwealth system with HCWA and Better Start.⁷¹

5.99 There are many significant challenges identified in the South Australian trial site. Some of these challenges are common to all trial sites, such as the accessibility and readability of information for participants and carers and the need for a more consistent approach to communications. Others are just emerging such as working with regional and remote communities and Indigenous people with a disability. However, some of the challenges in South Australia are not unique but more prevalent due to the age cohort currently transitioning into the Scheme.

5.100 In moving forward, the committee notes that the NDIS has indicated that it will be working closely with all stakeholders to continually improve processes and particularly the planning process in respect to children and autism. The planning conversation and draft plan need further consideration specifically as highlighted the inclusion of a cooling-off period and a right to appeal before a plan is implemented.

5.101 Furthermore, the committee consistently heard that participants want to sign their final plan. The committee is of the view that this is not just about completing a process; it is central to the overall intent of the Scheme to increase choice and control. It is also about empowering the participants in taking their first steps to achieving their goals.

70 Mr Jon Martin, *Committee Hansard*, 7 May 2014, p. 32.

71 Mr Jon Martin, Chief Executive Officer, Autism SA, *Committee Hansard*, 7 May 2014, p. 32.

5.102 It is evident to the committee that some plans, particularly some trans-disciplinary plans, have been assessed strictly in accordance with the operational guidelines by planners and as such have excluded some participants from the supports they require. Where this is particularly a concern is in respect to children who quite clearly have permanent disability such as hearing loss, and where early intervention will provide cost-effective outcomes exactly as envisaged by the Productivity Commission, it is unacceptable. The committee was however encouraged by NDIA's acknowledgement at the hearing that:

The guidelines...are not cast in concrete. Ongoing work is continuing between... the agency and the sector...about establishing what the evidence base is, including some of the high-end, complex autism programs...we have the evidence, I would certainly expect to see that we will get some further information and instructions out to staff, or in fact change the guidelines. We are clearly satisfied that the evidence means that the current guidelines are insufficient.⁷²

5.103 The committee will carefully monitor the future amendments and modifications to this operational guideline as the next round of trial sites begin.

72 Ms Liz Cairns, *Committee Hansard*, 8 May 2014, p. 26.

Chapter 6

Challenges facing the Agency and the Scheme

6.1 This chapter has two parts that draw together the evidence that the committee received from its visits to the National Disability Insurance Scheme (NDIS) trial sites (chapters 2–5) and its interactions with the National Disability Insurance Agency (NDIA):

- the first part (paragraph 6.2–6.49) looks at some of the challenges facing the NDIA in administering and implementing the NDIS; and
- the second part of the chapter (paragraph 6.50–6.99) comments on a number of challenges that face the NDIS. These include the timetable for full rollout, the capacity of service providers to deliver requisite supports, the interface between mainstream services and the NDIS, the implementation of Tier 2 services, developing the disability sector workforce, promoting the self-management of plans and the financial sustainability of the Scheme.

The challenges facing the National Disability Insurance Agency

6.2 The committee is under no illusion: the task of the NDIA to implement and administer the NDIS is highly complex. As the NDIS is the most significant social reform in Australia for 30 years, the Agency's challenges are many and varied. Changes will be significant not just for participants, carers and families but also for providers who have to evolve to a 'fee for service' model. For the NDIS to work as intended, these key stakeholders must be well-informed and given assistance to adapt.

6.3 To successfully implement and administer the Scheme, the processes of the Agency must be clear, transparent, consistent, responsive, flexible, adaptive and resilient. Often, there will be challenges in balancing these imperatives. The objective of consistency in decision-making processes, for example, can lead to claims that the system lacks flexibility and client-focus. Some central control from the NDIA is crucial to ensure consistency in decision-making and the financial viability of the Scheme. But too much control will lead to claims the Scheme is imposed from the top rather than responding to the needs and interests of people with disability and their families.

6.4 In addition to these complexities, the committee also recognises that it is still early days for the NDIS. Early problems with, and criticisms of, the Agency and the Scheme were inevitable. The committee shares Dr Bruce Bonyhady AM's view that the trial phase was needed for the Agency to learn: 'it was never going to be possible to just roll out this Scheme smoothly from day one'.¹ However, it also shares the Chairman's view that the Agency can improve.

1 Dr Bruce Bonyhady, *Transcript of meeting with the NDIA*, 8 July 2014, p. 1.

6.5 With this in mind, the comments and recommendations in this chapter are intended to be constructive: to assist the NDIA to continue to learn and ensure that the Agency's and the Scheme's values are reflected in its processes.

BOX 1

The Agency's engagement with the Parliamentary Joint Committee

Over the past six months, the committee has had the opportunity to speak with senior staff from the NDIA on several occasions. This included:

- (a) a private briefing on the design and key features of the NDIS from the Chairman of the Board of the NDIA, Dr Bruce Bonyhady AM, and the NDIA's Chief Executive Officer, Mr David Bowen on 5 March 2014;
- (b) a public hearing with the NDIA's Barwon trial site Manager, Ms Stephanie Gunn, on 14 April 2014;
- (c) a visit to the NDIA's new headquarters in Geelong on 15 April 2014, where committee members discussed the progress of the Scheme with Mr Bowen, the Deputy Chief Executive Officer, Ms Louise Glanville, and the General Manager of Operations, Ms Liz Cairns;
- (d) a public hearing with the NDIA's Tasmanian trial site Manager, Ms Sue Ham, on 17 April 2014;
- (e) a public hearing with the NDIA's Hunter trial site Manager, Ms Kim Birch, on 6 May 2014;
- (f) a public hearing with the NDIA's South Australian trial site Manager, Ms Meryl Zweck and Ms Cairns on 8 May 2014;
- (g) a public hearing with Dr Bonyhady AM, Mr Bowen and the Scheme Actuary, Ms Sarah Johnson, on 14 May 2014; and
- (h) a private briefing with Dr Bonyhady AM, Mr Bowen, Ms Glanville, Ms Cairns and Ms Johnson on 8 July 2014. The NDIA has agreed for the committee to use the transcript from this meeting in this report.

On request, the NDIA has also provided the committee with written responses:

- (i) on 22 May 2014, the committee put to the NDIA a list of 45 questions arising from the public evidence provided by its four trial site managers. The committee received the Agency's response to these questions on 16 June 2014 (see Appendix 3);
- (j) on 25 June 2014, the committee received from the Scheme Actuary responses to questions arising from the meeting on 14 May 2014. On 7 July 2014, the NDIA provided an updated set of responses to replace those sent earlier;
- (k) on 7 July 2014, the NDIA provided an updated list of responses to nine of the 45 answers sent on 16 June. These are in Appendix 4; and
- (l) on 8 July 2014, the Agency gave the committee a series of documents relating to matters discussed at the private briefing, held the same day.

The committee extends its thanks to Dr Bonyhady and the NDIA for their assistance in providing the committee with regular feedback on the Agency's progress in implementing the Scheme.

The culture of the Agency

6.6 The NDIA's *Strategic Plan 2013–2016* outlines the Agency's desired culture under the following goals:

Assurance—the Agency is committed to certainty of funding for high quality, equitable and effective supports that respect the diversity of all people with disability.

Empowerment—The Agency works locally and in partnership with participants, their families and carers to enable them and ensure they have choice, control and a voice.

Responsibility—The Agency shares a mutual responsibility with participants, the community and providers in providing high quality supports which maximise potential, independence, integration and inclusion in the community.

Learning—The Agency sees every task and interaction as an opportunity to learn and continually improve performance. The Agency is reflective, asks for and acts on feedback, and constantly evaluates its performance.

Integrity—The Agency is fair and transparent, does as it says and says what it does, so as to build trust and respect among people with disability, their families and carers, employees, providers and the community.²

6.7 Chapters 2–5 of this report have identified the dissatisfaction of some participants and carers with their experience interacting with the Agency. There was some perception that the Agency needed to be more responsive and needed to engage more with people with disability.³ NDIA trial site managers themselves recognised the challenge of creating a culture that is responsive and attentive to participants' needs.⁴

6.8 In this context, the committee also notes the comments of the January 2014 *Review of the capabilities of the National Disability Insurance Agency* which stated that:

As with any new Agency, the culture is embryonic. It differs from team to team and site to site. As mentioned above, the staff are highly committed, and under the CEO's leadership are energetic, enthusiastic and proud. The hard work has only just started, and the Agency needs to develop a culture which will sustain the enthusiasm of staff over the long term.

...

The Senior Executive are hardworking and have proved themselves able to drive hard and achieve remarkable results. At times the drive for

2 National Disability Insurance Agency, *Strategic Plan 2013–2016*, p. 5.

3 See the comments of Mr Kevin Stone, *Committee Hansard*, 14 April 2014, p. 2; Ms Dianna Ots, *Committee Hansard*, 7 May 2014, p. 4.

4 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 14; Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 23.

completion has been at the cost of relationships and effective planning and communication. Too much of this achievement continues to be based on the heroic efforts of individuals operating bilaterally with the CEO rather than as a result of the normal operations of the whole Agency.⁵

6.9 The committee understands that the NDIA proposes to undertake a 'culture audit' in October and early November 2014. As part of this audit, the Agency will ask participants, providers and other stakeholders whether or not it is living by the values it espouses.⁶ The committee looks forward to learning more about the methodology and the results of this audit.

The NDIA's engagement with the committee

6.10 For the committee to perform its role effectively, it relies heavily on the cooperation of the Agency to provide timely and accurate information. The list above shows that the NDIA has engaged extensively with the committee over the past nine months.

6.11 The committee's experience with the NDIA in regard to communications was not unlike the general comments highlighted throughout this report. The committee notes an improvement over the course of the last nine months and looks forward to working productively with the NDIA.

6.12 The committee emphasises that it shares the Agency's keen desire to implement and administer the NDIS as effectively and efficiently as possible. As such, the committee sees its role and that of the Agency as mutually reinforcing. The committee can assist the Agency in its 'learn, build, learn, build' approach by raising issues of stakeholder and community concern with the Agency and ensuring that solutions are developed. The NDIA has acknowledged that problems exist and has moved to rectify them. The issue of the backdating of plans is a good example.

Clear, up-to-date and timely information

6.13 Clear, accurate and timely information is crucial to the working of any market. If a competitive market is to develop in disability services in Australia, offering real choice to participants, it is crucial that the NDIA provides timely and accurate information to the sector. This will enable service providers to make planning and investment decisions. Further, if there is to be a significant increase in the number of people who self-manage their plan under the NDIS,⁷ prospective and actual participants must be clear about these processes and feel they can readily find information to assist.

5 Mr Jeff Whalan AO, Dr Peter Acton and Dr Jeff Harmer AO, *A review of the capability of the National Insurance Disability Agency*, January 2014, p. 23.

6 See the comments of Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 2.

7 See the comments of Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 11.

6.14 A concern raised repeatedly in evidence to the committee at the trial site hearings was the lack of clear, up-to-date and timely information from the Agency. In Newcastle, for example, Mr Michael Fitzpatrick told the committee that price changes for a service had not been updated on the Agency's website (see chapter 3).⁸ In Adelaide, Ms Anna Van Den Broek told the committee that information on vehicle modifications was not available on the NDIA's website.⁹ The committee is aware of the frustration of the parent of a child in Adelaide that information on the Agency's website was constantly changing.¹⁰ Also in Adelaide, the Hon. Kelly Vincent MLC expressed her concern that the NDIA's *My Access Checker* does not give the person a reason if they are ineligible for the Scheme. She argued that this risks failing to inform them that they may later meet the eligibility requirements.¹¹

6.15 In a scheme of the scale and complexity of the NDIS, the Agency is required to produce a significant amount of information for prospective and actual participants, carers, planners, service providers and the general public. It is understandable that at this early stage of the Scheme, there will be a fair amount of confusion and uncertainty about how to access this information and how it should be interpreted. It is also to be expected that the Agency will have to review and revise these documents on a regular basis, which may cause stakeholders some confusion and anxiety.

6.16 The committee makes the following observations about the challenge for the Agency to provide clear, accessible, understandable and up to date information:

- (a) The materials that the Agency produces need to be written in a way that the intended reader can easily understand. Some of the language used in the Agency's fact sheets is unnecessarily bureaucratic. They should be simplified.¹²
- (b) The information that the Agency puts on its website are 'living documents'. It is crucial to the transparency of the Agency's processes that the documents are dated. It is also important that stakeholders have information on what the amendments to the document were and why they were made. The Agency needs to establish a process on its website where it publicises updates at a regular time intervals—the beginning or end of the month, but always the same time. Where there is information that needs to be communicated urgently, this should be posted under a 'News Flash' item (see recommendation 1).
- (c) It is important that planners are familiar with—and keep up to date with—the NDIA's documents on the planning process. They should be

8 Mr Michael Fitzpatrick, *Committee Hansard*, 5 May 2014, pp 15–16.

9 Ms Anna Van Den Broek, *Committee Hansard*, 7 May 2014, p. 6.

10 See chapter 5.

11 The Hon. Kelly Vincent MLC, *Committee Hansard*, 7 May 2014, p. 1.

12 The committee understands that the Agency has engaged external consultants to assist with re-writing some of its public materials.

comfortable with giving and explaining this information to their clients. This should be an important part of their training.

- (d) The Agency's website must be able to be searched by asking basic questions. A prospective participant should be able to type in a question such as 'how do I get into the Scheme?'

Recommendation 7

6.17 The committee recommends that the National Disability Insurance Agency implement a system whereby its website is renewed on a systematic basis, alerting the public to changes in its online documentation. The list of changes—with links to the documents—should be able to be accessed easily. Urgent changes—such as a change to price lists—should be communicated under a 'News Flash' item on the NDIA's website.

A consistent approach in planners' decision-making

6.18 Another concern of stakeholders from the evidence gathered in the trial sites was the lack of a consistent approach from planners and the NDIA in the planning process. This has led to differences in plans that seem inequitable.

- St Laurence Community Support told the committee that there was 'little consistency' in the cost of different participants' packages.¹³
- Mrs Liz Cohen highlighted inconsistencies in what families are receiving, particularly in relation to travel items in transdisciplinary packages.¹⁴
- Mrs Michaela Dollard noted that she had had a different planner on her second meeting who gave her son a significantly reduced package (see chapter 5).¹⁵
- Mrs Amanda Haskard, from the Cora Barclay Centre, told the committee: 'the better-priced plans are going to families that are able to advocate for themselves and are able to articulate their goals and aspirations for their children'.¹⁶

6.19 One of the Agency's goals is to improve the consistency of its decision-making. A public NDIA document titled *Further guidance on NDIS planning decisions* states:

NDIA staff make decisions based on the National Disability Insurance Scheme Act 2013 (NDIS Act) and the rules made under the NDIS Act. The operational guidelines also provide practical guidance for decision makers.

13 Mr Anthony Still, *Committee Hansard*, 14 April 2014, p. 30.

14 Mrs Liz Cohen, *Committee Hansard*, 7 May 2014 p. 33.

15 Mrs Michaela Dollard, *Committee Hansard*, 7 May 2014, p. 14.

16 Mrs Amanda Haskard, *Committee Hansard*, 7 May 2014, p. 25.

Adding further guidance to some of the operational guidelines about supports in the plan will help:

- (i) give participants, their families and carers access to information about what to expect in the levels of funded support in the NDIS
- (ii) guide NDIA staff to make consistent decisions when identifying supports that are reasonable and necessary, and
- (iii) assist in ensuring the financial sustainability of the NDIS.

The NDIA is clear that the expected levels of some funded supports are not caps, but rather expected levels of funding that a participant might have in their plan.

In some circumstances, a participant's plan might need higher levels of supports, where they are in line with their goals and outcomes. The operational guidelines include information about what can be considered above the expected levels of funding in individual circumstances.¹⁷

6.20 Dr Bonyhady told the committee in July 2014:

...we are working to strengthen our training and internal and external communications. So, for example, guidelines are guidelines and there is greater consistency. It is not satisfactory for you to get different answers to the same questions from our senior managers.¹⁸

6.21 The committee acknowledges that the NDIA is working to improve the consistency of its processes across the trial sites. Ms Liz Cairns, NDIA's Operations General Manager, informed the committee that the Agency is commissioning an independent business assurance audit. She noted that:

Fiona Smith, from Victoria is going to be working with the review team to do that. It will be going to the key issues that this process has identified, plus our internal business assurance process issues, and it will provide a really good benchmark that we can then build on.¹⁹

6.22 The committee recognises that it is a significant task to ensure consistency in the approach and decision-making mindset of planners across the various trial sites. The challenge is particularly great at this early stage of the Scheme. The operational guidelines are important documents to guide planners and achieve consistency in decision-making processes. The committee emphasises that these documents must be regularly reviewed and scrutinised within the Agency. In the process, the views of external stakeholders—participants, carers, family members, service providers, advocates—must also be considered.

17 National Disability Insurance Agency, *Further guidance on NDIS planning decisions*, 11 March 2014, http://www.ndis.gov.au/sites/default/files/documents/further_guidance_planning_decisions_0.pdf, (accessed 22 July 2014).

18 Dr Bruce Bonyhady, *Transcript of meeting with the NDIA*, 8 July 2014, p. 1.

19 Ms Liz Cairns, *Transcript of meeting with the NDIA*, 8 July 2014, p. 4.

6.23 The committee stresses that the focus must be on ensuring consistency in these decision-making processes from one planner to the next, rather than on plan outcomes *per se*. Different plan outcomes reflect the Scheme's individualised approach to providing supports. As Ms Stephanie Gunn, Barwon trial site manager, told the committee:

We will need the support of the community and the government in acknowledging that there will be great inconsistency in the plans that we produce because that is what having an individualised, family centred and person centred planning process means.²⁰

6.24 This is not to suggest that the NDIA should ignore achieving comparable outcomes in the plans of people who have similar life goals and circumstances. However, consistency in the decision-making processes of planners must be the main objective. If this is achieved, the community will be more likely to have confidence in the integrity of the Scheme and the Agency.

Responsiveness to stakeholders

6.25 Whilst the committee did receive some positive feedback from stakeholders, a recurrent complaint from participants, carers and service providers is that the Agency has not been responsive to their concerns, criticisms and suggestions for constructive improvement. This problem was raised in public hearings at each trial site:

- in Geelong (chapter 2), Mr Kevin Stone, although being generally positive, expressed his regret that instead of a client-focussed Scheme, 'a Centrelink-type mentality' has developed. He argued: 'the way to actually fix it is to be responsive, to put in place mechanisms that engage better and more consistently with people with disability';²¹
- chapter 3 noted that the Agency's communication with service providers in Tasmania had improved,²² and while there had been some complaints about the Agency's slow response from participants, 'it has been less of an issue' in Tasmania;²³
- in Newcastle (chapter 4), Miss Beth Gwalter noted her concern that the changing policies and procedures of the Scheme are not being communicated effectively to service providers. She noted that information was often received through chance conversations with other providers²⁴; and

20 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, p. 14.

21 Mr Kevin Stone, Executive Officer, VALID Inc., *Committee Hansard*, 14 April 2014, p. 2.

22 Mr Drew Beswick, *Committee Hansard*, 16 April 2014, p. 24.

23 Ms Sue Ham, Tasmanian trail site manager, NDIA, *Committee Hansard*, 17 April 2014, p. 23.

24 Ms Beth Gwalter, Managing Director, Recovery Station, *Committee Hansard*, 5 May 2014, p. 35.

- in Adelaide (chapter 5), the parents of children expressed their frustration at the lack of a response from the Agency to their calls and emails. One mother noted that NDIA will 'respond when they want to';²⁵ another observed that the Agency is 'desperately short-staffed'.²⁶

6.26 The committee recognises the challenge—in terms of both resources and logistics—for the Agency to be responsive to a diverse group of stakeholders. At this early stage of the Scheme, it is understandable that there will be some uncertainty, confusion and even anxiety from all stakeholders—participants, carers, family members, service providers and advocates. It is reasonable that these stakeholders should expect a timely response from the Agency.

The NDIA's feedback systems

6.27 The committee also acknowledges that for the past 12 months, the NDIA has had in place systems to lodge stakeholders' complaints, monitor the timeliness of the Agency's response and analyse the outcomes and the reasons for these outcomes. As Ms Cairns told the committee in July 2014:

We have had a quality framework in place since July last year. I have just recruited a new quality and innovation team that is taking the existing framework, which I think has provided us with some useful information to date, but clearly needs to be expanded, both in response to this process and also in response to where we are in our organisation.

So it will catch all the possible sources of information, including the qualitative customer satisfaction engagement that we need to do in addition to the survey. It will look at complaints. It will drill into records in terms of timeliness of responses. Then we will run that through a continuous improvement process. The outcome of that will effectively be a recourse analysis: what is the change; what is the reason for a particular issue or deficit; is it about an individual staff member; is it broader than that; is it a training issue; does it need to be dealt with by way of a process change?

The other thing we are introducing is a set of KPIs for the operation staff, which will talk to the key deliverables of the scheme—for example, client outcomes being achieved and scheme sustainability. But in response to this particular issue we have two. One is around timeliness; particular time frames around responsiveness to phone calls, emails and written communication. And an aspect of the KPI for each individual will be their score against our behaviours and values.²⁷

25 Mrs Louise Trinkle, *Committee Hansard*, 7 May 2014, p. 20.

26 Ms Van Den Broek, *Committee Hansard*, 7 May 2014, p. 20.

27 Ms Liz Cairns, *Transcript of meeting with the NDIA*, 8 July 2014, p. 3.

6.28 Mr Bowen told the committee that the Agency has put into the system a record of how individuals prefer to be communicated with.²⁸ The committee commends this initiative.

6.29 In response to a question on notice requesting details of processes that the NDIA currently has in place to facilitate a formal feedback system, the NDIA told the committee:

In addition to the formal feedback mechanism, trial sites utilise a number of mechanisms at the local level to receive and record qualitative feedback from participants, including focus groups and individual interviews or surveys. These participant engagement mechanisms will be captured in the National Quality Action Plan (currently under development) which will also include engagement processes across the sites to capture system wide feedback on particular issues. The qualitative information gathered from these activities will be analysed to identify systemic issues and will be fed back through the continuous improvement cycle to improve the performance of the Agency.²⁹

6.30 The committee understands that Mr Bowen and Ms Louise Glanville, Deputy Chief Executive Officer, have scheduled visits to all trial sites in June, July and August to meet with participants and providers and talk about feedback processes.³⁰

6.31 The committee is concerned that these internal processes are not publicised and not widely known or understood by stakeholders.³¹ It encourages the Agency to publicise information on its feedback system and its performance against performance indicators on its website and in its Annual Report. It is important for the public to see that the Agency is taking the feedback it receives seriously, and that it is open about its successes and its shortcomings in this area. The committee also believes that it will be in the Agency's best interests to publicise this data to show that it is—over time—learning and building.

28 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 3.

29 National Disability Insurance Agency, *response to question on notice number 37*, received 16 June 2014, Appendix 3.

30 National Disability Insurance Agency, *response to question on notice number 37*, received 16 June 2014.

31 See the comments of Miss Gwalter from Recovery Station and Occupational Therapy Australia, *Committee Hansard*, 5 May 2014, p. 35.

Recommendation 8

6.32 The committee recommends that the National Disability Insurance Agency publicise details about its internal systems for receiving and responding to feedback. The key performance indicators should be publicly listed and the Agency's performance against each indicator should be provided at regular intervals on the NDIA's website and in its Annual Report. The public should also be able to compare data sets over time.

6.33 Particularly at this early stage of the Scheme, it is understandable that the Agency is required to put considerable resources into answering questions and fielding and responding to queries and complaints from stakeholders. In this context, the committee makes the following two points. The first is that there is an important role for advocacy groups and local area coordinators to take the pressure off the Agency in terms of providing advice on what disability and mainstream services are available and who and where they can be obtained. The Agency obviously has strong vested interest in ensuring that these networks are developed and properly informed.

6.34 The second point is that the need for the Agency to field and respond to queries and complaints will reflect in part whether its information and its processes are clearly communicated. This goes to the issue of clarity raised earlier in this chapter.

Surveying participants and reporting the results

6.35 Chapters 2, 3, 4 and 5 of this report all noted the positive feedback the Agency had received from its survey of participants. The *Third Quarterly Report* contained a table with the results of a survey gauging participants' satisfaction with the Agency and, in particular, the planning process. On a scale from -2 (very dissatisfied) to +2 (very satisfied), the overall score of respondents was +1.66. Dr Bonyhady provided the committee with more detail:

There were 784 people surveyed up until the end of March, and that was done on a confidential basis and on the basis that people could withhold their name if they wanted to. In other words it was a quite standard survey technique. Of those 784, 571 were very satisfied, 169 were satisfied, 33 were neutral, just 10 were dissatisfied and only one was very dissatisfied.³²

6.36 The committee encourages the NDIA to be more open and systematic in its reporting of survey results. The Quarterly Reports need to include some of the data to which Dr Bonyhady refers (above). It needs to explain the methodology of the surveys—how respondents were selected, how the question was asked, the specific question asked, the timeframe of the survey, and whether carers could (and did) assist with participants' responses.

32 Dr Bruce Bonyhady, *Transcript of meeting with the NDIA*, 8 July 2014, p. 1.

Recommendation 9

6.37 The committee commends the National Disability Insurance Agency (NDIA) for the survey results it has achieved to date. To improve the transparency and integrity of future survey results, the committee recommends that the NDIA consults with the Australian Bureau of Statistics Statistical Clearing House about the design and methodology of surveys to ensure that they are fit for purpose and consistent with best practice survey design principles. The NDIA should publish the methodology of surveys on its website and in its Quarterly Reports to the Ministerial Disability Reform Council.

The committee also recommends that the survey is extended to include carers and parents.

6.38 In future, the NDIA's surveys should also aim to include a qualitative dimension. The committee hopes that the evidence from its own public hearings is of use to the Agency in terms of gathering some of this qualitative feedback. But the Agency needs to find additional avenues to develop its own qualitative feedback. It supports the recent comments of Dr Bonyhady:

...we recognise that getting people to talk about their experiences, as well as fill out survey forms, is very important. We are therefore introducing more-qualitative ways of capturing client feedback and responding systematically. This will add to the evidence from the satisfaction scores. In going about this we are particularly going to focus on people who are less likely to give us feedback—people from non-English-speaking backgrounds and people from disadvantaged backgrounds, with low education—so that we try to ensure the scheme is truly equitable.³³

6.39 The committee will monitor developments in this area with interest. It will be seeking more details of the ways in which the Agency is gathering qualitative feedback and the internal systems it puts in place to respond to this feedback.

Recommendation 10

6.40 The committee recommends that the National Disability Insurance Agency develop a systematic way of gathering qualitative feedback from National Disability Insurance Scheme (NDIS) participants and carers of NDIS participants. Careful thought should be given to ensuring a broad cross-section of feedback, encouraging views from people from non-English speaking backgrounds.

Flexibility and adaptability in processes and staffing

6.41 A key part of an organisation's ability to respond effectively to stakeholders is to have in place systems and staff that are flexible and adaptive. One of the

33 Dr Bruce Bonyhady, *Transcript of meeting with the NDIA*, 8 July 2014, p. 1.

committee's concerns with the NDIA to date is that its systems and its mindset have been too rigid. This is perhaps to be expected in the early months of an organisation where the key is to establish clear and rigorous processes. As the Barwon trial site manager told the committee in April 2014:

I heard yesterday many devastating stories about views of our planner inconsistency and inflexibility. I do believe that what we are seeing now is a bit of a pendulum swing. When we started we had new staff from many different backgrounds with different cultures, values, skills and experiences; we had a new IT system; we had new legislation that had no case law to guide us; we had limited practical considerations and expansion of the issues that we wanted to explore within the legislation. I think that our actions have swung to one side—to the letter of the legislation, to ensure our compliance, rather than to the intent. With our learning commitments, our sharing across our sites, the gathering of data and the development of evidence, we are now seeing our ability to move back the other way—more into that centre—to be more flexible, innovative and responsive to individual need. We are confident of that.³⁴

6.42 Ms Gunn also identified the challenge of creating a flexible approach among the NDIA's planners:

The task is to build a team overnight and to create not only an APS culture which we will embed but one which is about flexibility and responsiveness and the ability to work in this grey, not in black, not in white, and acceptance that you are no longer working in a rationed and sanctioned system but one word where it is your personal judgement about reasonable and necessary. The thing that I need to build more into our planners, which I suspect is at the basis of most of those concerns, is understanding and empathy and listening and being able to connect to that family and their circumstances and truly understand what a person-centred, family-centred approach is. Some of our planners have lived and breathed and dealt with that for many years. Some of them have come from perhaps a more academic background, or a more structured and constrained background, and they are struggling to have I suppose the individualised responsiveness.³⁵

6.43 The committee believes that it is important that planners are given clear messages from NDIA management about priorities. As the Capability Report noted:

The effective management of Scheme performance requires clarity about what exactly is required from front-line staff. Client satisfaction? Long-term outcomes? Short-term cost containment? Performance in one of these

34 Ms Stephanie Gunn, Barwon trail site manager, NDIA, *Committee Hansard*, 15 April 2014, pp 18–19.

35 Ms Stephanie Gunn, *Committee Hansard*, 15 April 2014, pp 18–19.

dimensions can undermine other dimensions. There is no clarity about relative weight given to each.³⁶

6.44 In its progress for year one, the NDIA stated that it has recruited over 450 staff of which 11 per cent identified as having disability. The committee stresses the importance of ensuring that there is greater representation of people with disability in its staffing profile, particularly in the planner's role.

Recommendation 11

6.45 The committee recommends that the Agency continue to ensure greater representation of people with disability in its staffing profile, particularly in the planner role.

6.46 The committee is encouraged that the Agency is seeking to create a more flexible approach to the structure of plans. The catalogue of supports that was once provided to participants is now in the form of three bundles, with core support being completely flexible. Mr Bowen told the committee in July 2014 that:

One of the criticisms of this scheme, which has been legitimate, has been the construction of these plans in a way that is complex and not flexible. That is because the whole planning conversation has been around this catalogue of supports; identifying episodes of individual service and just putting them all together.

It took us some time...to convert the system, which was building a payment system, to one where we have that flexibility where people will be getting their plans in bundles. We have completely retrained our staff for the 1 July on how to conduct planning in this new framework. We have re-emphasised this position, which I have said right from the start: 'You are employed for your expertise in working with people to help them identify the services and supports they need to meet particular goals. But they are the experts in their own life.' I do not know how many times I have said that to our staff.³⁷

6.47 Mr Bowen told the committee that as a result of the system change to enable bundling of supports, the Agency anticipates that the number of people who are self-managing part of their package 'will rise significantly'.³⁸

Young people living in residential aged-care

6.48 Chapters 2 and 4 of this report discussed the issue of young people living within residential aged-care homes. With the expansion of the trials in the Hunter and Barwon, it is important that the NDIA inform young residents in these homes of their options under the NDIS. The committee believes that an information campaign could

36 Mr Jeff Whalan AO, Dr Peter Acton and Dr Jeff Harmer AO, *A review of the capability of the National Insurance Disability Agency*, January 2014, p. 30.

37 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 4.

38 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 4.

be put together to inform those young people living in residential nursing homes across all trial sites of the process for applying to become a participant with the NDIS.

Recommendation 12

6.49 The committee recommends that the National Disability Insurance Agency develop and implement an information campaign to inform and assist young people living in residential nursing homes in the trial sites of the process for applying to become a participant with the NDIS.

The challenges facing the National Disability Insurance Scheme

6.50 The remainder of this chapter looks at some of the key challenges for the NDIS in moving to full Scheme. It draws attention to the work that is currently in train within government and the Agency to address some of these challenges (see Box 2).

The transition to full Scheme and the viability of the market

6.51 A key issue currently before the federal and state governments is to develop the details for transition to full Scheme. The committee has heard that the Commonwealth and state governments have failed to agree on key implementation data. This was one of the contributing factors for the delay in timely information being available for the next phase of the South Australian rollout.

6.52 Delays between the Commonwealth and the state governments in agreeing on final negotiations on transition phase risks unnecessary and unreasonable time pressures for the sector. This in turn puts pressure on participants, families and carers. The committee strongly recommends that work be done to ensure that delays are avoided in the future.

Recommendation 13

6.53 The committee recommends that all future bilateral negotiations and amendments to transitional arrangements are finalised and publicised well in advance of commencement dates to ensure and provide confidence and certainty for all stakeholders.

6.54 In regard to the current rollout by age cohorts in South Australia, the committee is of the view that these arrangements are unsuitable for use in very remote Indigenous communities where there are major cost constraints about going to very remote communities for very small numbers.

BOX 2**KEY POLICY WORK FOR THE NDIS BEING UNDERTAKEN BY OFFICIALS**

- 1. DISABILITY WORKFORCE STRATEGY – AN INITIAL REPORT CONTRIBUTING TO THE DEVELOPMENT OF A NATIONAL WORKFORCE STRATEGY IS BEING PREPARED TO INFORM A DISABILITY WORKFORCE STRATEGY FOR COAG’S CONSIDERATION IN EARLY 2015.**
- 2. QUALITY AND SAFEGUARDS – DEVELOPING A NATIONAL APPROACH TO QUALITY AND SAFEGUARDS WORKING WITH STATES AND TERRITORIES. CONSULTATION PERIOD FOR COAG CONSULTATION RIS – DECEMBER 2014 – MARCH 2015. COAG DECISION RIS CONSIDERED BY DISABILITY REFORM COUNCIL – MID 2016.**
- 3. MAINSTREAM INTERFACES – CONTINUING TO CLARIFY THE RELATIONSHIP BETWEEN THE NDIS AND OTHER SERVICE SYSTEMS. INTERIM REPORT FOR COAG’S CONSIDERATION BY AUGUST 2014, APPLIED PRINCIPLES AND TABLES OF SUPPORT TO THE REVIEWED BY NOVEMBER 2014, AND A FINAL REPORT FOR COAG’S CONSIDERATION IN MID-2015.**
- 4. AGREED APPROACH TO PLANNED REVIEWS OF THE NDIS – PROPOSING AN APPROACH TO COAG FOR THE PLANNED REVIEWS OF THE NDIS, INCLUDING OF THE NDIS ACT, TO ENSURE THAT KEY DESIGN FEATURES THAT DRIVE SCHEME COSTS ARE ASSESSED IN THE REVIEWS (INCLUDING ELIGIBILITY, REASONABLE AND NECESSARY SUPPORTS, BUILDING AND NURTURING INFORMAL SUPPORTS THROUGH EFFECTIVE PLANNING AND ASSESSMENT PROCESSES, TIER 2 SERVICES AND LOCAL AREA COORDINATION), AND HOW LESSONS FROM THE WA MY WAY APPROACH WILL BE CONSIDERED IN THE REVIEW PROCESS. FINAL REPORT FOR THE DISABILITY REFORM COUNCIL’S CONSIDERATION BY SEPTEMBER 2014.**
- 5. LESSONS LEARNT FROM TRIAL – DEVELOPING A STRATEGY FOR CAPTURING THE OPERATIONAL AND POLICY LESSONS LEARNT FROM THE TRIAL PHASE TO INFORM THE SCHEDULED REVIEWS OF THE NDIS. STRATEGY FOR REVIEW TO BE AGREED BY OFFICIALS BY NOVEMBER 2014. REVIEW ACTIVITY OVER 2015 WITH A REPORT FOR COAG’S CONSIDERATION IN MID-2016.**
- 6. DEVELOPING THE SCOPE FOR THE REVIEW OF THE INTERGOVERNMENTAL AGREEMENT FOR THE NDIS TO BE UNDERTAKEN IN CONJUNCTION WITH THE STATES AND TERRITORIES. REVIEW PLANNING TO BE COMPLETED BY NOVEMBER 2014 AND TERMS OF REFERENCE AGREED WITH STATES AND TERRITORIES BY MARCH 2015.**
- 7. MARKET READINESS – DEVELOP STRATEGIES WITH STATES AND TERRITORIES TO DEVELOP THE NECESSARY MARKET CONDITIONS TO SUPPORT THE NDIS FULL SCHEME TRANSITION INCLUDING THE NON-FOR-PROFIT SECTOR. FINAL REPORT FOR THE DISABILITY REFORM COUNCIL’S CONSIDERATION BY NOVEMBER 2014.**
- 8. EVALUATION OF NDIS TRIALS – BASELINE REPORT ON THE EXTERNAL EVALUATION OF THE IMPACTS OF THE NDIS ON PEOPLE WITH DISABILITY AND THEIR FAMILIES AND CARERS, THE DISABILITY SECTOR AND WORKFORCE, MAINSTREAM PROVIDERS AND SERVICES, AND THE WIDER COMMUNITY DUE IN OCTOBER 2014. INTERIM REPORT DUE IN APRIL 2015 AND FINAL REPORT IN JUNE 2016.**

Source: Department of Social Services, document provided 25 July 2014.

6.55 The committee is also conscious of the cultural sensitivities of implementing the current age cohort assessment approach in very remote Indigenous communities. There is a possibility that the communities could perceive such action of addressing children before the older more senior Indigenous community members as neglectful which would be inappropriate.

Recommendation 14

6.56 In accordance, with the progressive roll-out of the NDIS to remote Indigenous communities, the committee recommends that governments work together through the Ministerial Disability Reform Council to consider adopting an approach, in consultation with the appropriate Indigenous organisations, to phase in all NDIS-eligible persons at the same time in each community.

The capacity of service providers to deliver requisite supports

6.57 An issue vital to the success of the NDIS will be the capacity of service providers to deliver the supports in participants' plans. The NDIA Board has told the committee that it will consider ways in which assistance can be made available to service providers who are considered at risk of failing financially. The priority areas are the need for back-office systems at a reasonable cost, and business advice on how to restructure their business model to respond to the needs of participants. The NDIA notes that this assistance may be made available through the Sector Development Fund. The NDIA told the committee that it will continue to work with National Disability Services to address provider issues.³⁹

6.58 The NDIA recognises that that the capacity of service providers to adapt to a changing business environment will depend in part on the pace of Scheme rollout. As Dr Bonyhady told the committee in July 2014:

When we come back to you to talk about transition to the full scheme, we will certainly be focusing almost exclusively on the capacity of the market to grow—the capacity of the supply side to match the growth in demand with quality services. We very much look forward to that discussion because, as you say, not all of those issues lie in our bailiwick. If the structures around the scheme are not right, then the pressures on the scheme will become unsupportable.⁴⁰

6.59 The committee has had the opportunity to view the findings of an interim report by KPMG on the *Review of the optimal approach to transition to the full NDIS* (KPMG Interim Report). The KPMG Interim Report, prepared for the NDIA Board, was published in July 2014. It emphasised that successful transition to the full Scheme will be dependent on the:

39 Mr David Bowen, *Correspondence with Committee*, 8 July 2014, pp 1–2.

40 Dr Bruce Bonyhady, *Transcript of meeting with the NDIA*, 8 July 2014, p. 15.

- capacity to deliver—this relates to the level of resources required to effectively deliver; and
- capability to embrace new approaches to service funding and delivery, invest and innovate, and learn and evolve over time—this will be dependent on processes, systems and the workforce to deliver on stated objectives.⁴¹

6.60 KPMG stated that the 'overarching finding' of its review is that there are opportunities to improve market capability, in particular through planning and delivery. KPMG emphasised that:

Without more detailed analysis and strategies to support participants, suppliers, and the Agency, there are serious risks for the effectiveness and sustainability of the full Scheme transition.⁴²

6.61 The Committee notes that a number of these items raised by the KPMG Interim Report are being pursued through COAG as indicated in Box 2.

The interface with mainstream services and Tier 2

6.62 The NDIA states in its guide on mainstream services that the NDIS is not intended to replace other mainstream services, and that the financial sustainability of the NDIS depends on other systems continuing their efforts to support people with disability. To this end, it notes that:

Governments have agreed to key principles in key areas that determine whether the Scheme or another system is more appropriate to fund supports for individuals.⁴³

6.63 The NDIA's *Third Quarterly Report* notes that at least two-thirds of current NDIS participants are accessing mainstream supports. In the Barwon trial, the figure is 92 per cent of participants (see Table 2.1). Still there were some concerns put to the committee that participants had lost access to mainstream services as a result of becoming a participant in the NDIS.⁴⁴ The NDIA has itself acknowledged:

[T]here are gaps in supports in mainstream services, which continue and participants are frustrated by.⁴⁵

6.64 The New South Wales Government told the committee that following full scheme NDIS rollout, it will not provide any residual specialist disability or basic

41 KPMG, *Review of the optimal approach to transition to the full NDIS*, 16 July 2014, p. 10.

42 KPMG, *Review of the optimal approach to transition to the full NDIS*, 16 July 2014, p. 10.

43 National Disability Insurance Agency, *The NDIS and mainstream interfaces, How the NDIS works with other mainstream system*, 16 January 2014, p. 2.

44 Mr Michael Forwood, *Committee Hansard*, 7 May 2014, p. 29.

45 Ms Meryl Zweck, *Committee Hansard*, 8 May 2014, p. 21.

community care services.⁴⁶ Until full scheme, the NSW Government will contribute all funding available for specialist and other disability services and supports, including the Ability Links program and other Tier 2 services in place in NSW.

6.65 The committee raised the issue of the loss of mainstream supports with the South Australian Department of Community Services and Social Inclusion. Mr Caudrey told the committee:

If they [participants] go to the NDIA and then six months later the NDIA says, 'Well, we're going to cut your package,' but that package is still bigger than we historically provided, that is a matter for the NDIA.

...

If it is smaller than we [Disability SA] historically provided, then there is an issue.⁴⁷

6.66 The South Australian Government also provided the following evidence regarding its commitment to maintaining and contributing to mainstream services:

What we have done is to go through a process where we identify those things which the other government departments, whether it is education or health or transport, currently do which is NDIS-able—which is part of the state contribution to the NDIS. They will be held accountable for providing those services. If they resile from them or start removing those services which are part of accounting towards the state contribution, then we would be aware of this and they then report.

...

[W]e have got 11 different government departments. Take Health as an example. We have been very clear about what Health currently does, which will be countable towards the NDIS, which is part of their effort. We are holding them to that. We have all sorts of memorandums of agreement and so on, and we work with the NDIA about these interfaces. At the moment, of course, we are really only dealing with small children, but it is a pretty big interface even with small children.⁴⁸

6.67 However, KPMG's Interim Report observed that:

[I]t is not yet clear how the linkages will work with mainstream service provision (e.g. health, criminal justice, education, child care/protection), and a clear understanding of the impacts of the NDIS on the demand for, and delivery of, mainstream services. There is a need to consider and develop the most effective set of incentives to shape the market upfront and

46 Ageing, Disability and Home Care, *response to question on notice number 4*, received 29 May 2014. See also Ms Samantha Taylor, *Committee Hansard*, 6 May 2014, p. 20.

47 Mr David Caudrey, *Committee Hansard*, 8 May 2014, p. 8.

48 Mr David Caudrey, *Committee Hansard*, 8 May 2014, p. 9.

also allow it the flexibility to grow and evolve over time to interface with mainstream service provision.⁴⁹

6.68 Dr Bonyhady told the committee in July 2014:

We are collecting the evidence where there is a gap or a failure in mainstream services. We try to fix that locally but there are escalation provisions to push it up through to the senior officers working group, which reports to the COAG council on disability reform. In fact, we already have a number of matters to start to push through that process for policy direction to the agency because we do not feel we should be making a decision on this.⁵⁰

Tier 2

6.69 From the evidence to the committee to date, Tier 2 service provisions clearly need to be better articulated. As of 31 March 2014, the NDIS had 8,021 access requests. Of this number, only 5,401 people have received a package. This leaves approximately 2,620 people who felt sufficiently incapacitated to seek assistance but were ineligible for a package.

6.70 The NDIA informed the committee that during the trial phase of the NDIS, state and territory governments have responsibility for maintenance of existing Tier 2 supports whilst national policy work is completed on Tier 2 for the full Scheme. As Mr Bowen told the committee:

...under the intergovernmental agreement the states and territories are required to maintain tier 2 services during the trial phase, up until full speed. But you are right, we are seeing withdrawal of those services. We have been discussing it in two contexts. One is in the context of this work on full-scheme transition—that one of the significant problems with the current system, and probably the largest one, is that the first point of contact for a person with the agency is a discussion around a funded support package. We need a stronger community based gateway into the scheme.⁵¹

6.71 The NDIA noted that it has recently appointed Mr Eddie Bartnik (former Western Australian Mental Health Commissioner and disability expert) as Strategic Adviser on matters related to Tier 2, mental health/psychosocial disability, and Local Area Coordination. Mr Bartnik commenced this work at the end of April 2014. Mr Bowen told the committee that Mr Bartnik's work would look at:

...identifying what would be the appropriate mix of community and individualised support for the mental health group, given that there are people who have episodic support needs that would be best supported by

49 KPMG, *Interim report: Review of the optimal approach to transition to the full NDIS*, 16 July 2014, p. 8.

50 Dr Bruce Bonyhady, *Transcript of meeting with the NDIA*, 8 July 2014, p. 15.

51 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 13.

something like the current Personal Help and Mentors program, rather than push them into a tier 3 package. But this is early days on that work. We are doing it in a very consultative way.⁵²

6.72 In this context, the committee is particularly concerned that arrangements for the provision of mental health services are clarified. Psychiatric Disability Services of Victoria noted in correspondence to the committee that there is currently a lack of clarity about how the needs of Tier 2 clients will be addressed.⁵³ Chapter 2 noted the concerns of the Geelong Mood Support Group that the removal of block funding threatened the Group's viability.⁵⁴ The Victorian Department of Human Services has recognised the complexity of this issue and told the committee that it is ongoing work.⁵⁵

6.73 The KPMG Interim Report described as 'critical' the need for clarity on how Tier 2 will be designed, including how it will be linked to the broader human services sector in each jurisdiction. It argued that the development of Tier 2 is required 'as soon as possible' to ensure that appropriate supports are in place for those not eligible for an NDIS package.⁵⁶

6.74 The committee understands that the South Australian Government has considered contingency plans for Tier 2 funding and will ensure that there will be funds to cover Tier 2 services.

6.75 The committee commends this approach. It believes that Tier 2 supports are an area in which COAG should become better engaged with the NDIA and the states and territories to establish clear obligations and commitments to the provision of these services. The committee notes that this matter is currently before COAG.

Recommendation 15

6.76 The committee recommends that the Ministerial Disability Reform Council expedite roles and responsibilities and any funding arrangements for Tier 2 services. The committee commends the attitude and direction that the South Australian Government is taking in its involvement with Tier 2 and the sector, and recommends that states and territories adopt this approach.

52 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, pp 13–14.

53 Psychiatric Disability Services of Victoria, *Correspondence received 12 June 2014*, p. 2.

54 Mr Reid Maxwell, *Committee Hansard*, 14 April 2014, p. 26.

55 Ms Chris Faulkner, *Committee Hansard*, 15 April 2014, p. 5.

56 KPMG, *Interim report: Review of the optimal approach to transition to the full NDIS*, 16 July 2014, p. 8.

Respite care

6.77 The committee recognises the importance of respite care for the well-being of both the carer and people with disability. There is a growing unmet demand for respite services and many of the service outlets rely on volunteers.⁵⁷

6.78 The committee has received correspondence from the National Respite Association that notes that it is 'about to undertake significant research' with the Social Policy Research Centre at the University of New South Wales. The research will map the respite outputs currently delivered in the disability and aged care systems and conduct cost-benefit analyses of different transition scenarios.⁵⁸ The committee encourages the Association to publicise this research and inform the COAG Disability Reform Council of the findings. The committee will monitor work in this area.

Developing the disability sector workforce

6.79 For the NDIS to work effectively, it is crucial that a high quality disability sector workforce is developed and sustained. There is currently a significant shortfall in the number of workers needed to sustain full scheme. A 2012 PricewaterhouseCoopers report noted that while the shortage of skilled workers was then an issue in many states and territories, the extent of these shortages was unclear. The report observed that the reasons for these shortages may include low wages, emotional and physical demand, and the transient nature of employees. It also cited a study by the National Institute of Labour Studies which found that non-professional vacancies were easier to fill than professional or managerial/administrative roles due to the lack of appropriately skilled applicants.⁵⁹

6.80 In 2012, COAG committed to the development of a National Disability Workforce Strategy. In early 2014, the Department of Social Services contracted National Disability Services (NDS) to provide advice on the development of this Strategy.⁶⁰ Based on the timeframe in Box 2, above, COAG is due to consider the findings of the NDS Report in early 2015. The committee is of the view that to ensure adequate time for implementation of the Report's findings, it would be preferable for COAG to consider such findings in 2014.

6.81 In April 2014, the NDS released a discussion paper on workforce issues. The paper noted the following strategies to address workforce challenges and ensure the workforce is expanded sustainably:

57 National Respite Association, *Correspondence provided to the committee on 14 July 2014*, p. 1.

58 National Respite Association, *Correspondence provided to the committee on 14 July 2014*, p. 1.

59 PricewaterhouseCoopers, *Planning for a sustainable disability sector*, November 2012, p. 16.

60 National Disability Services, *National Workforce Strategy Project*, <http://www.nds.org.au/projects/article/179> (accessed 14 July 2014).

-
- adapting the industrial relations framework noting that service providers are keen that employers and employees develop agreed employment and industrial relations standards or principles. This would include ensuring that job classifications, travel, pay and working hours in the award are suited to the NDIS;
 - ensuring that NDIS pricing covers workforce costs.⁶¹ This may include revising hourly prices for services to cost in things including the intake process, travel time, the costs for a worker attending an activity to support a participant and training and professional development;
 - community campaigns to raise the profile of disability work;
 - improve the quality and consistency of accredited training; and
 - collaborate on functions and create service alliances.⁶²

6.82 The KPMG Interim Report argued that the Workforce Development Strategy should consider:

- the competitive nature of the market, particularly in the context of changes occurring in health and aged care markets as a result of demand pressures and policy reform;
- all components of the workforce, in particular how the new market changes the role and funding of individuals within support networks;
- flow-on workforce implications, for example in respect to increased participation of Scheme participants and support workers; and
- the potential impact of different market development and market failure scenarios on workforce capacity and skills – this will help to illustrate a range of potential outcomes, given limitations in respect to data.⁶³

6.83 The committee has received some evidence from stakeholders on the challenge of developing a disability sector workforce that can meet the demands of the rollout schedule for full Scheme. It recognises that workforce development is also a challenge that faces the community services, health and aged care sectors.⁶⁴ There is—and will continue to be—competition for workers between these sectors. While wage levels are not the only determinant of the sector to which workers will gravitate, it is obviously an important factor. The committee flags its future interest in

61 This issue was flagged in evidence to the committee by Ms Margaret Kime, *Committee Hansard*, 5 May 2014, p. 49.

62 National Disability Services, *Forming a National Disability Workforce Strategy*, April 2014, pp 8–9.

63 KPMG, July 2014, p. 11.

64 See comments of Mrs Faulkner, Victorian Department of Health and Human Services, *Committee Hansard*, 15 April 2014, p. *.

examining strategies to develop the size, skills-base and geographic distribution of the disability sector workforce.

Recommendation 16

6.84 The committee is aware that there is currently a shortfall in the number of workers in the disability sector, particularly in professional roles. It is aware of research that the number of full time disability sector workers will need to increase substantially to meet demand by full Scheme in 2018. The committee recommends that a workforce strategy be developed under the auspices of the Ministerial Disability Reform Council that identifies the issues, challenges, options and recommendations to meet demand.

The financial sustainability of the Scheme

6.85 The committee's terms of reference direct it to review the expenditure of the NDIS. The committee has had the opportunity to speak in private with the Scheme Actuary and to receive—on the public record—answers to questions on notice (see Box 1).

6.86 The committee asked the Scheme Actuary for information on the type of research that she may conduct to consider the causes of the risks to the financial sustainability of the Scheme.⁶⁵ Ms Johnson replied:

As a general comment, the provision of support through mainstream and informal services is to be encouraged and supported, in order to protect against inappropriate and over utilisation of the NDIS. It is therefore very important to monitor the trends in this service provision and utilisation.⁶⁶

6.87 Subsection 180(2) of the Act requires the Scheme Actuary to make quarterly estimates of Scheme expenditure and advise the CEO. The committee asked Ms Johnson the basis on which quarterly estimates of future expenditure are made. She responded:

As experience emerges, NDIS participant and utilisation data will be used to develop time-series trend analyses and actuarial models to project future utilisation and expenditure. Because the NDIS is still some way from a mature scheme, an approach to future estimates must currently seek a balance between the emerging experience and the initial cost estimates which are based on survey and census data. Moreover, within the trial

65 Section 180 of the Act establishes a scheme actuary. Ms Sarah Johnson was appointed on 4 November 2013 for a period of three years. Subsection 180(1) states that the actuary's annual report must contain an assessment of the financial sustainability of the Scheme, the risks to that sustainability, and any trends in provision of supports to people with disability other than through the NDIS. The annual report must also consider the causes of those risks and trends, and make estimates of future NDIS expenditure.

66 Scheme Actuary, National Disability Insurance Agency, *updated responses to questions on notice, question number 5*, received 7 July 2014.

period and even up to full scheme roll out, the agreed phasing timetables will influence emerging trends and future expenditure and also needs to be considered in the actuarial projections.⁶⁷

6.88 The committee also asked the Actuary to provide information on the reliability of the data over the first 12 months of the Scheme, given the likelihood of volatility from quarter to quarter and relatively small sample sizes. Ms Johnson responded:

There is a high degree of uncertainty in the ability to measure trial data against full scheme cost estimation. There are a number of causes of this uncertainty, including:

- the design of the trial sites, only two of which are designed as geographical full population trials allowing extrapolation to full scheme;
- the participant phasing agreements in the bilateral agreements, which mean that even for the geographical trials emerging experience may not be representative of the whole area;
- the adequacy of the national minimum data sets and other administrative data on disability services; and
- the previously mentioned difficulties with the NDIA information and data system. The information available at the end of 12 months of the NDIS will be a significant improvement on the previously available data, which underpinned the Productivity Commission assumptions. Information collected will allow a more robust estimate to be made of full scheme cost, distribution of support needs and the requirements of a robust community system to support participants with a disability utilising mainstream and informal services.⁶⁸

6.89 The NDIA's first Progress Report, released in July 2014, stated that the Scheme is at present:

...comfortably within the allocated budget—around \$107 million of support with flow to participants in 2013–14. This is well within the funding envelope of \$152 million for 2013/14.⁶⁹

6.90 The Productivity Commission's 2011 report indicated an average package cost at full Scheme of \$35 000 per participant.⁷⁰ Average package costs have fallen over

67 Scheme Actuary, National Disability Insurance Agency, *updated responses to questions on notice, question number 4*, received 7 July 2014.

68 Scheme Actuary, National Disability Insurance Agency, *updated responses to questions on notice, question number 9*, received 7 July 2014.

69 National Disability Insurance Agency, *Progress Report: Year One*, July 2014, p. 11.

70 See National Disability Insurance Agency, *Quarterly Report to the COAG Disability Reform Council*, 31 December 2013, p. 5. The report stated:

the first three quarters of the trial phase of the Scheme. At the end of September 2013, the average package cost was \$46 290. At the end of December 2013, it was \$40 466. At the end of March 2014, the average package cost was \$34 019.⁷¹

6.91 There is a significant skew in annual package costs towards the highest functional groups (as measured by the frequency of disability support requirements):

- the average cost of packages in the highest functional groups (FG1 and FG2) is close to \$150 000 per annum;
- 67 per cent of the cost of the Scheme is accounted for by 24 per cent of participants (FG1–FG4); and
- 55 per cent of participants (FG7, FG8 and FG9) account for only 12 per cent of the cost of the Scheme.⁷²

6.92 The committee asked the Scheme Actuary to comment on whether the number and cost of participants (in the second quarterly report) in each of the nine functional groups is as expected. She responded:

Based on the early data, there appear to be fewer than expected participants in the lower severity functional groups. It is possible that many of these participants were not receiving services under the previous National Disability Agreement, and so have not been targeted by the phasing arrangements in the agreements. Based on previous survey and census data there are certainly more people in the community with a disability than have applied for participant status. It is very important for the financial sustainability of the NDIS that strong community support allows these people to achieve positive outcomes using community and mainstream support. I also note that because these lower severity functional groups have relatively very small average package cost, their omission from the scheme makes little difference to the overall estimated aggregate cost.⁷³

6.93 The NDIA quarterly reports cautions relying too much on the data that has been published on the Scheme's cost to date. It highlights the fact that, at the time of writing, there have only been three quarters of data released and 5 400 people with

'The Productivity Commission report (released in August 2011) estimated that the number of participants in Tier 3 of the NDIS was 411,250 and the cost of providing care and support to these participants was \$12.8 billion in 2011 values. Projecting the expected number of Tier 3 participants using population projections, and cost using inflation (including the increase in the SaCS award), results in an estimated 419,516 Tier 3 participants and full scheme cost of \$14.7 billion in 2013/14 (which equates to an average cost of \$35,000 per participant per annum).'

71 National Disability Insurance Agency, *Report on the sustainability of the Scheme, 1 July 2013 to 31 March 2014*, p. 10.

72 See Table 3, National Disability Insurance Agency, *Report on the sustainability of the Scheme, 1 July 2013 to 31 March 2014*, p. 10.

73 Scheme Actuary, National Disability Insurance Agency, *updated responses to questions on notice, question number 16*, received 7 July 2014.

plans. By full scheme on 1 July 2018, there will be 20 quarters of data and in excess of 460 000 participants.

6.94 The committee looks forward to the release of the fourth quarterly report to the COAG Disability Advisory Council. It is satisfied that the Scheme is on budget. However, in terms of the long-term financial viability of the Scheme, the committee emphasises that the key challenge will be to ensure that there is a dynamic and competitive disability services sector that can innovate and best provide value for money. In the short to medium term, the challenge is to ensure that the sector is viable and is supported to make prudent and informed planning and investment decisions.

Promoting self-management of plans

6.95 The ability of a participant to self-manage their plan is fundamental to the principles of control and choice that underpin the NDIS. This report has noted that currently, very few participants self-manage their plans. There are good reasons for this. The first is that people will be unfamiliar with this option and lack the confidence and the skills to execute this option. The NDIA has informed the committee that many of the participants to date are transitioning from state funded programmes. It noted that in these programmes, 'the emphasis has been on attachment to a 'programme' provider rather than promoting individually tailored self-selection of supports'.⁷⁴

6.96 The second reason for the slow up-take of the self-management option relates to in-kind support. As Mr Bowen told the committee:

My hobbyhorse is the fact that the single biggest barrier to full self-management is in-kind support. In-kind support cannot be self-managed because the person has no choice over where they go and how that is used. I think we have got the Commonwealth and all the states to agree that in-kind is not appropriate in the full scheme and in fact we should start moving it out as quickly as possible...

I think it is accepted. It is so administratively cumbersome it has not yet been agreed.⁷⁵

6.97 The committee commends the NDIA for seeking to increase the proportion of participants who self-manage. Mr Bowen told the committee that a target of '30 to 40 per cent over time' has been discussed with both the Independent Advisory Council and the Board. He added:

The reason you want a stretch target is so we can work with the sector development fund and agency arrangements to see what additional work needs to be done to build people's capacity to self-manage.⁷⁶

74 National Disability Insurance Agency, *Correspondence received 21 July 2014*.

75 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 11.

76 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 11.

6.98 The committee notes that a participant may have an arrangement where there are elements of self-management, but payment is through a plan provider or directly through a service provider. The Agency told the committee that it would not regard this arrangement as full self-management. Notably, the NDIA observed that with the capacity to bundle supports from 1 July 2014, it expects the number of participants self-managing part of their package to 'rise significantly'.⁷⁷

Recommendation 17

6.99 The committee recommends that the National Disability Insurance Agency assist prospective and actual participants in building the necessary skills and knowledge to manage their own support package. Workshops should be available for participants who are seeking information on self-managing their plan. The committee believes that promoting self-management of plans will provide participants with choice and control which should in turn lead to greater innovation and responsiveness from service providers.

Committee conclusion

6.100 This report has identified the many achievements of the NDIS to date. The trials began on 1 July 2013 and more than 5 400 people had plans within the first nine months of the Scheme. The committee has heard many stories of participants' lives changing for the better, in ways that the architects of the Scheme intended. Participants are having choice and control in how they manage their supports and pursue their life goals.

6.101 This report makes a number of recommendations designed to improve the functioning of the Scheme. The recommendations are based on the evidence—documented in chapters 2, 3, 4 and 5 of this report—that the committee has collected in the Barwon, Tasmanian, Hunter and South Australian trial sites. They are designed to enhance the Agency's espoused values and build the culture that it desires.

The committee's forward work plan

6.102 This report has identified a number of challenges that face the NDIS. The challenges relate to a wide and complex range of issues that will require a coordinated effort from the NDIA, the federal government, the state governments, service providers, advocates and key peak organisations. This includes:

- the transition of people from state supports to the NDIS;
- the development and the readiness of the service providers to support the pace of Scheme rollout;
- the capacity of the disability sector workforce to support the pace of Scheme rollout;

77 Mr David Bowen, *Transcript of meeting with the NDIA*, 8 July 2014, p. 11.

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- the interface of the NDIS with mainstream services;
 - the definition, development and funding of Tier 2 services;
 - resolving transport issues for both participants and service providers;
 - supporting people with disability to achieve greater economic and social participation through developing community supports;
 - supporting NDIS participants to find suitable accommodation;
 - assisting Indigenous people living with disabilities; and
 - providing ongoing advocacy.

The committee will carefully assess these and other issues as part of its forward work plan.

6.103 From 1 July 2014, Western Australia, the Northern Territory and the Australian Capital Territory all commenced an NDIS trial. The committee flags its interest in visiting these trial sites to take evidence and examine trial-specific issues.

The Hon. Mr Mal Brough MP
Chair

Appendix 1

Public Hearings

Witnesses at Geelong, 14 April 2014

BLAIK, Ms Linda, Private capacity

BRANT, Ms Bianca, Private capacity

CASEY-ELAND, Ms Shona, Acting Chief Executive Officer, YMCA Geelong

CRIPPS, Mr David, Private capacity

CROFT, Mrs Krystyna, Private capacity

CROUCH, Mrs Jayne Amanda, Private capacity

FEAR, Ms Vanda Rosalie, Private capacity

FIRGAIRA, Mr Felix, Private capacity

FITZGERALD, Dr Jennifer, Chief Executive Officer, Scope (VIC) Ltd

FOREMAN, Mrs Lynne, Private capacity

FRANCETT, Mr Alf, Director, Ermha

HARRIS, Mr Rodney, Chief Executive Officer, Motor Neurone Disease Victoria

HAYES, Ms Karen, Chief Executive Officer, Guide Dogs Victoria

HAYWARD, Miss Kirrily Daniele, Private capacity

HURD, Mr Steven, Private capacity

KNIGHT, Mrs Marjorie, Private capacity

MALONE, Mrs Rosemary, Chief Executive Officer, Gateways Support Services

MARTINEZ, Mr Michael, Chief Executive Officer, Diversitat

MAXWELL, Mr Reid, Private capacity

MEARS, Ms Libby, Chief Executive Officer, Leisure Networks

NICOLLE, Ms Jodie, Private capacity

PIERCE, Ms Jacqueline (Jacqui), Private capacity

ROSEBURGH, Mr Robert, Director, White Cross Healthcare

SAMEK, Ms Amanda, Private capacity

SPOWART, Ms Kathryn, Private capacity

SPURDLE, Ms Lyz, Private capacity

STEVENS, Ms Simone, Private capacity

STONE, Mr Kevin, Executive Officer, VALID Inc.

STILL, Mr Anthony John, General Manager, St Laurence Community Services

VALENTINE, Mr Peter, Chief Executive Officer, Geelong Taxi Network

Witnesses at Geelong, 15 April 2014

CONGLETON, Ms Anne Elizabeth, Executive Director, West Division, Department of Human Services

FAULKNER, Ms Chris, Area Director Barwon, Department of Human Services

GUNN, Ms Stephanie, Barwon Trial Site Manager, National Disability Insurance Agency

GUNNING, Ms Alex, Director, Engagement and Funding, National Disability Insurance Agency

Witnesses at Hobart, 16 April 2014

BALCOMBE, Mr Nathan, Anglicare

BAIN, Ms Donna, General Manager, Self Help Workplace, and President, Tasmanian Association of Disability Employment Services

BANTICK, Ms Cathy, Office Administrator, Riding for the Disabled Association of Tasmania

BESWICK, Mr Drew, Chief Operating Officer, Optia

CAMPBELL, Mr Glenn, Chief Executive Officer, Optia

COCKERELL, Mr Glen, Private capacity

COYLE, Mr John Anthony, Private capacity

DOEDENS, Mr Ralph, Chief Executive Officer, STAR Tasmania

EASTLEY, Mr Dale, Chief Executive Officer, Multiple Sclerosis Society of Tasmania

ENGLISH, Mr Daniel, Chief Executive Officer, Guide Dogs Australia

FERGUSON, Mr John, Disability Support Worker, Able Australia

GLOVER, Mrs Linda, Disability Liaison Officer, TasTAFE

HARVEY, Mr Scott, COSMOS

KLUGG, Mr John, Able Australia

MACKEY, Ms Tracy, Executive Director, Life Without Barriers

PATON, Mr John, Chief Executive Officer, OAK Tasmania

PITCHER, Mr Aaron, Private capacity

SULLIVAN, Ms Louise, Area Manager, Able Australia

SYMONDS, Mr Peter Jonathan, General Manager, Ability Tasmania Group

Witnesses at Hobart, 17 April 2014

BRAZENDALE, Ms Denise, Regional Leader, Tasmania North, Mission Australia

D'ELIA, Ms Mary, State Operations Manager, Tasmania, Baptcare

EDWARDS, Mrs Jenny, Director Service Delivery, National Disability Insurance Agency

GANLEY, Mrs Ingrid, Director, Disability and Community Services, Department of Health and Human Services

HAM, Ms Sue, Trial Site Manager, National Disability Insurance Agency

MUNDY, Mr Noel Geoffrey, State Director, Tasmania, Mission Australia

SCOTT, Mrs Marita, General Manager, Family and Community Services, Baptcare

Witnesses at Newcastle, 5 May 2014

BAILEY, Mr James, Private capacity

BAILEY, Ms Carole, Private capacity

BAITA, Mrs Kathryn Anne, Administrator, Hunter Brain Injury Respite Options Inc.

BECKETT, Mr Cain, Private capacity

BRAZEL, Mr Maxwell Roy, Private capacity

BRODIE, Mr Colin, Private capacity

BURNS, Ms Margaret, Private capacity

CAVALLETTO, Mr Bart, Director, Clinical Services, Royal Institute for Deaf and Blind Children

CHANNON, Mr Gary, Private capacity

CLIFF, Mr Mark, Private capacity

CLIFT, Mr Ken, Hunter Regional Coordinator, Intellectual Disability Rights Service

CRAWFORD, Mrs Lucy, Executive Manager, Mai-Wel Group

CUNEO, Ms Wendy Grace, Vice President and Publicity Officer, Stockton Hospital Welfare Association; and Private capacity

DALEY, Ms Caroline Leanne, Private capacity

DAVEY, Ms Kathy, Private capacity

DUREY, Ms Sandra, Case Worker, New Horizons

FEARNLEY, Mr Kurt, Private capacity

FITZPATRICK, Mr Michael, Private capacity

GORMAN, Mrs Marie, NSW Team Leader, Younger Onset Dementia Key Worker Program, Alzheimer's Australia

GWALTER, Beth, Private capacity
HALLINAN, Mr Stephen Paul, Private capacity
HARDY, Mr Rob, Private capacity
HARVEY, Ms Tonina, General Manager, Community Services at ParaQuad NSW
HOUSTON, Ms Robyn, Private capacity
HUGHES, Ms Linda, Community Development Officer, Community Disability Alliance Hunter
HUNGERFORD, Mr Jim, Chief Executive Officer, The Shepherd Centre
KEARNEY, Ms Pennie, Chief Executive Officer, Mai-Wel Group
KIME, Margaret, Private capacity
LAMBERT, Ms Laurel Ann, Private capacity
MAHONY, Catherine, Community Development Officer, Community Disability Alliance Hunter
MANLEY, Ms Janette, Senior Project Officer, Wesley Mission Brisbane; and Private capacity
MARSTAELLER, Mr Lloyd, Treasurer, Merry Makers Central Coast
PARSONS, Mr Kevin, Private capacity
PAUL, Ms Penny, Private capacity
PETERSON, Mr Frank Lawrence, Private capacity, through Auslan interpreter
RIGBY, Dr Geoff, Chairman, Hunter Friends of L'arche
ROBINSON, Mrs Dorothy, Private capacity
SALZANO, Mrs Maree, Executive Officer, Family Advocacy
SCHLAEGER, Melanie, Private capacity
TRAJCEVSKI, Ms Kristy, Private capacity
WEBB, Ms Catherine, NDIS Project Manager, Lifestyle Solutions
WHITE, Dr Graeme, Chief Executive Officer, Guide Dogs NSW/ACT
WILLIAMSON, Mr Craig, Private capacity

Witnesses at Newcastle, 6 May 2014

ATKINS, Mrs Pam, Private capacity
BECKETT, Mr Cain, Chair, New South Wales Disability Council
BIRCH, Ms Kim, Trial Site Manager, National Disability Insurance Agency
CLOWES, Mrs Jayne Kathryn, Operations Director, National Disability Insurance Scheme, Department of Family and Community Services, NSW

CUNEO, Mrs Wendy Grace, Vice President and Publicity Officer, Stockton Hospital Welfare Association

DUNCOMBE, Ms Lee, Director of Service Delivery, National Disability Insurance Agency

EPSTEIN-FRISCH, Ms Belinda, Systemic Advocate, Family Advocacy

FEARNLEY, Mr Kurt, member, National Disability Insurance Scheme Independent Advisory Council

GRANT, Mr Michael, Branch President, New South Wales Nurses and Midwives' Association

HEANEY, Mrs Dawn, Private capacity

LONGLEY, Mr Jim, Chief Executive, Ageing, Disability and Home Care, Department of Family and Community Services, NSW

NEW, Mrs Marie, District Director, Hunter New England District, Department of Family and Community Services, NSW

PANOV, Mrs Meg, Vice President, Stockton Hospital Welfare Association

PERUSCO, Mr Michael, Chief Executive Officer, St Vincent de Paul Society NSW

PETERSON, Mr Frank, Private capacity, through interpreter

PUNSHON, Ms Suzanne, Director of Engagement and Funding, National Disability Insurance Agency

RYAN, Mr John Francis, Executive Director, Ageing, Disability and Home Care, Department of Family and Community Services, NSW

SHARKEY, Mr Ronald James, Private capacity

TAYLOR, Ms Samantha Jane, Deputy Chief Executive, Ageing, Disability and Home Care, Department of Family and Community Services, NSW

TRAJCEVSKI, Ms Kristy, Secretary, People with Disability Australia

WASHINGTON, Ms Kate, Partner, Catherine Henry Partners

YOUNG, Miss Virginia, Community Development Services, St Vincent de Paul Society NSW

YUDAEFF Ms Lorraine, President, Stockton Hospital Welfare Association

Witnesses at Brooklyn Park, Adelaide, 7 May 2014

COHEN, Mrs Liz, EGM Client Services, Can:Do 4Kids

CRANWELL, Mr John, Chief Executive Officer, Sasrapid Inc.

DOLLARD, Mrs Michaela Marie, Private capacity

FORWOOD, Mr Michael, Chief Executive Officer, Cora Barclay Centre

HASKARD, Mrs Amanda Jane, General Manager, Cora Barclay Centre

HOSKING, Mrs Wendy Joan, Private capacity

LAWLOR, Ms Maureen, Acting Chief Executive Officer, Down Syndrome SA

LESTER, Ms Mia Elizabeth Hunt, Private capacity

MARTIN, Mr Jon, Chief Executive Officer, Autism SA

MARTIN, Mr Philip, Chief Executive Officer, Muscular Dystrophy Association

OTS, Ms Diana, Private capacity

TRINKLE, Mrs Louise, Private capacity

SPARROW, Mr Peter Wayne, Chief Executive Officer, Carer Support and Respite Centre

VAN DEN BROEK, Ms Anna, Private capacity

VINCENT, The Hon. Kelly, Member of the Legislative Council, South Australian Parliament

Witnesses at Brooklyn Park, Adelaide, 8 May 2014

CAIRNS, Ms Liz, General Manager, Operations, National Disability Insurance Agency

CAUDREY, Mr David, Executive Director, Disability SA, Department of Communications and Social Inclusion, Government of South Australia

MCAULEY, Ms Karen, Director, Children and Youth Services, Disability Services, Department of Communities and Social Inclusion, Government of South Australia

NOWAK, Ms Zofia, Director, NDIS Reform, Department of Communities and Social Inclusion, Government of South Australia

WICKES, Ms Jo, Director Engagement and Funding, National Disability Insurance Agency

WILLEY, Mr Paul, Acting Executive Director, Disability Services, Department of Communities and Social Inclusion, Government of South Australia

ZWECK, Ms Meryl, Trial Site Manager for South Australia and Northern Territory, National Disability Insurance Agency

Witnesses at Canberra, 14 May 2014

BOX, Mr Darren, Debt, Appeals and Health Compliance, Department of Human Services

JOHNSON, Ms Sarah, Scheme Actuary, The National Disability Insurance Agency

SANDISON, Mr Barry, Deputy Secretary, Department of Human Services

WITHNELL, Mr Mark, General Manager, Department of Human Services

Appendix 2

Correspondence and Tabled Documents

Correspondence Received

Innov8 Consulting Group, 11 December 2013

Jean Koshemakin, 12 February 2014

Bill Robinson, 24 February 2014

Mental Health Council of Australia, 3 April 2014

Family Planning NSW, 9 April 2014

Krystyna Croft, 14 April 2014

OAK Tasmania, 14 April 2014

Kirrily Hayward, 15 April 2014

Sandra Lovell, 15 April 2014

People with Disability Australia, 17 April 2014

Jan Vetma, 19 April 2014

Stephen Murray, 20 April 2014

Michael Lang, 4 May 2014

Department for Communities and Social Inclusion South Australia, 7 May 2014

Family Advocacy, 7 May 2014

Allied Health Professions Australia, 8 May 2014

Muscular Dystrophy South Australia, 9 May 2014

Cora Barclay Centre, 12 May 2014

Maxwell Brazel, 14 May 2014

Maxwell Brazel, 19 May 2014

Northcott, 19 May 2014

Jan Vetma, 20 May 2014

Mia Lester, 21 May 2014

Ageing, Disability and Home Care, Department of Family and Community Services
New South Wales, 29 May 2014

National Council on Intellectual Disability, 18 June 2014

National Disability Services, 22 June 2014

National Rural Health Alliance and the National Disability and Carer Alliance,
8 July 2014

Disability Advocacy NSW, 26 June 2014

Bob Buckley, 14 June 2014

NSW Department of Family and Community Services, Ageing, Disability and Home Care, 29 May 2014

Caroline Daley, 8 July 2014

Sue O'Reilly, 4 July 2014

Tabled Documents

14 April 2014, Geelong

Document received from Vanda Fear and Jacqui Pierce

5 May 2014, Newcastle

Document received from Wendy Cuneo

Document received from James Bailey

Document received from Jim Hungerford

6 May 2014, Newcastle

DVD received from Belinda Epstein-Frisch

7 May 2014, Adelaide

Document received from Australian Federation of Disability Organisations

Appendix 3

Received 16 June 2014

Trial Site Public Hearings, April/May 2014

Response to Question On Notice National Disability Insurance Agency

Question No: 1

How are you working with state jurisdictions and federal agencies on the **interface between health, education, disability, transport, child protection and other systems** while ensuring continuity of supports?

- a. Beyond the operational guidelines, what specific action is the NDIA taking with the Commonwealth and the States to clarify and implement service delivery while ensuring that no NDIS participant is disadvantaged?
- b. How are conflicts regarding these responsibilities being resolved?

Answer:

At its meeting of 19 April 2013, the Council of Australian Governments agreed the responsibilities of the National Disability Insurance Scheme (NDIS) and other service systems. The agreement is reflected in the NDIS rules and operational guidelines.

The National Disability Insurance Agency (NDIA) has developed relationships with local mainstream systems in each of the trial sites to outline how systems will work together to support people with disability.

- a. The NDIA planning process includes consideration of a participant's existing supports prior to transitioning into the NDIS. The participant's NDIS plan is intended to assist the participant to achieve at least the same outcomes in the NDIS, compared to those expected from their previous support.

The NDIA has identified some services that are currently funded through programs transitioning into the NDIA which are not generally funded by the Scheme. In these situations the NDIA can fund the supports for a transitional period while the NDIA works with the participant to build their capacity to provide these supports for themselves or identify more appropriate sources of this assistance.

- b. The NDIS governance arrangements provide a number of forums for the NDIA and governments to identify and resolve issues related to the mainstream interface. Where mainstream issues have implications for multiple jurisdictions, the NDIA and governments will work through the COAG Disability Reform Council structure.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 2

The committee has heard that the scheme **lacks flexibility**—that the line by line acquittal approach requires participants to, for example, change their plan if they want to switch days to do the same activity. Can you explain why there is this lack of flexibility when the plan is managed by the Agency? Is it the case that there is more flexibility when the participant self manages or has a plan manager and if so, why?

Can you also explain how each of the four management options work (ie: NDIA, self-managed, plan manager, a combination of these)? For each option, can you outline the acquittal process, the supporting IT system, and the level of accountability and flexibility?

Answer:

The current ICT business system has limited flexibility in all four plan management options. This has resulted in planners needing to add every possible individual support item to a participant's plan to ensure that they had flexibility to vary the days or times of day that they receive a service. This has been a very complex process that has led to issues for both participants and providers and has resulted in plans requiring amendments to increase flexibility.

The National Disability Insurance Agency (NDIA) has worked to address this with enhancements to the business system which allows bundling of supports. This means that the participant will have choice and control to purchase flexibly from all the support items in the bundle – not only the individual support items that have been included in the plan.

The bundles that will be introduced which will allow flexibility within the bundle and across all flexible items in the plan include personal care, community access, interpreting and translating, and transport. If a planner sets up the plan using these bundles then the participant has flexibility to purchase supports for any support item in these bundles.

An employment group has been set up which is fixed, meaning that the participant has flexibility to purchase any supports in the employment bundle but cannot choose to purchase other supports outside the employment supports. The flexibility is limited to employment and related items as this is an investment by the NDIA in the participant's future employability.

There are four plan management options that the participant can choose to implement their NDIA plan. This includes:

- Agency Managed;
- Participant Managed;
- Plan Management Provider;
- Combination.

When the NDIA manages the funds for a participant's plan the providers working with the participant submit claims for supports through the provider portal. To access the participant's plan through the provider portal, the participant needs to give the provider their National Disability Insurance Scheme (NDIS) number and Date of Birth.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

It is highly recommended that they enter into a written service agreement. (A template Model Agreement has been developed in conjunction with National Disability Services and is available for participant and provider use.)

Once the service is delivered, the provider submits a claim and is paid automatically if the support item is in the participant's plan and the provider is registered to offer the support item. Where the acquittal is correct, payment is typically made within two working days. Currently, 97 per cent of claims are paid within this timeframe. A participant can request the Agency to register a provider solely for that participant, i.e. the participant vouches for the provider who is limited to delivering services just to that participant.

When the participant uses a plan manager the claims are processed by the plan manager utilising the provider portal. The processes are similar to agency managed plans with the important difference being that plan managers can use unregistered providers and this could provide greater flexibility.

Participants can request to manage the funds for their plan. The NDIA pays one month's advance of the total plan value into the participant's bank account. The participant submits claims to the trial site finance office who reimburses the amount that has been expended. Participants submit their claims as frequently as they choose. The arrangement ensures that they always have money in their account to meet their NDIS funded expenses. The participant who is self-managing can choose to purchase services from non-registered providers.

Participants are free to manage all or some of their funds with the exception of expensive items like customised wheel chairs and home modifications as these are considered investments by the NDIA in greater independence for the participant and are highly technical and episodic in nature

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 3

How many people have accessed supported decision making in developing their plans?

Answer:

The National Disability Insurance Agency is currently unable to provide specific data regarding the number of people who have accessed supported decision-making in developing their plans.

Generally, unfunded decision-making supports may be provided by carers, disability advocates, guardians, and nominees. Planners are all trained and briefed to ensure that the participant is supported during the planning process and Local Area Coordinators are also able to assist with decision-making.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 4

The committee has heard from service providers that 70 per cent to 80 per cent of **plans are wrong**. According to these service providers, this has resulted in duplication in time and effort, and therefore cost. Can you indicate how often service providers have noted to the Agency that NDIS plans were incorrect and required revision? Can you outline for the committee what checks and balances are in place to ensure that plans are accurate?

Answer:

The National Disability Insurance Agency (NDIA) currently does not formally collect data relating to the frequency of National Disability Insurance Scheme (NDIS) plans being incorrect or when plans have required substantive revision.

However, a key point in the planning process is the provision of a draft plan to the participant by the NDIA planner. While this business practice is expected, it is not currently in the NDIA Standard Operating Procedures.

To improve practice, the Operating Procedures, which are currently being reviewed and updated, will include the requirement to provide the draft plan to the participant. This requirement has already been added to training of new trial site staff. The consistent provision of draft plans to participants will provide an opportunity to rectify errors and to confirm the substance of the plan.

The NDIA is also improving the plan drafting process by developing mechanisms that collect information about services being provided to the participant as early in the process as possible. Combined with pre-planning workshops for participants, this ensures that a clear and comprehensive picture of the person's existing services and supports is incorporated into the plan drafting process.

New changes to participant plans, being introduced in mid-June, will enable participants to more flexibly use their supports, including being able to interchange supports as their needs change. This increased flexibility will reduce the need to make amendments to plans.

At a systemic level, the NDIA is developing the NDIA Quality Management Framework as matter of priority to support consistency of approach and identify and address current and emerging issues with operating procedures. The NDIA Quality Management Framework will encompass a range of mechanisms to review the operations of the agency including internal audits, case reviews and team assessments.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 5

What is the process when a person with disability is unhappy with their planner?

Answer:

If a participant has concerns about their planner, they are entitled to request an alternative planner. A Senior Planner will consider the participant's concerns about the planner, and where appropriate, make necessary arrangements to have another planner assigned.

Participants are also supported to make use of the feedback process. Feedback including complaints can be provided in person at a local National Disability Insurance Agency (NDIA) Office, in writing, by email to feedback@ndis.gov.au or online using the NDIS website ndis.gov.au/feedback. Alternatively, the person can call 1800 800 110 for more information if required.

Where a participant lodges a complaint about their planner, the NDIA will make contact with them to discuss their complaint and may request more information. In order to investigate the complaint, the NDIA will contact the planner to elicit information in relation to the complaint.

Once resolved, the complaints officer will provide the participant with information on how the complaint has been resolved. If dissatisfied with the outcome, the participant may request a review of the complaint by a supervisor or manager, or may seek assistance from the Commonwealth Ombudsman.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 6

Can you provide data on how many people are currently going through the NDIA's internal review process and how many cases have been resolved through the Agency's internal process?

Answer:

The *National Disability Insurance Scheme Act 2013* (NDIS Act) provides for the internal review of reviewable decisions made under the NDIS Act.

The Internal Review can be requested at any time within three months after being notified of the decision and is to be carried out by an officer not involved in the original decision. The review officer can confirm, vary or set aside the original decision.

As at 3 June 2014, there were 40 people across the trial sites going through the National Disability Insurance Agency's (NDIA) internal review process. These internal reviews related to the following types of decision:

- 25 related to access decisions (the person was deemed not to meet the access criteria for the scheme);
- 12 related to approvals of a participant's statement of support; and,
- 3 related to a decision not to review a participant's plan.

As at 3 June 2014, 39 internal reviews across the trial sites had been resolved through the NDIA's internal review process. These related to the following types of decision:

- 18 related to the access decision;
- 17 related to approvals of a participant's statement of support; and,
- 4 related to a decision not to review a participant's plan.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 7

Can you provide the committee with details of the new services and the nature of these new options that are available to NDIS participants?

Answer:

As at 11 April 2014 there were approximately 400 registered providers in the Barwon trial site area. There has been a range of new services and service providers that are entering the market. The new providers that are registering are generally smaller providers that have been in sub-contracting arrangements to larger specialist disability services in the State systems and are now expanding their business to direct service.

National Disability Insurance Agency's experience has also been that there are some services that are contracting in response to emerging niche markets and identifying new market opportunities that may not have been previously available to them.

New providers are also responding to the demand for services by finding new and innovative ways of providing services to families, including weekend camps and sporting or recreation services which offer families and participants different outlets as a break from their usual routine. Other newer options include services for parents to learn how to support siblings, support/counselling groups for siblings of children with disability, and life transition planning for adult siblings of people with a disability.

Anecdotally it is known that participants who are self-managing their funds are purchasing differently.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 8

Can you outline for the committee the consultation that has occurred between planner teams and Local Area Coordinators in terms of dealing with unanticipated demand for community supports, the gaps in the provision of these supports, the capacity of the community to provide these supports and to link NDIS participants into new opportunities?

Answer:

Across National Disability Insurance Scheme (NDIS) trial sites a range of practices are developed and implemented that enable effective consultation between planners, Local Area Coordinators and other stakeholders on issues around supports and participant access to these supports.

These practices include, but are not limited to, strategies such as:

- regular internal site meetings to identify gaps and emerging service provider issues;
- the identification and promotion of better practice across trial sites;
- regular formal and informal meetings with service providers and other community stakeholders;
- actively responding to feedback from scheme participants, their carers and their families and, where possible, incorporating this feedback into practice; and
- identifying and promoting new servicing opportunities as the provider market continues to develop and evolve with the NDIS.

The NDIA also administers Community Inclusion and Capacity Development Program Grants. This involves the allocation of small grants that:

- build community capacity for inclusion and participation of people with disability;
- facilitate mentoring and peer support;
- help provide information to support choice;
- improve access to existing community and disability capability; and
- provide funding or training for community groups to assist people with disability to participate, including accessibility improvements.

The kinds of projects that may be funded under this initiative include parenting programs, parent breaks, professional development, and diagnosis-specific peer support groups.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 9

How are providers compensated—in terms of labour costs—for their **travel time** if this cost is not built into their hourly allowance? (p. 19)

[Hansard Reference 17 April 2014](#)

Answer:

Providers are reimbursed for travel beyond a 10km round trip at their usual hourly rate. A calculator is available on the National Disability Insurance Scheme website to enable Agency planners, participants and providers to calculate these amounts.

This pricing arrangement was developed to encourage efficient rostering by providers.

It is an aspect of the current pricing review being conducted by National Disability Insurance Agency in conjunction with National Disability Services (NDS).

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 10

NDIA mentioned at the Hobart hearing that the Agency is working with service providers to see how these providers can manage more flexibly the problem of a participant **ordering a service but declining it on arrival**. How common is this occurrence across the trial sites? How, precisely, is the NDIA addressing these issues? Does the NDIA have contingency plans for certain categories of participant to insure against these events? (p. 18)

[Hansard Reference 17 April 2014](#)

Answer:

The National Disability Insurance Agency (NDIA) is unable to accurately report on how often a participant is “ordering but declining a service” as that circumstance would usually be managed by the provider rather than the NDIA.

The NDIA encourages the use of a Service Agreement (a model version is published on the NDIS website) between the participant and the provider to cover such a possibility through an upfront agreement.

If a participant were to refuse a service (a circumstance unknown to the Agency), a provider could only claim if an alternative service is delivered e.g. working through with the person the nature of their problem and finding an acceptable solution. Where the ‘no-show’ is due to provider inability to provide the agreed service (such as staffing unavailability), there is no ability for the provider to claim in any such circumstance.

The NDIA has encouraged providers to look at adopting similar ‘reminder’ systems used by other service sectors which have a model that accommodates “no shows” (e.g. hair dressers, health practitioners, tradespeople).

The subject of cancellations and “no shows” is also the subject of the National Disability Services/NDIS joint working party on pricing for personal care/community access which is due to report to the NDIA Executive in the middle of the year.

The outcomes from this work will be widely promoted with planners, providers and participants.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 11

Can you provide the committee with examples of how the **school transition project for people with disability in Tasmania** is working effectively? How many people have successfully made this transition?

Answer:

The School Transition Project was developed to provide an integrated planning experience for students with disability in years 11 and 12. This process aims to bring together the following key stakeholders:

- the National Disability Insurance Agency (NDIA);
- Disability Employment Service (DES) Providers;
- the Department of Human Services (DHS);
- Australian Disability Enterprises (ADE);
- the Department of Social Services (DSS);
- National Disability Co-ordination Officers (NDCO);
- the School; and
- the student and their family/carers.

The project is designed to maximise referral pathways, improve economic participation prospects, and to streamline information sharing and consent requirements. The objective is to minimise duplication of effort, role confusion, and the amount of complexity involved for young people with disability as they transition from schools. The process is driven by school staff, in conjunction with an NDIA planner. Family members are also encouraged to attend.

The aim of the initial meeting in term 3 of year 11 is to explore suitable employment related options for year 12 and beyond. If available, the recommendations contained in the Job Capacity Assessment/Employment Services Assessment, as well as relevant NDIS and school assessments, are discussed. If a student has not tested their Disability Support Pension eligibility it may be recommended they connect with DHS to undergo an assessment.

The NDIA's primary function is to ensure that relevant personal supports are in place. A student's Individual Education Plan is updated by school staff to reflect their integrated goals. A final school/NDIA planning session is held in term 3 of year 12 to ensure that all efforts are aligned in preparation for a student to transition from school. A representative of the chosen post-school activity (e.g. TasTAFE, DES (open employment) or ADE (supported employment)) may also be present if appropriate

Key deliverables from this project to date include:

- the establishment of a Project Advisory Group;
- the development of a Best Practice Guide endorsed by key stakeholders, incorporating the Integrated Planning Model;
- an engagement strategy developed and commenced with State and Catholic Education Colleges and High Schools: "*Informing Aspirations*" Forums scheduled for the week of 10 June 2014 to:
 - develop a clear implementation plan and working arrangements for State-wide roll-out in term 3 of 2014; and
 - establish roles and responsibilities state-wide; and
 - commencement of negotiations with Department of Social Services (DSS) to gain limited access to ESS for NDIS staff.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

The Integrated Planning Model (IPM) primarily led by schools (State, Catholic and Independent) and the NDIA is scheduled to commence in September 2014 (Term 3). While school leavers in 2013 have NDIS plans in place the IPM was not available to trial at that time. Students who have experienced the IPM will be showcased by December 2014.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 12

Can you provide the committee with an explanation for the significant **increase in the number of registered service providers in Tasmania**? Can you also provide some insight as to the extent to which this increase is due to providers offering the same type of services or whether it reflects greater innovation and expanded service delivery in the State? (p. 21)

[Hansard Reference 17 April 2014](#)

Answer:

Over 130 providers are registered with the National Disability Insurance Agency (NDIA) to provide services to people with disabilities in Tasmania. Sixteen providers are mainland-based while the rest are all local organisations. All organisations that provide only disability-specific services have registered, and over the past few months many of those organisations have increased the range of services that they are registered to provide.

The NDIA has also seen an increase of registered providers from the non-disability-specific 'mainstream' service sector – for example, taxi companies (to enable invoicing to the NDIA for participants) and the not-for-profit sector.

Disability organisations have increased the services they were initially registered for, thereby suggesting an expansion of service delivery. New providers are coming into the sector, either as sole providers or new not-for-profit organisations, established specifically to meet the needs of NDIS participants.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 13

The committee has heard there is a considerable percentage of people who are not fully **activating their plans** or even activating them at all.

- a. What action is needed by a participant for the Agency to judge that a plan has been 'activated'?
- b. What data does the Agency collect on the number of people who have activated their plans, and those who have not?
- c. What evidence is there that plans have not been activated because the requisite services cannot be accessed by the participant?
- d. What support is available to help assist people to activate their plans, particularly those with mental illnesses?
- e. Is it adequate for the Agency to wait to receive an invoice from a service provider to determine whether a plan has been activated?
- f. How does the Agency ensure that the failure to activate a plan does not impact on the level of support provided in future plans?
- g. Should the Agency take a more proactive approach to assisting those people with approved plans who have not activated them, and the reasons why this is the case?
- h. Is the Agency concerned that a low level of plan activation could reflect shortcomings in the planning process and/or the functioning of the market?

Answer:

- a. Once the participant has chosen their providers, they provide them with their name, date of birth and National Disability Insurance Scheme individual administration system identifying number (this is given to the participant by the National Disability Insurance Agency (NDIA) in a letter). Providers link to the participant's record in the system through the Provider Portal. This establishment of provider 'case' records is the point at which the participant's plan is 'activated'. The NDIA is investigating redeveloping reports on the gap between plan finalisation and plan activation.
- b. The NDIA collects the same data on all participants that is provided through the access request process, the participant's statement of goals and aspirations and the statement of participant's support that is developed by the NDIA, which includes informal, mainstream and community and reasonable and necessary funded supports. For 'activated' plans the NDIA also collects data about the claims that providers make for the supports in the plan that they have provided.
- c. No data is collected or kept by the NDIA that would indicate plans had not been activated due to the requisite services not being available.
- d. Support from NDIA staff, including Local area Coordinators (LACs), is offered to participants to assist them to 'activate' their plans, i.e. to choose their providers and develop their agreements with providers. Funded supports can also be added to plans for those who need assistance with the coordination of their supports if necessary. LACs can also assist participants with implementing their plans. Trial sites are implementing a range of strategies to improve the 'activation' of plans, including:
 - for children's plans, asking providers to submit a service plan (FSSP) one month into the plan;

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

- providing an active help desk and onsite assistance in provider premises to assist them to claim for the supports provided; and
 - business support is also available to providers through funding to peak bodies like the National Disability Services. In addition regular meetings are held with providers to discuss any difficulties they might be encountering and the NDIA provides on line and telephone support to assist providers who encounter any difficulties.
- e. The NDIA manages plan progress and takes a pro-active stance at implementation through assistance provided by LACs. Reports are being developed to assist staff in monitoring expenditure against plans. This will assist with early detections of plan implementation issues.
- f. As plans are monitored and reviewed, a thorough and comprehensive discussion with the participant occurs which can elicit reasons for the non-activation of support items. This then informs the subsequent plan. Failure to activate a support item does not preclude it from being available in a participant's subsequent plan but could lead to more assistance being provided to the participant or the participant choosing another provider.
- g. See e. above.
- h. The NDIA continues to closely monitor plan activations and to consider changes in processes that may contribute to better planning practices. Full reasons for any delays in plan activations are not yet able to be derived from the available data.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 14

The committee understands that 14.7 per cent of applicants to Tier 3 in the Barwon trial site were assessed as **ineligible**. Does the NDIA monitor what happens to these ineligible people? Does it track whether they can access Tier 2 services? Does the Agency assist those who are ineligible for Tier 3 to access Tier 2 services?

The committee understands that the Agency will be given a greater amount of **Tier 2 block funding** over coming financial years (up to \$65.7 million in 2017–18). For the \$1 million that has been allocated for the 2013–14 financial year, how has this been allocated across the trials sites? Can you provide a breakdown and allocating criteria of how Tier 2 block funding will be distributed across the trial sites over coming financial years?

Answer:

As at the end of March 2014, there have been 205 people determined ineligible from 3,108 total access requests in Barwon, a rate of 6.6 per cent.

When a person is determined as ineligible, they are offered a Local Area Coordinator (LAC) to assist them to connect to mainstream and community services. This offer is accepted by some individuals and not others. For some individuals, the engagement with LAC's is short and once off. For others there is more regular contact maintained. LACs in Barwon maintain informal details about gaps and assistance available and share this through emails and local internal databases. This data is being incorporated into the development of a detailed engagement strategy with the community to increase the overall awareness and inclusion of people with disability.

The ICT system has not allowed details on linkage and referral activity with ineligible people to be recorded in a central place at this stage until recently. The \$1 million allocated to Tier 2 funding for 2013-14 was allocated based on a number of factors including population, site size and state government funding for similar purposes.

Tier 2 block funding is currently being reviewed to determine the criteria and allocation of funds for future years.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 15

The NDIA told the committee that there is \$550 million allocated to the Agency in the 2013–14 budget for the **cost of capital for housing**. Can you provide a breakdown of how this money has been allocated? How much of this funding has been spent?

Answer:

Over the trial period (to June 2016) the National Disability Insurance Agency (NDIA) has approximately \$45 million of funding for housing across 6 trial sites. This funding is included in the cost of participant plans. There has currently been no money spent in the trial sites so far.

A housing discussion paper is currently being finalised and will be released to the public as the start of a conversation with the community about the role of the NDIS and other systems in assisting people with disability access the housing they need.

Pending responses to the housing discussion paper the NDIA will develop an approach to facilitating innovative housing alternatives within the trial sites.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 16

Mr Jim Hungerford of the Shepherd Centre told the committee that while early intervention is very important, 'the NDIS funding model does not work'. As he told the committee '*[T]he NDIS early intervention model is written around \$6,000, \$12,000 and \$16,000 per year. Unfortunately, to provide the level of support to enable these children to speak, the average cost is somewhere between \$18,000 and \$20,000 per child—that is across the children who need less support as well as the children who need the high level of support. So there is a significant shortfall. In conjunction with that, there is the expectation that, for children who have multiple disabilities—and approximately a third of our children have got needs in addition to their hearing loss—there is no increase in the early intervention funding because it is a transdisciplinary package.*' (5 May 2014, p. 33)

Can you provide the committee with data on the **average cost of an early intervention package for a child with hearing difficulties**? Does the Agency accept that for children with severe hearing loss and multiple disabilities, the average package cost is in the region of \$18,000–20,000 per annum? (See also questions 28 and 29, below).

[Hansard Reference 5 May 2014](#)

Answer:

The prices quoted are “benchmark” prices developed in conjunction with early childhood providers in the Barwon region in Victoria and with Early Childhood Intervention Australia.

A child with multiple disabilities may require more intensive therapy and therefore a particular package may be costed above these benchmark prices.

Generally providers are submitting quotations within the benchmark figures, including those with complex needs.

The National Disability Insurance Agency (NDIA) has provided a range of materials which are available from the website which explains the operation of the pricing benchmarks and how providers should submit quotations to the NDIA. There are also principles of good practice for early childhood intervention published on the same site.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 17

Can you provide the committee with a summary of what the Agency has done over the past six months to improve the **readability and accessibility of the information and the forms** that it provides to prospective and actual participants?

The committee understands that Agency has contracted a consultancy firm to devise a simpler form of words in the material that is provided to prospective and actual participants. Can you provide details of this arrangement? Which firm has been engaged? What is the cost to the Agency? What is the timeline? Has the Agency provided the firm with specific difficulties with wording that have been raised with NDIA by participants and planners? If so, can you provide details?

Answer:

Before the commencement of the National Disability Insurance Scheme (NDIS) in July 2013, the National Disability Insurance Agency's (NDIA) engagement staff held a series of co-design workshops in each of the trial sites (Barwon, Hunter, South Australia and Tasmania) with potential participants, family members and informal carers. These small group meetings were intended to garner feedback from community members on the design and development of the NDIS. The meetings included people with intellectual disability and family members. A recurring theme of these discussions was that access to information about the NDIS should be as easy to understand as possible and with the minimum amount of jargon.

The NDIA has been developing a suite of "Easy English" products designed to help potential participants enter into the NDIS.

These "Easy English" products use images and minimal text. These were designed internally, and use images that are free for non-commercial use.

The NDIA has also engaged accessible materials specialists The Information Access Group to translate the core product, the 'What is the NDIS' (brochure)?, into "Easy English" at a cost of \$2,310.

The NDIA plans to translate other key NDIS materials into "Easy English" and other required formats and languages to support people with disability and intellectual barriers, while delivering budgetary probity. This includes following the approved Commonwealth procurement guidelines to source suppliers that are value for money.

The Department of Social Services is currently translating some core NDIS materials into seven other languages, Arabic, Chinese (Mandarin and Cantonese), Vietnamese, Turkish, Greek, Italian and Spanish, as part of a broad NDIS communications campaign. It is anticipated these will be available by 1 July 2014.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 18

There were concerns raised at the Newcastle hearing on 5 May with **public liability insurance** for carers of people with disability. It was put to the committee that where people are doing attendant or personal support, they are not covered under the public liability component of their home contents insurance policy nor have they been able to secure a policy that does this (Ms Daley, p. 14). Another witness noted that there was no insurance cover for a carer who is employed to care for someone who lives in the same house (Mr Fitzpatrick, p. 14).

Have these issues of gaps in insurance cover been raised previously with the Agency? If so, has the Agency discussed these concerns with the Insurance Council of Australia?

[Hansard Reference 5 May 2014](#)

Answer:

The National Disability Insurance Agency is in the process of publishing materials developed in conjunction with participants who wish to self-manage.

Workers compensation insurance is readily available for people employed by a participant.

Public liability insurance is available but is more expensive as there is limited call for this type of insurance at this stage.

It is intended to discuss this matter with the ICA but whilst the market remains as small as it is, there may not be a viable business prospect for an insurer. A more attractive market prospect will emerge with increased numbers of participants in the National Disability Insurance Scheme and an increased take-up of self-management of funds by participants.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 19

The committee heard in Newcastle that there is no money for service providers to **train their staff** and that several service providers are currently employing lesser trained staff because they cannot afford to pay the hourly rate.

Can you comment on whether the Agency has received feedback from service providers that there is a shortfall in funding for training staff?

How is the Agency addressing the issue of the increasing the number and quality of disability sector workers with:

- a. state and federal government agencies;
- b. peak disability sector groups; and
- c. registered service providers?

Answer:

Funds have been made available to all state and territory governments through the sector development fund to assist providers to transition to the National Disability Insurance Scheme (NDIS).

In addition many of the peak associations have received funding to enable providers to adapt business processes and train staff to respond to the different requirements of participants in the NDIS.

A major piece of work is being undertaken by consultants commissioned by National Disability Services (NDS) and paid through this same fund to investigate the shape of the future workforce and how the market can respond to the expanding numbers and different skill sets that will be required by participants once the NDIS reaches maturity.

Where specific training is required related to the delivery of support to an individual e.g. training in the most appropriate bowel care, this can be identified and specifically funded within the individuals plan.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 20

The committee heard from Alzheimer's Australia that in assessing and applying for assistance for Alzheimer's patients, there can often be difficulty getting **trained staff** to make an assessment given this expertise usually sits within aged care service provision rather than disability. Can you comment on what expertise exists among planners and other allied health professionals assisting planners to make an assessment of supports for a person presenting with symptoms of Alzheimer's?

Answer:

In order to determine whether a person meets the access requirements, the National Disability Insurance Agency (NDIA) needs to collect information about the person's diagnosis and the impact of their condition on their life. The NDIA does not conduct diagnostic, functional or severity assessments for people wishing to access the scheme. It is the prospective participant's responsibility to provide this information with their access request.

The NDIA has developed an Evidence of Disability Form that the person's health practitioner can complete, or the health practitioner could provide the relevant information by letter. It could include previous assessments they have undertaken.

The NDIA can assist people to collect the information from their health practitioner that is needed to make an access request.

Once someone becomes a participant, the NDIA planner develops an understanding of the participant's disability related support requirements using the NDIA Support Needs Assessment Tool. This is not an assessment of the severity of the participant's condition. As part of the planning and assessment process, NDIA staff are able to organise specialist assessments for people to inform the development of a plan and what reasonable and necessary supports are needed.

NDIA planners, usually allied health professionals, have experience in service delivery for people with disability.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 21

The committee has received evidence on the public record that there *is* **backdating of plans**. At the Newcastle hearing on 5 May, New Horizons told the committee (p. 51) that it has had people who have had their plans presented to them where the start date was more than a month prior to when they were presented with their plan. It noted that some of these people have had 'significant changes to their plans' which means that the provider has been overservicing with no way of recouping the cost. Alternatively, the participant has had to pay the overspent money back to the provider from their own pocket.

The committee is seeking guidance on the Agency's knowledge of the backdating of plans:

- a. Is the Agency aware of a situation in which a participant has been eligible for services and supports from a date prior to the NDIA agreeing to the plan, and therefore the service provider or the participant is out of pocket?

[Hansard Reference 5 May 2014](#)

Answer:

Section 37 of the *National Disability Insurance Scheme (NDIS) Act* states that plans come into effect when the decision has been made to approve the reasonable and necessary supports. The plans are therefore dated to start on the day the decision is made in order to ensure that there is continuity of supports for both participants and of funding for providers.

Backdating cannot be done. There may, however, be some circumstances where a plan may appear to be "backdated" – i.e. the start date was prior to the participant being presented with their plan. This may occur where there is a delay in contacting the participant to arrange the plan presentation, or the Local Area Coordinator could not commence work with the participant immediately. Start dates are part of the plan presentation discussion, and any perceived discrepancies are able to be resolved there and then with the participant.

In very limited circumstances, if the National Disability Insurance Agency (NDIA) approved the provision of a service prior to a plan being finalised (e.g. a crisis plan) then the provider would be paid. In all other circumstances, the provider must only provide service in accordance with the approved supports in a participant plan. Provision of unapproved service will result in non-payment by NDIA.

The NDIA is aware of particular instances where providers are out of pocket. The NDIA has provided an undertaking to service providers that where they have over-serviced due to being unaware of the existence of a plan, they will be compensated for the costs incurred. A process on how to apply this back-pay is currently being developed.

There has not been any expectation by the NDIA that participants should bear the cost of over-servicing due to transitional arrangements, and the NDIA is not aware of this having occurred.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 22

Section 38 of the NDIS Act stated that the CEO must provide a copy of a participant's plan to the participant within 7 days after the plan comes into effect. The committee is concerned that the practice of backdating is quite common and that the reason for this practice is so that the planner can meet the Agency's KPI on plan completion timeframes.

- a. Can you comment on the practice that some planners have set a starting date for plans that commences several months after the plan is sent to the participant?
- b. If so, can the Agency comment on whether there needs to be tighter control and oversight of planners' activities in relation to starting dates for plans by upper management within the Agency?
- c. Is the Agency concerned that its internal KPI on plan completion timeframes is placing unrealistic pressure on planners?
- d. Can you provide the committee with a copy of the Agency's internal KPIs for all processes, particularly those applying to the completion time for a plan?

Answer:

Section 37 of the *National Disability Insurance Scheme Act (NDIS Act)* states that plans come into effect when the decision has been made to approve the reasonable and necessary supports. The plans are therefore dated to start on the day the decision is made in order to ensure that there is continuity of supports both for participants and of funding for providers.

There is no backdating of plans, even though there may be some circumstances where a plan may appear to be backdated (as per the response to Question on Notice 21).

The National Disability Insurance Agency's (NDIA) preference is to present a plan to the participant face-to-face. Depending on the availability of the participant, planner and Local Area Coordinators, the appointment for the presentation may be delayed for more than 7 days after the completion of the Plan. The NDIA considers that a face-to-face appointment is a better method of delivering the plan than mailing the participant a hard copy or by sending it via email without the opportunity to adequately explain the Plan and to answer questions.

- a) Further to the comments above, future dating is also not an option due to the practical application of section 37 of the NDIS Act – that is, the NDIA cannot prepare a plan and approve supports and then have the plan commence at a later date.

The NDIA must enable a seamless transition in funding from previous funding providers to the NDIA, and therefore cannot be flexible with plan start dates – they must start from the date of approval. For example, for an Individual Support Package funded by the Victorian Department of Human Services, the State Government will stop funding the package from the day before the plan is approved, and the NDIA must fund the plan from the date of plan approval.

- b) The NDIA sought clarification from the Department of Social Services on start dates of plans and was advised that there is no ambiguity on the interpretation of section 37 of the NDIS Act – the plan start date must match the date of the decision to approve the funded supports (i.e. also known as the plan approval date).

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

- c) The NDIA has received feedback from some participants that they felt rushed through the planning process. In response, improved processes within the NDIA have streamlined the planning process, increased the confidence of staff as they have learnt on the job, and have increased plan completion efficiency.

- d) The KPIs set for a plan were that planners needed to achieve completion of 10 plans per month on average to meet the KPI targets. Other KPIs are in accordance with the NDIS Act, such as handover within 7 days of plan approval. This is not always possible due to factors outside of the planners control such as the availability of the participant to meet the timeframe. Where the timeframe cannot be met, the reason is expected to be documented in the participant record in the ICT system.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 23

Can you provide details on how a person with disability will be supported if they no longer receive **housing subsidy** from Ageing, Disability and Home Care (ADHC, NSW)? How will they receive a subsidy so they can remain where they are living? The NDIA noted that it will have to negotiate on those issues (p. 39). Can you provide the committee with details of the negotiations that have taken place to date between the NDIA and ADHC to ensure that people with disability continue to be subsidised to remain in their house once ADHC funding is withdrawn?

[Hansard Reference 5 May 2014](#)

Answer:

The *National Disability Insurance Scheme (NDIS) (Supports for Participants) Rules 2013* states that a support will not be funded under the NDIS if it relates to day-to-day living expenses, such as rent or utility fees. The NDIS can only fund this cost if it is an additional living cost that is incurred solely and directly as a result of the participant's disability support needs.

Where a participant's previous supports include assistance which is not generally funded by the Scheme, the NDIA works with the participant to build their capacity to provide these supports for themselves or identify more appropriate sources of this assistance.

A number of participants in the Hunter trial site were receiving a rental subsidy prior to becoming a participant in the NDIS. The National Disability Insurance Agency has commenced negotiations with Housing NSW, NSW Ageing, Disability and Home Care and the provider involved to ensure that participants who were receiving a housing subsidy continue to have access to housing.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 24

Transport is not provided in plans for children and young people (p. 42).

- a. How do planners take into account the capacity of parents to transport their children to service provider appointments?
- b. What happens to these appointments in the case of children whose parents themselves have an intellectual disability, a mental illness or are too frail and are unable to travel?
- c. Is the Agency satisfied that when block funding is discontinued, community transport services will be properly funded from participants' plans? (p. 46)
- d. Is the Agency satisfied that there is adequate funding in plans to cover transport costs for participants (p. 52–53)?

[Hansard Reference 5 May 2014](#)

Answer:

A participant will generally only be able to access funding through the National Disability Insurance Scheme (NDIS) for transport assistance on the basis that the funding:

- is only provided to participants who cannot use public transport without substantial difficulty due to their disability,
- takes into account any relevant taxi subsidy schemes, and
- does not cover transport assistance for carers to transport their family member with a disability for everyday commitments.

The level of funding for transport support is determined by the purpose of the travel, for example to attend education or employment. The expected levels are:

Level 1: up to \$1,500 per year for participants who are not working, studying or attending day programs, but are seeking to enhance their community access.

Level 2: up to \$2,317 per year for participants who are currently working or studying part time (ie up to 15 hours a week), participating in day programs and for other social, recreational or leisure activities.

Level 3: up to \$3,242 per year for participants who are currently working, looking for work or studying at least 15 hours a week and, because of their disability, cannot use public transport.

There are some cases where a person will have capacity to access public transport but first requires training and support to independently do so. In this circumstance, the plan would include funded support for Travel Training, thus building capacity into the future for that participant.

- a. If a child with disability needs support to attend support provider appointments, the NDIA would consider what would be reasonable for a parent to do with a child without disability of the same age.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

The NDIA would also consider the availability of the family's informal supports to transport children. There are other considerations such as (but not limited to) whether the parent is a sole carer, do they have other caring responsibilities, do they drive and are they employed.

- b. If a parent has difficulty in getting children to appointments, the NDIA plan can include funded support such as (but not limited to) a support worker to assist such parents.
- c-d. Prior to launch of the scheme on 1 July 2013, transport was funded in a variety of ways. The majority of participants have always made a contribution to the cost of their transport. Some providers have charged participants for use of transport, and some providers have used a percentage of the participant's Individual Support Package to cover transport.

Participants were charged varying rates for transport according to the provider (often for the same trip). There have also been rare occasions where transport has been completely funded by a State government. Other instances confounded the actual need for funded transport such as participants travelling to a centre and then to their community activity (two trips instead of one), and/or participants travelling to an activity that is not in their local community when the same activity is offered closer to home. Once participants have transitioned to NDIA, data collected will inform the Scheme on the transportation needs of participants.

Where participant transport costs are included in a participant's plan if their disability prevents to use of public transport, informal support are not accessible or available and their goals result in a need for assistance with transport that is in addition to any of the expected levels of support funding for transport:

- Taxi fare*
- Per kilometer rate for a family member or carer using their own vehicle in place of other NDIS funded transport supports such as taxis. The current rate will be 75 cents per kilometer. This rate only applied for travel that is solely and directly related to the participant's needs (i.e. the trip, or portion of the trip, would not be taken other than to transport the participant) and it does not apply to transport that family members or carers would be reasonably expected to provide to their family member.
- Where a provider transports a participant in the course of providing their funded support NDIS will pay: the provider public transport fare where they accompany the person on public transport of 75 cents per kilometer where they use the provider's vehicle.
- Additional funding may be provided in the participants plan for the purpose of the participant attending vocational training or work.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 25

The South Australian trial site manager identified '**gaps in supports in mainstream services**'. What are these gaps, how significant are they and what limitations are they putting on the families?

Answer:

Governments have agreed that the National Disability Insurance Scheme (NDIS) should not replace other service systems but rather it should reinforce the obligations of other service delivery systems to improve the lives of people with disability, in line with the National Disability Strategy.

In each trial site, the National Disability Insurance Agency (NDIA) is developing working arrangements with mainstream systems and raising issues through escalation points agreed with trial site governments as well as through the COAG Disability Reform Council structure.

The launch of the NDIS for children in South Australia has focused on the interactions with the education system, child protection system and health system. Within the interface with these systems, the NDIA has been working closely with governments and providers to identify and respond to service gaps.

In some areas perceived gaps have been resolved through identifying pre-existing funding sources, such as the 'Ministerial Advisory Council: Students with Disability' in South Australia, provides funding for the prescription of infrastructure required in schools to enable access.

Current issues being worked through between the NDIA and other systems include: how children with disability and health conditions are supported as outpatients in a community setting; school readiness and transition to school programs; and alternative living arrangements for children aged under 6 years in out of home settings.

Additionally, the NDIA is supporting participants and families to better navigate mainstream systems. This includes a Sector Development Fund project to create a guide to assist families to advocate for their child's learning needs

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 26

Can you explain what each of your trial site managers are doing to create a **positive culture** where planners are listening to clients as opposed to telling them 'I'm the professional who knows best'? What are the quality control mechanisms that are in place to ensure that this is happening? Who reviews these quality control mechanisms and how frequently does this happen?

Answer:

Trial site managers have implemented a range of mechanisms to create a positive culture at the individual and team level. It is the role of the Trial Site Manager and Senior Managers to ensure that planners are aware of their role and the need to listen to, and take account of, the views of participants during the planning process.

At induction, planners receive a range of training modules in a variety of formats (theory, case studies activities and role play scenarios) to provide a robust knowledge base that supports effective planning conversations. Regular coaching is also provided within the context of the line management relationships, typically between a planner and a Senior Planner.

Local site managers may also choose to introduce a range of mechanisms locally including, buddying new planners with existing planners, peer review and case study opportunities. Participant feedback (through surveys or individual feedback sessions) provides a basis for discussion within the senior management team to influence better practices, to identify future training needs and to inform individual supervision and staff coaching.

Internally, developing a disability-positive and disability-confident workplace culture is of paramount importance across the National Disability Insurance Agency (NDIA). Recruitment panels always include a person with lived experience of disability and at times internal training is informed by the direct participation and involvement of participant representative groups.

The need for consistent practice across trial sites is a key focus for the NDIA. To date, the NDIA has implemented quality mechanisms as issues have been identified (for example monthly quality assurance case reviews or internal reviews focussing on a specific issue).

Recently, the NDIA has established an internal Quality and Innovation Team within National Office. As a matter of priority, this team will develop the NDIA Quality Management Framework and a National Quality Action Plan to outline quality mechanisms to be implemented and reported on by trial sites, which will inform continuous improvement across the NDIA and ensure consistent practices including planning practices.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 27

What kind of factors are taken into account when your planners meet with your clients and participants in determining what are the services that they are getting now—as to whether they are reasonable, necessary and should continue on—and what services are no longer reasonable and necessary? (p. 24)

(Please put this question to each of your trial site managers for their response.)

[Hansard Reference 8 May 2014](#)

Answer:

All supports funded by the National Disability Insurance Agency (NDIA) are intended to ameliorate the impact of disability and to promote greater independence and community participation for the participant. Whilst the approach to planning and decision-making is required to be consistent, the application of funding (a decision about reasonable and necessary supports) is expected to differ from person to person, reflecting the particular participant's circumstances, needs, goals and aspirations. This may have the result of plans appearing to be inconsistent, whereas the plan reflects the specific circumstances of the individual.

The planning process in all trial sites follows the same protocols in determining the supports that can be funded as reasonable and necessary, leading to consistency of practice and application across all trial sites. A decision-making tool is available to all planners, as are the National Disability Insurance Scheme Act (NDIS Act), Rules and Operational Guidelines.

These are public documents that outline the factors that the NDIA takes into account in making decisions about participant services and supports. For example, section 33 of the NDIS Act clearly outlines the matters that must be included in a participant's plan and the factors that must be considered in approving a statement of participant supports. Section 34 of the NDIS provides further guiding principles for the decision-maker to have regard to and be satisfied with in determining whether the proposed supports are reasonable and necessary. These sections, combined with further guidance in the Rules and Operational Guidelines, provide a clear framework for NDIA planners in making assessments about supports and services.

The situation in relation to funding of services by the state and territory governments does differ considerably, which may mean that a consistent decision by the agency is perceived as different when compared to the funding previously available for participants. This is minimised by current support details for existing recipients being received by the NDIA as part of the planning process.

There is also the 'no disadvantage' principle that applies, which aims to ensure that where a participant transitions from an existing scheme into the NDIS that the outcomes for the participant are at least the equal of those provided under their previous scheme (refer also to Questions 31 and 32). The majority of participants are being funded to a higher level and for a wider range of disability-specific supports than they were previously.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 28

The *Operational Guideline—Plan and Assessment—Supports in the Plan—Supports for Early Childhood* states that 'therapeutic supports for children under the age of six should be based on the needs of the child and generally fall into one of three categories: a) Level 1 — low needs - \$6000 to \$8000 per annum; b) Level 2 — medium needs - \$8001 to \$12,000 per annum; c) Level 3 —high needs - \$12,001 to \$16,000 per annum.

The committee is concerned that a significant proportion of children eligible for the NDIS in the South Australian trial site have needed supports greater than \$16,000 per annum. On what basis were these three tiers in the Operational Guidelines devised? How was the upper limit of \$16,000 per annum set? What instructions has the NDIA given to planners that they must follow the framework set out in these tiers in assessing the cost of a child's package?

The NDIA's information for NDIA staff, service providers and participant families on the transdisciplinary approach to service provision states that 'service providers are asked to estimate the cost of delivering a 'typical' suite of interventions for the nominated period for a child'. Can you provide data on the number of mixed service therapy costings (including the cost of a key worker) that exceed the \$16,000 per annum cap?

Answer:

See also Q16.

The different levels and the descriptors of children and their families who are likely to fit those profiles was developed in consultation with the early childhood providers in the Barwon region and with Early Childhood Intervention Australia. The providers worked with National Disability Insurance Agency (NDIA) to develop the typical profiles and then costed the usual intervention that would be delivered.

These are guides only, the individual providers then provide the NDIA with information on the typical suite of services for the children they work with and the associated estimated costs.

NDIA has attempted to promote best practice guidelines for early childhood intervention which requires a key worker and a transdisciplinary approach to interventions for children delivered in their natural settings – home, community, childcare, school etc. The amounts quoted are intended to cover all of these costs.

The prices are benchmarks not upper limits and providers are asked to cost in accordance with the usual profile of children they see. Many of these children have disabilities other than autism or autism combined with another disability. The guidelines are based on the evidence for good practice in early childhood intervention which apply regardless of the actual disability. The specific interventions required by the child to overcome the impact of disability are developed and recorded in an individual family service plan that is specific to the needs of the child and the family.

Information to planners is exactly the same as the information published on the NDIA website in Operational Guidelines on Early Intervention for children and in the Best Practice Framework for early childhood intervention.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

The individual needs of children and the family are taken into account during the planning conversations with the family. The NDIA data indicates that 10.5 per cent of children in the South Australian trial site have packages worth more than \$16,000 per annum. This demonstrates that planners are responding to the specific needs of the child and developing plans accordingly.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 29

The NDIA noted during the Adelaide hearing that there is ongoing work between the NDIA and the sector to establish 'what the evidence base is, including some of the high-end, complex autism programs'. Can you explain in detail how this work is progressing? What evidence has the Agency gathered that the upper limit of \$16,000 per annum is inadequate?

Can you provide the committee with information on how long it generally takes for NDIS participants under 6 years of age to get a transdisciplinary package greater than \$16,000 per annum?

Answer:

The National Disability Insurance Agency (NDIA) is engaging with experts in the management of autism to determine how best these children are to be managed. The transdisciplinary approach is supported by the Good Practice Guidelines published by the Helping Children with Autism programme of the Department Social Services.

However, the NDIA recognises that these guidelines may require refreshing and updating and will be working with experts in the management of autism to undertake this work. At this stage the NDIA does not have hard evidence of the inadequacy of the \$16,000 benchmark as many agencies are providing services for children with complex needs within these recommended benchmarks and there is evidence that the appropriate levels of discretion are being applied, given that 10.5 per cent of children with approved plans in South Australia (where there is a primary diagnosis of autism) have plans where the agreed costs of transdisciplinary or therapy supports exceed \$16,000.

In some limited circumstances it may be appropriate for higher than \$16,000 worth of support to be provided. In considering whether a higher level of support is needed the delegate should consider:

- a. Previous outcomes achieved with lower levels of therapeutic support,
- b. Impact of disability on multiple body systems,
- c. Intensity of support needed to enable a child to transition successfully into mainstream childcare or school, and
- d. Multiple hospitalisations and medical interventions which require more intensive therapy to allow carers and teachers to assist the child in re-assimilation into mainstream activities.

The length of time it takes to complete a plan for a child depends very much on information available from the family and the treating practitioners on the needs of the child and family. The actual cost of the plan is not the determinant of length of time; it is the availability of the necessary information on which to base a decision.

Many children with higher cost plans will be in need of equipment and an estimated amount for the provision of appropriate equipment is readily built into the overall plan cost. The actual cost of the item/s can be updated when all relevant assessments are completed and the information is available to the Agency.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 30

Could the chosen 'single case worker' who manages a team of providers for a child's transdisciplinary package be an allied health professional who is not a registered service provider? Can the role of case worker be filled by a nominee or an advocate?

Can you provide the committee with an outline of the protocols for key workers that clearly specify the role and responsibilities of Early Child Intervention team members when acting as a member of a transdisciplinary team? What are the arrangements for reviewing and changing this role?

Answer:

The role of case worker cannot be filled by a nominee or advocate. It is a professional role undertaken by a practitioner experienced in the management of the child's disability. The key worker role is one of coordinating the other expertise and inputs that are working with the child in the family setting. They ensure understanding by the family and assist the family to develop skills in assisting the child towards its developmental potential. The evidence points to a reduction in stress for families as they develop a relationship with a single, trusted and consistent practitioner.

The role is best undertaken by a practitioner who assumes the primary role with the child and the family and calls on specific expertise from other disciplines as required. In accordance with the best practice model, the primary practitioner ensures that the family, carers and others involved in the child's life are capable of reinforcing techniques prescribed by other disciplines.

Descriptions of the role of the key worker and the transdisciplinary model of service can be found on the National Disability Insurance Scheme's website.

In summary this role involves the following:

Primary service provider / key worker model: This involves a team of professionals from different disciplines that meets regularly and that nominates one member as the primary service provider or key worker. With support from the other team members, the primary service provider works in partnership with parents and other caregivers to support and strengthen their capacity to provide children with opportunities and experiences that will promote the children's learning, development and participation in everyday activities.

The primary service provider's first job is to build a supportive partnership-based relationship with families and other caregivers. The focus is on the child in the context of the family and community, rather than child in isolation. The primary service provider seeks to become an expert on the family's circumstances, routines, interests and values as a basis for helping the family find ways of promoting the develop of the child's competencies in the course of everyday activities.

Another main focus is building the confidence and competence of parents and other caregiver's in promoting the child's development and participation. The aim is not for the primary care provider to work directly with the child to improve functioning, but to build the capacity of those who care for the child to do so.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

The primary service provider also acts as the principal resource and single point of contact for a family, providing them with support, resources and information tailored to meet their individual needs, and helping them access and coordinate the services they need.

The evidence from parents is that they value the input from people who take on this role. If, however, the relationship with a key worker was not working as intended, the team would work with the family to select another worker with whom the family could work.

The evidence base for the model of service provision in early childhood will be reviewed as more information becomes available to the NDIA. Presently the NDIA is engaging with experts in the area of early childhood to review and refine models of service provision.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 31

The committee is seeking guidance on the application of the 'no disadvantage' test. The NDIA has advised that the test relates to outcomes rather than a dollar amount or an amount of therapy.

- a. Can you provide an example of how an NDIS participant could not be disadvantaged if their NDIS package as a whole offers less in dollar terms and in overall support than they had previously?
- b. How can the outcomes be better for a participant if they are receiving less by way of monetary (and service) assistance?

Answer:

The National Disability Insurance Agency (NDIA) is committed to ensuring that people already accessing supports before becoming participants in the National Disability Insurance Scheme (NDIS) are not disadvantaged by this transition. People should be able to achieve at least the same life outcomes in the NDIS, however this does not necessarily mean the same level of funding will be provided.

The NDIA considers a range of matters to determine if a support represents value for money, including:

- a. whether there are comparable supports which would achieve the same outcome at a substantially lower cost;
- b. whether there is evidence that the support will substantially improve the life stage outcomes for, and be of long-term benefit to, the participant;
- c. whether funding or provision of the support is likely to reduce the cost of the funding of supports for the participant in the long term;
- d. whether the support will increase the participant's independence and reduce the participant's need for other kinds of supports.

For example, a participant with multiple sclerosis receiving five hours of care per day through two paid carers, was funded by the NDIS for the purchase and installation of a ceiling track hoist. This reduced the need for paid carer support and overall lifetime support costs by half. For this participant, potential outcomes include greater independence and allowing them to better pursue their personal goals, objectives and aspirations.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 32

Is the 'no disadvantage' test conducted at a single point in time and only once? If so, is the test inadequate given that a participant could be deemed at least as well off at the time of the test but is subsequently worse off (for example, as a result of a worsening condition)? If there are multiple disadvantage tests, what is the trigger for subsequent tests to be conducted (eg: a review of the plan)?

Answer:

The National Disability Insurance Agency (NDIA) is committed to ensuring that people already accessing supports before becoming participants in the National Disability Insurance Scheme (NDIS) are not disadvantaged by this transition. People should be able to achieve at least the same life outcomes in the NDIS, however this does not necessarily mean the same level of funding will be provided.

Once a participant is deemed eligible for NDIS support an individual is assessed and a support plan is developed. At this point in time 'no disadvantage' principles are taken into consideration.

The preparation of a participant's plan should as far as reasonably practical be individualised; directed by the participant; where relevant consider family, carers and significant others; consider availability of informal support, access to mainstream and community supports; and build individual capacity to increase participation and inclusion in community with the aim of achieving individual aspirations.

A review of a participants plan can be triggered in the following different ways;

- a) As a normal part of the planning cycle (at least every 12 months).
- b) As requested by the participant.
- c) When the NDIS initiates a review.

Should a participant's circumstances change the NDIS is required to reassess the participant's support needs taking into account any new aides and equipment and any change to the frequency of supports that may be required. Participants are also obliged to notify the Agency of an event or change of circumstances which affects or is likely to affect their plan, which may be as a result of a worsening condition.

A new plan is then negotiated and put into place that is appropriate for the individual and best meets their changing needs.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 33

The committee has heard that the amount of therapy that some NDIS participants received was halved during the review process after 6 months (see p. 26). Could you carefully examine these specific cases and advise the committee the basis on which a decision was made to halve the level of therapy after only six months?

[Hansard Reference 8 May 2014](#)

Answer:

With reference to changes in the level of support received by a participant once they are in the National Disability Insurance Scheme, the National Disability Insurance Agency (NDIA) analysed data on plan revisions as at the end of March 2014. There is no evidence to suggest that there is a substantial decrease in funded supports on review.

The NDIA also looked at participants who had received a second plan. Only 9 per cent of plans in South Australia have had multiple approved plans since the trial site began. In addition, the majority of these participants initially had a 3-6 month plan and now have a 12 month plan. As a result, we are not able to produce any meaningful analysis of these plans at this time.

As part of NDIA's quality assurance, senior management are identifying with staff any recommendations where there is a significant change in the amount of therapy at review to ensure that this decision is consistent with the participant's current circumstances and the NDIA Act, Rules and Operational Guidelines.

All plans include a scheduled review date. The NDIA is further developing existing information for participants about the plan review process and how they can prepare for, and inform, their plan review. This will include informing them that their next plan will be developed in the context of any new or amended Operational Guidelines.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 34

The committee has received complaints that people are not being contacted in the way they prefer—over the phone or by email. Can you provide the committee with information on what processes have been established to ensure that people can nominate the way they want to be contacted and that these wishes are respected by planners?

Answer:

It is imperative that people with disability are supported in engaging with the National Disability Insurance Agency (NDIA). Participants are asked to nominate their preferred method of contact and this is recorded in the NDIA database. Trial site staff are reminded to review this information prior to making contact with each participant.

Currently the recording of this field is not mandatory and it is clear that this preference is not being recorded consistently. The NDIA is investigating the making of this field mandatory to ensure that staff capture participants' preferred method of communicating in the database.

The NDIA is developing as a matter of priority the NDIA Quality Management Framework. This will include several quality tools that will examine operational practices (including ensuring that a participant's communication preference is followed) and make recommendations for improvements. These tools will include internal audits, file reviews and team self-assessment.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 35

Can you provide the committee with the support-need assessment tool that the Agency uses for both children and adults? (p. 30)

[Hansard Reference 7 May 2014](#)

Answer:

Consistent with the views of the Productivity Commission expressed in its report, the Support Needs Assessment Tool has not been released publicly. It is important to note that the assessment tool is only one part of the planning conversation and that it does not, on its own, determine whether supports are reasonable and necessary. It is not a diagnostic instrument for the assessment of medical conditions.

The NDIA provides information on the overall process in a number of ways:

- a factsheet “Planning and Assessment to Inform Support”;
- a factsheet on the Support Needs Assessment Tool explaining how the tool is used, the life areas that are covered during the planning and assessment conversation, and how the assessment tool influences particular participant plans;
- planning kits explaining the planning process and areas for discussion that the Agency planner might discuss with them;
- the NDIS website also contains the Operational Guidelines and NDIS Rules which provide clarity on the planning and assessment process; and
- pre-planning workshops for participants and families that are now conducted in each site.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 36

Can you provide the committee with an explanation of the process that is in place for newborns to be assessed for eligibility for the NDIS?

Answer:

The National Disability Insurance Agency (NDIA) acknowledges and respects the needs of families at what can be a very stressful and anxious time.

The NDIA in South Australia is working with Local Health Networks to facilitate access to the National Disability Insurance Scheme (NDIS) for families, includes families with newborn children with a disability. This has included clarification of NDIS eligibility and processes to ensure optimal support for families of newborn children. Processes for information provision, support for choice and control and additional assistance for vulnerable families continue to be refined. NDIA has developed local working arrangements with the health system to ensure that the process of accessing the NDIS imposes as few additional demands on the family as possible at this time.

The NDIA is involved with case conferencing prior to discharge with the family and relevant stakeholders.

Each individual situation needs careful consideration and the NDIA continues to discuss and review the approach to supporting families during this particularly challenging time.

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 37

Can you provide the committee with details of any processes that the NDIA currently has in place to facilitate a formal feedback system (ie: participants meeting in group sessions on a regular basis to provide feedback)?

Answer:

The National Disability Insurance Agency (NDIA) understands the importance of having a feedback system that enables the accurate collection of issues raised by participants and that monitors the timely resolution of these issues. Such a system should promote community confidence in the Agency's commitment to service delivery.

While the existing NDIA Feedback Management System provides a single feedback management framework, it is recognised that enhancements are required to incorporate better recording and reporting capabilities in capturing feedback and enquiries. To this end, the Agency is implementing an improved approach to increase the input of qualitative data. This will be a 'best practice' approach to inform continuous improvement and is being designed to capture the experiences of people who may not typically engage in more traditional feedback mechanisms. .

The current Feedback Management System is a formal complaint resolution mechanism for people with a disability who wish to make a complaint about a support and/ or a service provided by the Agency, a provider, individual or organisation under the scope of the *National Disability Insurance Scheme Act 2013*.

The Feedback Management process is initiated when an individual makes an enquiry, lodges a complaint, gives a compliment or any other form of feedback. Participants may provide feedback in person at a local launch site office, in writing, by email to feedback@ndis.gov.au or online using the NDIS website at: ndis.gov.au/feedback. Alternatively, the person can call 1800 800 110 for more information if required.

The communication medium chosen by the NDIA to reply/respond to feedback may vary depending upon how the feedback has been initiated, and the personal communication preferences of the individual.

A centralised database is used to record and manage information concerning compliments, complaints and reviewable decisions and is monitored to ensure effective resolution where necessary.

Information about the processes for managing feedback, complaints and reviews are accessible to participants through fact sheets, brochures and online. Alternatively, staff at trial sites can provide the participant with information.

In addition to the formal feedback mechanism, trial sites utilise a number of mechanisms at the local level to receive and record qualitative feedback from participants, including focus groups and individual interviews or surveys. These participant engagement mechanisms will be captured in the National Quality Action Plan (currently under development) which will also include engagement processes across the sites to capture system wide feedback on particular issues. The qualitative information gathered from these activities will be analysed to identify systemic issues and will be fed back through the continuous improvement cycle to improve the performance of the Agency.

The CEO and Deputy CEO have scheduled visits to all trial sites in June, July and August to meet with participants and providers and talk about feedback processes.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 38

How many clients does each Local Area Coordinator have? How is their workload monitored? *(Please put this question to each of your trial site managers for their response.)*

Answer:

On average, Local Area Coordinators (LACs) support 54 participants each. LAC positions are managed both by National Disability Insurance Agency (NDIA) and external support agencies across the trial sites. Senior managers oversee and support workload for LACs through regular supervision. NDIA also monitors external LAC service delivery through regular strategic meetings with contracted agencies.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 39

The transcript of evidence from 16 April in Hobart notes that there is no capacity for service providers to claim for instances where a participant fails to turn up for an appointment. The committee was informed at the Canberra hearing that there is in schedule of fees the scope for people to charge a fee for cancellation that comes out of a person's package (p. 2).

- a. What information has been provided to planners, service providers and participants to advise that in the event of a no-show to a scheduled appointment, a fee is drawn from the participant's package?
- b. How is a 'no-show' reported to the Agency?

[Hansard Reference 14 May 2014](#)

Answer:

The funding made available in a person's plan is largely for two purposes – it enables a person to live with dignity through the provision of personal care or it is intended to achieve a particular outcome such as increased community participation and inclusion. It is therefore critical that the funding made available for these purposes is used towards those ends.

The National Disability Insurance Agency (NDIA) publishes two documents which address the topic of cancellation or “no show” – the Terms of Business for Providers and the Model Service Agreement for use by providers and participants to agree on the type and method of delivery of supports.

In summary, providers and participants are to agree on what notice is required of cancellation of an appointment. The NDIA will only pay a fee for non-delivery of a service when the participant certifies that the absence of advice of cancellation in the required time was unavoidable because of extenuating circumstances.

Feedback from providers is that introduction of these business arrangements has greatly reduced “no shows” and that they are often able to re-schedule appointments so that the participant does receive their service but at a different time.

There is no specific reporting to the NDIA on the failure to deliver a service, except when a provider expresses concern about the lack of engagement with a participant or a participant wishes to change their provider because of their failure to deliver as agreed.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 40

Could you provide the committee with the Agency's policy on how travel times and distances are costed in participants' plans?

There seems to be some confusion and inconsistency in how these times and distances travelled are considered and costed in the trial sites. Can you provide the committee with information on how the Agency publicly communicates its policy on travel costs? (p. 2)

[Hansard Reference 14 May 2014](#)

Answer:

The National Disability Insurance Agency (NDIA) pays services providers at an hourly rate where the travel to provide the service to a participant includes a round trip longer than 10km. This is spelled out in the Pricing Catalogue published for each trial site.

The NDIA also provides a calculator on its public website that enables planners and providers to calculate the time that should be added to direct service provision to cover the additional cost.

The NDIA publishes two documents which address the topic of cancellation or "no show" – the Terms of Business for Providers and the Model Service Agreement for use by providers and participants to agree on the type and method of delivery of supports.

The inclusion of the travel time in the price for providers of personal care and community access is the subject of deliberation by the National Disability Services/NDIA joint working party which is examining inclusions in the price of care for these supports.

Once completed the NDIA will publish the outcomes from the working party and adjust the Pricing catalogue and information for planners, providers and participants.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 41

The committee has observed in its visits to the trial sites to date that there is considerable inconsistency in the approach the Agency takes, how it communicates its message and even in how people are treated.

- a. What measures does the Agency have in place to ensure there is consistency across the trial sites? Does the NDIA benchmark the trial sites against each other?
- b. Does the NDIA encourage flexibility and innovation in the approach that planners take? Are these considerations more important for the Agency than consistency across trial sites?
- c. What training do planners receive to ensure that their messages and approach are consistent, one trial site to the next?

[Hansard Reference 14 May 2014](#)

Answer:

The need for consistent practice across trial sites is a key focus for the National Disability Insurance Agency (NDIA). To date, the NDIA has implemented quality mechanisms under the Quality Assurance Framework and as issues have been identified (for example case reviews or internal reviews focussing on a specific issue) by data collection processes conducted through the Actuarial team. These mechanisms have been developed by external consultants.

Recently, the NDIA has established an internal Quality and Innovation Team within National Office. As a matter of priority, this team will further develop and build upon the current Quality Assurance Framework into a comprehensive NDIA Quality Management Framework.

This will include a National Quality Action Plan which will outline quality mechanisms to be implemented and reported on by trial sites, which will inform continuous improvement across the agency and ensure consistent practices.

The NDIS is designed to support a consistent approach to the planning and decision making processes to ensure a fair, accountable and transparent approach (this is achieved through the NDIA Operational Guidelines and Standard Operating Procedures). However this consistency will not result in plans looking the same, as this would be contrary to the intent of individualised funding and participant choice and control. Instilling consistency in planning and decision making processes will enable trial site staff to increase their focus on plan innovation and flexibility.

There may be some factors which will require a more localised approach to supporting participants and contribute to variations of practices between sites. This includes the individual bilateral agreements and local issues like variation in the availability or type of service providers.

Planners receive induction training on the service delivery and technical functions of the role in a variety of formats to ensure a robust knowledge base that supports effective planning conversations with people with disability. This training is supported by on-the-job training such as shadowing existing planners and observing senior planners.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

The progress of planners is monitored by individual supervision and the performance management process, which can identify further learning and development needs. Work is underway to consolidate the NDIA training resources through the development of E-Learning modules.

In addition, Directors - Service Delivery are employed at each trial site. These Directors are responsible for ensuring their teams deliver supports consistent with the legislation, rules, guidelines and standard operating guidelines. Planners are also supported by Senior Planners in their team.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 42

What percentage of overall packages that have been reviewed have been substantially downgraded? (p. 3)

[Hansard Reference 14 May 2014](#)

Answer:

As at the end of March 2014, data for plan revisions received by a participant once they have entered the National Disability Insurance Scheme (NDIS) (for changes in the level of support) shows no evidence to suggest that there was a substantial decrease in funded supports on review.

In relation to participants who had received a second plan, only nine per cent of plans in South Australia have had multiple approved plans since the trial site began. The majority of these participants initially had a three to six month plan and now have a 12 month plan. In the other trial sites, only 1-2 per cent had a second plan. As a result it is not possible to produce any meaningful analysis of these plans at this time.

For participants who were receiving state funded disability supports prior to entering the NDIS, these participants may have had an expectation that their previous state funded support would be funded by the NDIS.

In practice, most participants will have a “blend” of informal, mainstream and funded supports. NDIS funded supports coordinate with, but do not replace or duplicate, sustainable informal or mainstream supports.

The NDIS funds ‘reasonable and necessary’ supports for participants to:

- Enable the participant to pursue their goals and objectives in the plan;
- Promote independence, social and economic participation;
- Ensure value for money;
- Strengthen the sustainability of informal supports; and
- Reduce the future need for disability supports.

Decisions made in relation to funded supports identified in the participant’s plan are evidence based and take into account:

- the benefit of the support to the participant;
- the appropriateness of the level or context of the service in enhancing the functional capacity of the participant;
- the efficacy of the support; and
- whether the support is specifically related to the person’s disability.

The rationale and process for decision making in relation to the level of support included in participant plans is documented in participant records to ensure ongoing quality assurance, transparency and equity.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 43

Can you provide the committee with a response to the invoicing problems, and fraud more generally, that were raised by Mr Peter Valentine of the Geelong Taxi Network at the public hearing in Geelong (see transcript from 14 April, pp 33–34)?

[Hansard Reference 14 May 2014](#)

Answer:

The National Disability Insurance Agency (NDIA) has in place a Fraud Control Framework and Fraud Control Plan that conforms with the Commonwealth standards. This includes a fraud detection program and risk-based analytical profiles that are designed to identify anomalies in individual transactions. These anomalies are then investigated further to determine whether they are indicative of systemic control weaknesses, or warrant further examination as potentially fraudulent.

Additionally, the NDIA has in place a dedicated fraud tip-off line, and fraud reporting information on its external and staff websites. Fraud prevention efforts are directed into three main areas: rectifying weaknesses in controls as they become known; information on the external website; and information and training for NDIA staff.

No potential cases of fraud by providers or participants, identified either through the analytical work or the tip-off line, have been substantiated to date.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 44

In the Agency's view, where are the big risks for the NDIS currently? (p. 6) What are the Agency's highest priorities in terms of the scheme as a whole?

[Hansard Reference 14 May 2014](#)

Answer:

The Department of Social Services (DSS) commissioned KPMG to review the planning and strategies for the National Disability Insurance Scheme transition to full scheme. This independent report was provided to DSS and the National Disability Insurance Agency (NDIA) Board in late February 2014. A number of recommendations have already been implemented and further actions are being considered.

Further to this report, the NDIA Board has commissioned KPMG to look at an optimal timetable in transitioning to full scheme. Findings from the KPMG inquiry are due in July 2014.

The NDIA Board will consider these findings and along with internal assessments, will advise governments of optimum timelines, associated risks, mitigation options and priorities for the scheme.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 45

What impact would a delay in the implementation of the Scheme have on the Agency's resources and budget, the State and Territory Governments' commitments, and the current path of transition? (p. 6) Can you provide the committee with a copy of the terms of reference for the KPMG inquiry?

[Hansard Reference 14 May 2014](#)

Answer:

The National Disability Insurance Agency (NDIA) Board has commissioned KPMG to look at an optimal timetable in transitioning to full scheme. Findings from these investigations are due in July 2014 and will consider impacts in relation to implementation

The results from the KPMG findings will assist the NDIA Board inform government regarding risks and mitigation strategies associated with the optimal timetable for transition.

In response to a Senate Estimates question on notice, the complete Request for Tender documentation (Question 400) has been published at:

www.aph.gov.au/Parliamentary_Business/Senate_Estimates/claccte/estimates/add1314/Social%20Services/index

This included the Terms of Reference.

Revised Responses received 7 July 2014
PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME

Trial Site Public Hearings, April/May 2014

Response to Question On Notice
National Disability Insurance Agency

Question No: 1

How are you working with state jurisdictions and federal agencies on the interface between health, education, disability, transport, child protection and other systems while ensuring continuity of supports?

- a. Beyond the operational guidelines, what specific action is the NDIA taking with the Commonwealth and the States to clarify and implement service delivery while ensuring that no NDIS participant is disadvantaged?
- b. How are conflicts regarding these responsibilities being resolved?

Answer:

This revised response supersedes the response tabled on 16 June 2014.

Consistent with the National Disability Strategy, governments have agreed the National Disability Insurance Scheme (NDIS) should not replace other mainstream service systems but rather the NDIS should reinforce the obligations of other service delivery systems to assist in improving the lives of people with disability. This agreement is reflected in the NDIS rules and operational guidelines.

Within the Intergovernmental Agreement (IGA) for the NDIS Launch, the Council of Australian Governments (COAG) has committed to provide continuity of support to people with disability currently receiving services to ensure that they are not disadvantaged in the transition to the NDIS.

In each trial site, the National Disability Insurance Agency (NDIA) has developed relationships with local mainstream systems to outline how systems will work together to support people with disability. This includes local referral protocols and mechanisms for resolving specific individual situations.

The NDIA seeks to initially resolve conflict at the local level between NDIA site management and local officials. Issues are escalated when resolutions are unable to be achieved.

The NDIS governance arrangements provide a number of forums for the NDIA and governments to identify and resolve issues related to the mainstream interface. The NDIA and governments work through the COAG Disability Reform Council structure when mainstream issues have implications for multiple jurisdictions (e.g. bilateral forums; the Disability Policy Group; and Senior Officials Working Group).

Some specific areas of mainstream interface that the NDIA has encountered and will be seeking policy direction to ensure the NDIA takes a consistent national approach to funding supports for participants include:

- a. funding for skills and capacity building programs for children prior to school age (for example, early intervention programs which simulate a classroom setting);
- b. the scope of the NDIS' responsibility for personal care at school;
- c. out-of-home residential options for children who are under 18 and cannot live at home due to their disability;
- d. modifications to public and community housing (for example, where a child participant in public housing requires fencing of a property to prevent absconding); and
- e. responsibilities of the NDIS and justice system for people with disability who require secure and semi-secure accommodation settings to safeguard the community.

The NDIA and governments have been working through areas where further policy clarification is required. While the mainstream interface policy is being clarified, the NDIA and governments have agreed interim arrangements to ensure that people with disability are able to access the supports they require and that gaps do not emerge.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 13

The committee has heard there is a considerable percentage of people who are not fully activating their plans or even activating them at all.

- a. What action is needed by a participant for the Agency to judge that a plan has been 'activated'?
- b. What data does the Agency collect on the number of people who have activated their plans, and those who have not?
- c. What evidence is there that plans have not been activated because the requisite services cannot be accessed by the participant?
- d. What support is available to help assist people to activate their plans, particularly those with mental illnesses?
- e. Is it adequate for the Agency to wait to receive an invoice from a service provider to determine whether a plan has been activated?
- f. How does the Agency ensure that the failure to activate a plan does not impact on the level of support provided in future plans?
- g. Should the Agency take a more proactive approach to assisting those people with approved plans who have not activated them, and the reasons why this is the case?
- h. Is the Agency concerned that a low level of plan activation could reflect shortcomings in the planning process and/or the functioning of the market?

Answer:

This revised response supersedes the response tabled on 16 June 2014.

- a. The only action required for the National Disability Insurance Agency (NDIA) to consider a plan 'activated' is for a participant to provide their chosen provider with their name, date of birth and individual National Disability Insurance Scheme (NDIS) number. Providers then link to the participant's record in the system through the NDIA's Provider Portal. This action creates a provider 'case' record and is the point at which the participant's plan is considered 'activated'. NDIA can then view provider case details, including the date the provider 'linked' to the participant, for funded supports in the plan.
- b. As outlined in the above answer (a), the NDIA collects data on when a participant and provider 'link' based on Provider Portal action. To enable linking data to be collected, the participant's plan must contain at least one support for which the provider has registered. Linking ensures providers can claim for support provided (although linking is not necessary for participants who self-manage their plan). The most reliable data collected by the NDIA on plan activation is through claiming. NDIS actuarial data collates quarterly reports which provide reports of 'activation' activity based on the percentage of plans that have had a claim. The reliability of these results however can be impacted by other matters such as in-kind arrangements and provider claiming lags.
- c. The NDIA is not aware of a problem with low plan activation in terms of the delivery of services to participants. What is of concern is the inability of providers to lodge claims in accordance with business process. This is being addressed with individual providers and more generally through a training program on business management as a follow up to the recent pricing review. In recent times, a Service Gap Register has been adopted by the South Australian and Northern Territory trial sites to assist with the identification of

services which are not available to participants in remote locations. Regular trial site reporting also allows for any service gaps or issues to be communicated to the NDIA National Office and these are monitored regularly by the NDIA.

- d. The NDIA has developed a number of resources to assist people to activate their plans and engage service providers. These resources include fact sheets, guides and a service agreement template. The NDIA also offer participants and their carers the support of a Local Area Coordinator (LAC). LAC support includes meeting with participants and their carers to discuss available mainstream and community supports, as well as assisting them in the development of agreements with chosen providers. LACs can also facilitate regular communication with both the provider and participant to ensure smooth plan implementation. In addition, a participant may choose the services of a Plan Management Agency to assist with choosing and engaging an appropriate service provider, manage support services and where applicable, provide assistance and guidance with the self-management of funds. The fee for Plan Management is written into the plan and is not a cost the participant has to find from within the other funded supports in their plan.
- e. As outlined in the above answer to (a), the only action required for the NDIA to consider a plan 'activated' is for a participant to provide their chosen provider with their unique information and for providers to then link to the participant's record in the system through the NDIA's Provider Portal. This action creates a provider 'case' record and is the point at which the participant's plan is considered 'activated'. For this reason, the NDIA does not need to wait until a claim or invoice is received from a service provider to determine whether a plan has activated unless a participant is self-managing.
- f. The NDIA proactively manages plan progress and implementation. As plans are monitored and reviewed, the NDIA can initiate discussions with participants where there may be non-activation of support items. This then informs subsequent plans. Failure to activate a support item does not preclude it from being available in a participant's subsequent plan but could lead to more assistance being provided to the participant in the engagement of a provider, or the participant choosing an alternative provider to implement support items in their plan.
- g. As outlined in the response to question (f) the NDIA undertakes thorough and comprehensive discussions with participants during plan reviews which can elicit reasons for the non-activation of support items. A key function of the LAC role is to also assist to mitigate any issues relating to delays in plan activation. LAC assistance is offered to participants to assist them to 'activate' their plans; for example, to assist participants choose develop agreements with their chosen providers. Funded supports can also be added to plans for those who need assistance with the coordination of their supports if necessary. Trial sites are also actively applying a range of strategies to minimise any provider claiming issues including both operating a help desk and providing onsite assistance in provider premises where necessary to assist providers to claim for supports. The NDIS also ensures business support is available to providers through funding to peak bodies like National Disability Services.
- h. The NDIA continues to closely monitor plan activations as well as considering changes in processes that may contribute to better planning practices. Reasons for any delays in plan activation are not yet available but any concerns expressed by service providers have been approached in a proactive manner by the NDIA. Examples of this include the redevelopment of the service provider portal to assist providers with claims, as well as a price review of key disability supports to build a more competitive market to underpin choice and control for people with disability.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 14

The committee understands that 14.7 per cent of applicants to Tier 3 in the Barwon trial site were assessed as ineligible. Does the NDIA monitor what happens to these ineligible people? Does it track whether they can access Tier 2 services? Does the Agency assist those who are ineligible for Tier 3 to access Tier 2 services?

The committee understands that the Agency will be given a greater amount of Tier 2 block funding over coming financial years (up to \$65.7 million in 2017–18). For the \$1 million that has been allocated for the 2013–14 financial year, how has this been allocated across the trials sites? Can you provide a breakdown and allocating criteria of how Tier 2 block funding will be distributed across the trial sites over coming financial years?

Answer:

This revised response supersedes the response tabled on 16 June 2014.

In Barwon, the number of people not meeting National Disability Insurance Scheme (NDIS) access requirements as a percentage of total eligibility cases is 3.6 per cent rather than the 14.7 per cent stated.

When a person is determined as ineligible, they are offered a Local Area Coordinator (LAC) to assist them to connect to mainstream and community services. This offer is accepted by some individuals and not others.

Trial site experience demonstrates that for some individuals, engagement with LACs is short and one-off. For others there is more regular contact maintained. For example, in the Barwon trial site, a prospective participant who did not meet the access requirements due to age was assisted by a LAC to a local support group. The LAC facilitated registration with the group and ensured the group understood his disability and were able to be of assistance. Other LAC supports have included assisting individuals to access mainstream supports such as financial services, health services and other community services such as neighbourhood houses. These types of referral and linkages to services are key elements of the LAC role and often require LACs to work closely with those who do not meet access requirements, as well as peer support groups, community organisations and local disability initiatives.

At present the ICT system does not capture the precise numbers of people who do not meet access requirements who are assisted by the LACs. Work is underway to enable this to be done.

The \$1 million allocated to the Community Inclusion and Capability Development (CICD) Fund for the 2013-14 financial year was utilised across the trial sites to fund projects that assisted not for profit and community organisations increase social and community participation for people with disability; did not provide direct support for individuals; and did not replace existing jurisdiction funding.

Criteria for funding allocation also relate to population, trial site size and state government funding for similar purposes. In addition, 50 per cent of the funds were retained by National Office for projects that would benefit from allocation across sites rather than being site specific.

Examples of the CICD projects include the Hackham West Community Centre Training for Volunteers and Staff in South Australia. This project has resulted in children with disabilities to be included in their local community centres program.

In Victoria, a program was designed and delivered to assist the local community neighbourhood houses implement music-based playgroup programs to enable children with a disability to be included. The purchase of suitable musical equipment has enabled children with disability to participate in the community setting.

A project to develop tools to assist participants to self-manage their plans has been completed and will be available to all participants across the trial sites.

The National Disability Insurance Agency (NDIA) is currently reviewing and refining the allocation of Tier 2 block funding to take into account the greater amounts that will be allocated over the coming financial years. This will include ensuring guidelines adequately reflect other NDIA strategic directions, such as priorities relating to mental health, as well as responding to the specific needs of trial site locations including any new and emerging gaps that may come to light, particularly as trial sites expand. This will be undertaken in conjunction with trial site engagement directors and trial site managers.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 16

Mr Jim Hungerford of the Shepherd Centre told the committee that while early intervention is very important, 'the NDIS funding model does not work'. As he told the committee '*[T]he NDIS early intervention model is written around \$6,000, \$12,000 and \$16,000 per year. Unfortunately, to provide the level of support to enable these children to speak, the average cost is somewhere between \$18,000 and \$20,000 per child—that is across the children who need less support as well as the children who need the high level of support. So there is a significant shortfall. In conjunction with that, there is the expectation that, for children who have multiple disabilities—and approximately a third of our children have got needs in addition to their hearing loss—there is no increase in the early intervention funding because it is a transdisciplinary package.*' (5 May 2014, p. 33)

Can you provide the committee with data on the average cost of an early intervention package for a child with hearing difficulties? Does the Agency accept that for children with severe hearing loss and multiple disabilities, the average package cost is in the region of \$18,000–20,000 per annum? (See also questions 28 and 29, below).

Answer:

This revised response supersedes the response tabled on 16 June 2014.

The National Disability Insurance Scheme's average cost for an early intervention package for a child with a hearing impairment is \$15,321.

There are 77 children with deafness/hearing loss as their primary disability aged 0-6 years as at the end of March 2014 across all trial sites. Of these 77 children, 54 have early intervention supports. Of these 54 children, 17 had early intervention supports exceeding \$16,000, and 27 had their whole package (that is, all supports) exceed \$16,000.

All packages of support for children are assessed on an individual basis. In addition to the therapy and educative components that is typical in early intervention supports, some examples of other supports that may be included in a plan are equipment, continence aids, assistive technology such as communication devices, home and vehicle modifications and supports to the family to continue to sustain the caring role.

As at March 2014, 15 per cent of plans for children are above the annual highest benchmark price of \$16,000 for early childhood intervention. Providers are generally submitting quotations within the benchmark figures, including those for children with more complex needs.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 21

The committee has received evidence on the public record that there *is* backdating of plans. At the Newcastle hearing on 5 May, New Horizons told the committee (p. 51) that it has had people who have had their plans presented to them where the start date was more than a month prior to when they were presented with their plan. It noted that some of these people have had 'significant changes to their plans' which means that the provider has been overservicing with no way of recouping the cost. Alternatively, the participant has had to pay the overspent money back to the provider from their own pocket.

The committee is seeking guidance on the Agency's knowledge of the backdating of plans:

- a. Is the Agency aware of a situation in which a participant has been eligible for services and supports from a date prior to the NDIA agreeing to the plan, and therefore the service provider or the participant is out of pocket?

Answer:

This revised response supersedes the response tabled on 16 June 2014.

Section 37 of the *National Disability Insurance Scheme Act 2013* (NDIS Act) states that plans come into effect when the decision has been made to approve the reasonable and necessary supports. The plans are therefore dated to start on the day the decision is made in order to ensure that there is continuity of supports for both participants and of funding for providers.

The National Disability Insurance Agency (NDIA) is aware of particular instances where service providers have been out of pocket. The NDIA has provided an undertaking to these service providers that where they have over-serviced due to being unaware of the existence of a plan, they will be compensated for the costs incurred. The NDIA has undertaken to reimburse any out of pocket expenses to providers once verification of services delivered is provided to the NDIA.

In very limited circumstances, if the NDIA approved the provision of a service prior to a plan being finalised (e.g. a crisis plan), the provider would be paid. In all other circumstances the provider must only provide service in accordance with the approved supports in a participant plan. Provision of an unapproved service will result in non-payment by the NDIA.

There has not been any expectation by the NDIA that participants should wear the cost of over-servicing due to transitional arrangements, and the NDIA is not aware of this having occurred.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 22

Section 38 of the NDIS Act stated that the CEO must provide a copy of a participant's plan to the participant within 7 days after the plan comes into effect. The committee is concerned that the practice of backdating is quite common and that the reason for this practice is so that the planner can meet the Agency's KPI on plan completion timeframes.

- a. Can you comment on the practice that some planners have set a starting date for plans that commences several months after the plan is sent to the participant?
- b. If so, can the Agency comment on whether there needs to be tighter control and oversight of planners' activities in relation to starting dates for plans by upper management within the Agency?
- c. Is the Agency concerned that its internal KPI on plan completion timeframes is placing unrealistic pressure on planners?
- d. Can you provide the committee with a copy of the Agency's internal KPIs for all processes, particularly those applying to the completion time for a plan?

Answer:

This revised response supersedes the response tabled on 16 June 2014.

- a. Section 37 of the *National Disability Insurance Scheme Act 2013* (NDIS Act) states that plans come into effect when the decision has been made to approve the reasonable and necessary supports. The plans are therefore dated to start on the day the decision is made in order to ensure that there is continuity of supports both for participants and of funding for providers. The practice of some planners setting a start date for commencement of plans several months after the plan is sent to the participant arose as a result of some initial phasing practices that are no longer in place.
- b. The National Disability Insurance Agency (NDIA) must enable a seamless transition in funding from previous funding providers to the NDIA, and therefore cannot be flexible with plan start dates – they must start from the date of approval. For example, for an Individual Support Package funded by the Victorian Department of Human Services, the state government will stop funding the package from the day before the plan is approved, and the NDIA must fund the plan from the date of plan approval.

There is currently oversight of planner activities through regular reporting and monitoring of plan start dates and approvals at local site level. This provides trial site management with visibility of how plan activities are progressing and they can address any issues identifying discrepancies between plan start dates and approvals. Trial sites are also required to report regularly to the NDIA National Office to ensure any local site issues are addressed at an executive level where necessary.

- c. Planners are required to complete 10 plans per month. The NDIA believes this to be a realistic and achievable target, noting that the numbers of plans are adjusted up or down depending on the complexity of issues presented by a participant. The NDIA has introduced an amended service delivery model which will assist in identifying the amount of support a participant will require during the planning process up front. This will assist in ensuring planners have a balanced workload.

Although there is no evidence to suggest this is related to internal KPIs placing pressure on planners, the NDIA has put in place a number of strategies to reduce pressure on both participants and planners. For example, introducing pre-planning workshops which enable participants to start thinking about goals and aspirations and what they would like to achieve under the NDIS. This has in turn improved experiences for both participants and planners as it has increased the efficiency of planning conversations as participants are better informed and prepared.

- d. The KPIs set for plan completion were that planners needed to achieve completion of 10 plans per month on average to meet the KPI targets. Other KPIs are in accordance with the NDIS Act, such as providing a participant with their plan within a seven day time frame following plan approval.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 29

The NDIA noted during the Adelaide hearing that there is ongoing work between the NDIA and the sector to establish 'what the evidence base is, including some of the high-end, complex autism programs'. Can you explain in detail how this work is progressing? What evidence has the Agency gathered that the upper limit of \$16,000 per annum is inadequate?

Can you provide the committee with information on how long it generally takes for NDIS participants under 6 years of age to get a transdisciplinary package greater than \$16,000 per annum?

Answer:

This revised response supersedes the response tabled on 16 June 2014.

The National Disability Insurance Agency (NDIA) is involved in work to establish evidence-based guidance for children with autism however, at present there is little evidence promoting the efficacy of one type of program over another in helping children with autism attain their developmental milestones. The Commonwealth Government has established a trial to test the efficacy of combining child care with specific interventions to address behaviours and other difficulties associated with autism. These trials will not finish until June 2015 so the results will not be available for some time. The Department of Social Services has also commissioned a research study to examine how such programs might complement the National Disability Insurance Scheme (NDIS) and this work has now commenced.

Longer term studies such as these are necessary to ensure best practice approaches are developed. However, the NDIA acknowledges the need to have a more solid evidence base in the shorter term to assist decision making for staff, providers and parents. For this reason, the NDIA is contracting a paediatrician who is an internationally recognised epidemiologist and academic to convene a group of experts to provide expert advice on the evidence-base for management of autism. This work will lead to the development of more specific guidelines for needs assessment and 'reasonable and necessary' interventions for children with autism.

It is anticipated that this work will be completed by the end of the calendar year. This work will be published and made available to providers, parents and NDIA planners and will provide much more definitive evidence to guide the early decision making in the NDIA in relation to autism assessment and intervention.

The NDIA accepts that a longer term approach must complement these more immediate solutions. The NDIA is focused in the short term on completing these specific guidelines for needs assessment and 'reasonable and necessary' interventions for children with autism based on the expert advice received from the consultant paediatrician and the expert group; however, the Agency will maintain an interest in the outcomes of these longer-term trials and studies.

In relation to trans-disciplinary packages of \$16,000 per annum, the NDIA does not have evidence of the inadequacy of this guideline, as many agencies are providing services for children with complex needs within these recommended guideline and there is evidence that the appropriate levels of discretion are being applied, given that 10.5 per cent of children with approved plans in South Australia (where there is a primary diagnosis of autism) have plans where the agreed costs of trans-disciplinary or therapy supports exceed \$16,000.

In some limited circumstances it may be appropriate for more than \$16,000 worth of support to be provided and in considering whether a higher level of support is needed planners consider:

- a. previous outcomes achieved with lower levels of therapeutic support;
- b. impact of disability on multiple body systems;
- c. intensity of support needed to enable a child to transition successfully into mainstream childcare or school; and
- d. multiple hospitalisations and medical interventions which require more intensive therapy to allow carers and teachers to assist the child in re-assimilation into mainstream activities.

In relation to how long it generally takes for NDIS participants under 6 years of age to get a trans-disciplinary package, it is important to note that the length of time it takes to complete a plan for a child depends very much on information available from the family and the treating practitioners on the needs of the child and family. The actual cost of the plan is not the determinant of length of time; it is the availability of the necessary information on which to base a decision.

Actuarial data as at end March 2014 shows that for a child aged 0 – 6 years who has a primary disability of Autism and is receiving Early Intervention supports, the average time from the date of eligibility to the date a plan is first approved is 42 days. There is very little difference in plan approvals between plans under or exceeding \$16,000. Actuarial data demonstrates a 40 day time period between the date of eligibility and the date a plan is first approved for packages under \$16,000; and a 46 day time period between the date of eligibility and the date a plan is first approved for packages of \$16,000 and over.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 32

Is the 'no disadvantage' test conducted at a single point in time and only once? If so, is the test inadequate given that a participant could be deemed at least as well off at the time of the test but is subsequently worse off (for example, as a result of a worsening condition)? If there are multiple disadvantage tests, what is the trigger for subsequent tests to be conducted (e.g.: a review of the plan)?

Answer:

This revised response supersedes the response tabled on 16 June 2014.

The National Disability Insurance Agency (NDIA) is committed to ensuring that people already accessing supports before becoming participants in the National Disability Insurance Scheme (NDIS) are not disadvantaged by this transition. There is no specific 'test' or rule that is applied to achieve 'no disadvantage'; rather it is a principle that is considered during planning. The intent is to ensure people should be able to achieve at least the same life outcomes in the NDIS. However, this does not necessarily mean the same level of funding will be provided or the same support items will be funded.

Once the NDIA determines that a participant meets the NDIS access criteria, a plan is developed. In developing a plan for a participant, the NDIA applies the considerations for 'reasonable and necessary' as outlined in the *National Disability Insurance Scheme Act 2013*, Rules and Operational Guidelines. The NDIA takes into account the agreement of governments reflected in the Intergovernmental Agreement that the NDIS will continue to enable the person to achieve the same outcomes, to the extent permitted by the legislation.

The NDIA uses information provided by participants as well as other information gathered from governments and service providers to determine what supports a participant was receiving prior to entering the NDIS.

The NDIS ensure that the preparation of a participant's plan is, so far as reasonably practical, individualised; directed by the participant; where relevant consider family, carers and significant others; considers availability of informal support, access to mainstream and community supports; and builds individual capacity to increase participation and inclusion in community with the aim of achieving individual aspirations.

Participants are also obliged to notify the NDIA of an event or change of circumstances which affects or is likely to affect their plan, which may be as a result of a worsening condition.

Should a participant's circumstances change the NDIA may reassess the participant's support needs taking into account any new aids and equipment and any change to the frequency of supports that may be required.

**PARLIAMENTARY JOINT STANDING COMMITTEE ON THE
NATIONAL DISABILITY INSURANCE SCHEME**

Trial Site Public Hearings, April/May 2014

**Response to Question On Notice
National Disability Insurance Agency**

Question No: 44

In the Agency's view, where are the big risks for the NDIS currently? (p. 6) What are the Agency's highest priorities in terms of the scheme as a whole?

Answer:

This revised response supersedes the response tabled on 16 June 2014.

The Department of Social Services (DSS) commissioned KPMG to review the planning and strategies for the National Disability Insurance Scheme (NDIS) transition to full Scheme. This independent report was provided to DSS and the National Disability Insurance Agency (NDIA) Board in late February 2014.

The NDIA's highest priority is planning for transition to full Scheme, including the optimal timeframe for this transition. Further to the above report, the NDIA Board commissioned KPMG to advise on an optimal timetable in transitioning to full Scheme. This timetable is being developed to minimise the risks associated with moving to full Scheme.

Market readiness is a key consideration for the full Scheme roll out, including the capacity of providers to respond to new funding models and develop new service delivery models to meet participant needs and respond to increased choice and control. Workforce demands created by the introduction of the NDIS are also under consideration by the NDIA and governments to ensure providers are able to access a skilled and available workforce during the expansion years. Participant readiness is also being considered by the NDIA, including strategies to increase readiness and pre-planning capacity building.

The NDIA Board is now considering these findings and, along with internal assessments, will advise governments of optimum timelines, associated risks, mitigation options and priorities for the NDIS.

The optimal timetable will also influence the service delivery operating model which will accommodate the intake of new participants as well as the intake of existing users of state and territory programs. The development of this operating model is now underway. The model will reflect the key principles of the Scheme, lessons learnt from trial sites, industry research, market capacity, workforce capacity, information technology, and participant readiness.

As well as considering the optimal timetable for full Scheme priority, other high priorities for the NDIA Board and NDIA Executive currently include:

- establishing robust internal governance and mechanisms for learning from the trials;
- supporting three new trial sites and Year 2 expansion of existing sites;
- progressing a comprehensive market design framework and support effective development and transition of the existing sector, including through introduction of an efficient price; and
- assisting policy discussions to finalise the design of Tier 2 for full Scheme; the national approach to quality and safeguards; and the role of the NDIA in responding to housing demand.

Numbers of Local Area Coordinators by site

The table below relates to your request on the number of Local Area Coordinators by site

As at 30 June 2014

Number of Local Area Co-ordinators employed by NDIA	
ACT (hybrid Planning and Support Co-ordinators)	25
Barwon	35
Charlestown	23*
Tennant Creek (hybrid Planning and Support Co-ordinators)	4
Perth Hills (hybrid Planning and Support Co-ordinators)	8
South Australia	14
Tasmania (8 outsourced LACs in Tasmania)	8**
Total	

Note:

* 14 Ability Links – contracted by the New South Wales Government as part of the Government's in-kind contribution to NDIS and their role is to primarily focus on community development, connections and linkages, not plan implementation.

** 8 outsourced LACs in Tasmania (BaptCare and Mission Australia). Contracted directly by NDIA. Under this contract, their role is primarily establishing community connections and plan implementation for NDIA participants. This number increases to 12 as of 7 July 2014.

Implementation Plans: this is the only request still outstanding from the Agency (waiting on state and territory approval).

Appendix 4

Parliamentary Joint Standing Committee on the National Disability Insurance Scheme

ADDITIONAL INFORMATION REQUESTED OF THE SCHEME ACTUARY

20 June 2014

Updated Responses as at 7 July 2014

No.	Question	Response
1	Provide an overview of your responsibilities under subsection 180B of the <i>National Disability Insurance Scheme Act 2013</i> .	<p>In overview, in keeping with the intention of the National Disability Insurance Scheme (NDIS) to be governed according to insurance principles, it is the responsibility of the Scheme Actuary to assess, monitor and report on the financial sustainability of the NDIS, and to identify and assess risks to that financial sustainability, and the causes of those risks.</p> <p>This responsibility leads to the following component requirements:</p> <p><i>Financial sustainability - S180B(1)</i></p> <ul style="list-style-type: none"> • to assess the financial sustainability and associated risks annually, as well as trends in provision of services outside of the NDIS, • to consider the causes of any risks or trends which may have an impact on scheme financial sustainability • to estimate future expenditure of the scheme, and prepare an annual report on findings regarding financial sustainability. <p><i>Quarterly report and assessment of future expenditure - S180B(2)</i></p> <ul style="list-style-type: none"> • to undertake a quarterly estimate of the future expenditure of the NDIS, and provide a report to the National Disability Insurance Agency (NDIA) Chief Executive Officer (CEO) (who must pass this onto the NDIA Board) <p><i>Requests for actuarial information or advice - S180B(3)</i></p> <ul style="list-style-type: none"> • to provide actuarial information or advice on request from the CEO or the NDIA Board <p><i>Significant concerns - S180B(4)</i></p>

		<ul style="list-style-type: none"> to bring to the attention of the NDIA Board any significant concerns I might have regarding the financial sustainability of the NDIS or the risk management processes of the NDIA
2	<p>What you understand by the phrase 'financial sustainability of the NDIS'?</p>	<p>A definition of financial sustainability may be something like “a state where:</p> <ul style="list-style-type: none"> the scheme is successful on the balance of objective measures and projections of economic and social participation and independence, and on participants’ views that they are getting enough money to buy enough goods and services to allow them reasonable access to life opportunities - that is, reasonable and necessary support; and contributors think that the cost is and will continue to be affordable, under control, represents value for money and, therefore, remain willing to contribute.” <p>The notion of financial sustainability also implies both a short-term and long-term perspective on the consideration of the future expenditure of the scheme. The NDIS is intended to provide a lifetime perspective on participants’ outcomes, and therefore the scheme must look forward as well as consider the short term cash flows.</p>
3	<p>In general terms, what do you identify as the ongoing risks to the sustainability of the NDIS?</p>	<p>The duties of the Scheme Actuary are set out in section 180B of the NDIS Act. The Scheme Actuary is responsible for, among other things, assessing the financial sustainability of the National Disability Insurance Scheme (NDIS). In this context, risks relate to the following, and their supporting systems:</p> <ul style="list-style-type: none"> the need for greater clarity and consistency around eligibility and available support, particularly with regard to episodic type disability, early intervention, and support services which may be more appropriately delivered by other portfolios such as health, aged care, education, housing or transport;

		<ul style="list-style-type: none"> the need for a consistent and objective link between participant reasonable and necessary support needs and their resource allocation package, within the overall funding envelope;
4	What is the basis upon which you make quarterly estimates of future expenditure of the NDIS, as required under subsection 180B(2) of the Act?	As experience emerges, NDIS participant and utilisation data will be used to develop time-series trend analyses and actuarial models to project future utilisation and expenditure. Because the NDIS is still some way from a mature scheme, an approach to future estimates must currently seek a balance between the emerging experience and the initial cost estimates which are based on survey and census data. Moreover, within the trial period and even up to full scheme roll out, the agreed phasing timetables will influence emerging trends and future expenditure and also needs to be considered in the actuarial projections.
5	Provide information on the type of research and inquiry that you may conduct to consider the causes of the risks to the financial sustainability of the NDIS (subparagraph 180B(1)(a)(iii)(b) of the Act).	<p>Subparagraph 180B(1)(a)(iii)(b) of the Act refers to the cause of risks in any trends in provision of supports to people with disability otherwise than through the NDIS (for example, trends in the provision of informal supports and supports provided through support services generally available to any person in the community).</p> <p>As a general comment, the provision of support through mainstream and informal services is to be encouraged and supported, in order to protect against inappropriate and over utilisation of the NDIS. It is therefore very important to monitor the trends in this service provision and utilisation.</p> <p>This issue is identified as a risk in response to Q3 above. The research and inquiry that may be used to consider the emergence of these trends would include the extent to which the allocation of resources and the construct of support packages within the NDIS falls within its eligible and agreed funding responsibilities. In order to do this the data definition, the way this is collected and the construction of the IT system must allow such investigations to occur. Their analysis will then form part of the overall actuarial modelling of the NDIS utilisation.</p>

		Other sources of research and inquiry will include feedback from planners and trial site managers and continued discussions with participants and both State and Commonwealth scheme stakeholders.
6	Have you been asked to provide actuarial information or advice to the National Disability Insurance Agency (NDIA) Board under subsection 180B(3) of the Act, and if so, the nature of the request and the advice provided?	As Scheme Actuary I am invited to attend NDIA Board meetings, meetings of the Sustainability Committee, and Audit and Risk Committee and I have regular contact with members of the Board including the Chair. As part of my role I give advice to the Board. I have received no formal requests from the Board for advice.
7	Provide an example of the type of risks and issues, under subsection 180B(4) of the Act, that you might report to the Board.	The link between eligibility, assessment and resource allocation is one that has been an ongoing issue for the scheme, and I have brought this to the attention of the NDIA Board. Other examples are (a) the availability and quality of data, and (b) the impacts of the bilateral phasing schedules with regard to emerging trends.
8	What are the data and information sharing arrangements between you as the Scheme Actuary and the NDIA, including the nature and frequency of information provided to you by the Agency?	As part of my role I have a team within the NDIA – the “sustainability, actuarial and reporting team”. This team and myself have direct access to the NDIA IT system managed by DSS. My team has daily access to the unit record data base on scheme participants, the service utilisation and cost of supports. In the other direction, I am actively involved in the specification of data requirements and the collection and recording of information.
9	Provide information on the reliability of data over the first 12 months of the Scheme given the likelihood of volatility from quarter to quarter with the relatively small sample sizes and teething problems in the rollout of the trials.	There is a high degree of uncertainty in the ability to measure trial data against full scheme cost estimation. There are a number of causes of this uncertainty, including: <ul style="list-style-type: none"> • the design of the trial sites, only two of which are designed as geographical full population trials allowing extrapolation to full scheme; • the participant phasing agreements in the bilateral agreements, which mean that even for the geographical trials emerging experience may not be representative of the whole area; • the adequacy of the national minimum data sets and other administrative

		<p>data on disability services; and</p> <ul style="list-style-type: none"> the previously mentioned difficulties with the NDIA information and data system. <p>The information available at the end of 12 months of the NDIS will be a significant improvement on the previously available data, which underpinned the Productivity Commission assumptions.</p> <p>Information collected will allow a more robust estimate to be made of full scheme cost, distribution of support needs and the requirements of a robust community system to support participants with a disability utilising mainstream and informal services.</p>
No.	Question	Response
10	What is your view of the accuracy and veracity of the data on 'estimated total clients' in Appendix A of the various bilateral agreements between the Commonwealth and State and Territory Governments?	<p>I have provided information on this in my first two reports.</p> <p>The bilateral agreements use a simplistic “number of participants” and “average package size” concept, broadly based on the aggregate scheme cost estimation by the Productivity Commission as amended by the Australian Government Actuary.</p> <p>While using the aggregate cost as a starting point is legitimate, the “average cost” approach does not account for the skewed distribution of support needs across the potential NDIS target population. It effectively assumes that all participants are the same. However it is well known that there is a broad distribution in required package size from a few thousand dollars up to several hundred thousand dollars.</p> <p>Accordingly, monitoring based on numbers and averages can overlook emerging trends in cost distribution - a significant risk to financial sustainability.</p> <p>In addition to this conceptual error, in my view the bilateral agreements have a number of risks emerging from inadequate modelling including:</p> <p>(a) for the South Australian trial site the agreements have underestimated the expected number of participants and also the average participant cost;</p>

		<p>(b) for NSW the agreements did not take account of the disproportionate number of large residential participants in the trial site, which have a particularly high individual cost;</p> <p>(c) for the Tasmanian trial site, no specific allowance was made for the age of participants – that is, all participants are aged 15-24 years and hence the adult cost of support should have been used, rather than the weighted adult and child cost.</p> <p>(d) in striking the “average package cost” the agreements did not allow for the margin in the largest packages for a contribution to the cost of accommodation capital.</p> <p>All of these risks are “trial-specific” they do not present an observable risk to the full scheme actuarial cost estimate.</p> <p>In terms of the specific accuracy of “estimated total clients”, it is possible based on the early trends that participant numbers will be somewhat lower than the bilateral estimates in Victoria and NSW, significantly above the bilateral estimates in SA, and broadly in line in for Tasmania. However, as discussed above, this is a spurious indicator without further information, and is not directly related to the ultimate cost of the scheme.</p>
11	<p>Provide information on the reliability of the data gathered by the NDIA, the way that this data is collected and collated, and any concerns you may have about what is and is not collected.</p>	<p>This question has been covered in my previous responses.</p> <p>As Scheme Actuary I have adequate input into processes to ensure that future data collection and processes will be able to meet the scheme’s requirements regarding assessment and monitoring of financial sustainability.</p>
12	<p>Provide information on your view of the importance of early intervention supports in ensuring the financial sustainability of the Scheme.</p>	<p>Early intervention is a critical component of the insurance principles on which the NDIS is based. By identifying early opportunities to mitigate the impact of disability the scheme can have a positive outcome both on the social and economic participation and independence of participants, and also on the medium to longer term financial sustainability of the system.</p> <p>Building of the evidence base and ensuring continuous monitoring and evaluation of scheme outcomes will assist the scheme to identify opportunities for early intervention and their cost benefit. An outcomes framework is being developed to provide the basis for this evidence.</p>

13	Provide information on your view of the importance of a competitive service provider market and the likelihood that over time, this competition will put downward pressure on package costs.	Achieving an efficient price for services is a critical component of a sustainable scheme. A competitive market will help in this. A sustainable scheme requires choices on quality and price to be available to participants. By empowering participants with choice and control in the determination of their plans and outcome goals, and in the selection of service providers, the provider market must evolve to be the best value for money for participant packages
14	Provide information on your view of the observation made in the second quarterly report to the Ministerial Council of Australian Governments Disability Reform Council that the distribution of Scheme participants by cost is 'a much more relevant' measure than annualised package average (page 16).	I reaffirm the views I have expressed in my reports. See also answer to question 10 above.
15	Provide any comment you may have on whether the number and cost of participants in each of the nine 'Functional Groups' is as you expected (see page 16 of second quarterly report).	Based on the early data, there appear to be fewer than expected participants in the lower severity functional groups. It is possible that many of these participants were not receiving services under the previous National Disability Agreement, and so have not been targeted by the phasing arrangements in the agreements. Based on previous survey and census data there are certainly more people in the community with a disability than have applied for participant status. It is very important for the financial sustainability of the NDIS that strong community support allows these people to achieve positive outcomes using community and mainstream support. I also note that because these lower severity functional groups have relatively very small average package cost, their omission from the scheme makes little difference to the overall estimated aggregate cost.
16	Do you have any comment on PricewaterhouseCoopers' research which shows that by 2025, the cost of doing nothing (i.e: business as usual) would exceed the cost of the NDIS?	I am familiar with this research. My understanding is that the projections of "doing nothing" were based on a range of possible assumptions and scenarios of future experience determined from the rate of cost escalation of disability services from the late 1990s until about 2010. The underlying cause of this cost escalation was the chronic breakdown of informal family support as ageing carers became unable to continue with their support - the resulting

		<p>“crisis situations” led to a shortfall in funding for necessary early intervention for other people with a disability. The combination of these two forces resulted in increasing cost and a diminishing coverage of emerging disability. The veracity of these projections would depend on which of these assumptions would have emerged in the absence of the NDIS.</p> <p>However it is certainly the case that based on these projections, the NSW government has injected a significant amount of money into the previous state disability system under the Stronger Together program. This funding injection has increased the number of people with disability receiving support and reduced the number of high cost crisis situations.</p>
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Appendix 5

Answers to questions on notice provided by state governments and other agencies

Department of Family and Community Services, Ageing Disability and Home
Care, NSW

Questions Taken on Notice from Public Hearings in Newcastle, 6 May 2014

Pricing issues for service providers

Question

1. What has ADHC done, both in strategic and practical terms, to help service providers in Hunter and in the State more broadly to prepare for a fee for service model ?(see page 15 of transcript, 6 May)

Answer

ADHC is continuing to focus on strategies that support and build on the capacity and readiness of the NGO sector to operate within the changing environment of a fee for service model under the National Disability Insurance Scheme (NDIS).

In June 2013, Ageing, Disability and Home Care (ADHC) entered into a memorandum of understanding with the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) to conduct three projects funded through the DisabilityCare Australia Sector Development Grants that focus on preparing the sector for transitioning to a fee for service model under the NDIS:

- The Unit Costing Tool Project will develop online resources to support disability NGOs to develop their unit costing capabilities so they can accurately calculate the cost of their services for the people they support. This project considers the existing Unit Costing Tools currently available, including the one developed by ADHC in 2008.
- The Cash Flow Analysis Project will explore how NGOs can respond to cash flow issues. The project will develop and pilot a set of resources to support disability NGOs to manage and maintain healthy cash flows.
- The NGO Loan Financing Project will investigate the potential role of loans in the ADHC funded NGO sector and develop resources that support ADHC funded NGOs to explore financing options and inform future investment decisions.

Additionally the NSW Government is making a significant investment to ensure that non-government disability service providers have the right skills and capacities to successfully transition to the NDIS. To achieve this goal, the Government continues to work in partnership with the industry peak group, National Disability Services (NDS), in administering the \$17 million Industry Development Fund.

ADHC, in partnership with NDS, has developed the Sector Reform Roadmap and Toolkit to assist NGOs to assess their NDIS readiness. Through using the toolkit and

having face to face discussions with NDS Sector Support Consultants, NGOs are able to identify possible areas of development such as business strategy, governance and financial sustainability. To date, the Sector Support Consultants have visited over 541 NGOs, including all service providers in the Hunter launch site.

ADHC, in partnership with NDS, has also developed and released the web-based Productivity Tool. The tool enables organisations to monitor cost drivers and identify strategies for reducing administrative overheads and benchmarking across the sector for back of house services.

The \$2.8M Organisation Transition Fund enables disability services to apply for grants (up to \$25,000 per NGO or up to \$125,000 for collaborative projects) to extend their capacity and readiness to offer flexible and high quality services in a NDIS fee for service environment. The first and second round of applications is targeted at disability services in the Hunter launch site. Subsequent funding rounds will be open to providers outside the Hunter and will commence from July 2014.

Question

2. The committee notes the difficulties that exist for the state government in assessing the real impact of pricing models for providers without the provision of more data.

What is ADHC doing in partnership with the NDIA to gain access to this data and undertake modelling to ensure these costs are better reflected in the pricing of services?

Answer

ADHC has worked with the NDIA and the Commonwealth Government in the past to identify unit costs for specific providers and services. However, accessing the real impact of pricing models for providers requires a substantial amount of detailed cost data, which the majority of providers may not have. It is also important to note that the disability service market is a dynamic and complex market where services are tailored to specific individual needs. Hence, a wide-ranging spectrum of unit costs exists across extensive cohorts of services, regions and populations.

ADHC received \$245,000 NDIA funding through the Sector Development Grants program to develop online unit costing resources for disability non-government organisations. The online resources will enable organisations to develop their unit costing capabilities so that they can accurately calculate the cost of their services.

In addition to this, NSW has funded through the Industry Development Fund a Productivity Tool. This tool assist providers to cost their back of office functions and thus get an understanding of their business operation costs. Used in conjunction with unit costing tools this provides business direction in a person centred market.

NDIA is developing relationships with service providers nation-wide and is best placed to develop and test pricing models with those service providers. ADHC is working closely with providers to transition to the new NDIS environment.

Discussions on next stage of rollout and cost implications of any delays

Question

3. What discussions has ADHC had with Commonwealth Government in terms of preparing the next phases of the rollout of the scheme over the next 18 months? What methods and/or criteria is ADHC using to determine the options for future trial sites in New South Wales? When does ADHC expect to finalise any decisions on future trial sites? Could you provide the committee with modelling information on the likely financial impact of a delay to the phasing timetable?

Answer

The NSW Hunter trial site runs for three years across the Local Government Areas of Newcastle, Lake Macquarie and Maitland. The trial is currently in the final stages of its first year where people from the Newcastle LGA are transitioning to the NDIS.

The second year of the trial will see the NDIS available to residents of Lake Macquarie transitioning, and NSW and the Commonwealth have agreed in-principle to the detailed phasing arrangements for this year.

Arrangements for Maitland will be confirmed closer to 2015-16, to ensure that client numbers are accurate and to incorporate lessons from the first two years of the trial.

With respect to the state-wide rollout of the NDIS from July 2016 to June 2018, NSW is preparing to negotiate with the Commonwealth the parameters for this rollout, including modelling options.

NSW has sought to begin discussions with the Commonwealth about full scheme implementation of the NDIS. Commonwealth officials have agreed to commence discussions to canvass the key issues requiring agreement for the full scheme implementation of the NDIS.

The NSW Heads of Agreement states that the transition to the full scheme will occur by 1 July 2018 and NSW does not support a delay past this date. Decisions around how the remainder of NSW will transition need to be agreed bilaterally and as soon as possible. A more detailed phasing arrangement for the state-wide rollout of the NDIS will be available once the phasing parameters are agreed bilaterally between NSW and the Commonwealth.

Tier 2 and full scheme rollout

Question

4. The committee has particular concerns in relation to the States' provision of Tier 2 services under full scheme rollout, especially when the Hunter trial site has the highest rejection rate for the NDIS of 14.7 percent of all applications to date. The committee understands that the NSW Government will not be funding or providing specialist disability services or basic community care after 2018-2019.

a. Can ADHC provide the committee with a statement in relation to the New South Wales Government's position on the administration, funding and delivery of Tier 2 supports under full scheme rollout after 2018-19? Will ADHC have any responsibility for people with disability who are excluded from the NDIA, but still have the need for certain programs and supports such as Ability Links?

Answer

Under the Heads of Agreement reached between the Commonwealth and NSW Governments, NSW will contribute to the Scheme all funding available for specialist and other disability services and supports, including the Ability Links program and other Tier 2 services in place in NSW. NSW expects Tier 2 services to be delivered under the NDIS through administrative arrangements within the NDIA.

Ensuring that people who do not receive an individual funding package receive the supports they need to socially and economically participate is an integral part of the NDIS.

Following full scheme NDIS rollout, NSW will not provide any residual specialist disability or basic community care services. NSW will, however, continue to meet its agreed responsibilities under the National Disability Strategy.

Question

b. Does ADHC have any plans to develop alternative options with the non-government sector for the provision of disability supports post-2018?

Answer

As above, following full scheme NDIS rollout, NSW will not provide any residual specialist disability or basic community care services. NSW will, however, continue to meet its agreed responsibilities under the National Disability Strategy.

Question

c. Can you provide the committee with those Tier 2 services that are currently funded within the existing specialist disability program? What will happen at full scheme to these services?

Answer

Currently the arrangements for NDIS full scheme, including the design of Tier 2, are yet to be agreed by all jurisdictions. NSW will finalise Tier 2 service arrangements once national policy agreement has been reached, noting that the NSW contribution to a full scheme as per the Heads of Agreement, NDIS includes all existing funding for disability specialist services, including those that may be considered to be Tier 2.

A number of programs currently funded in NSW are being considered as to how they align with the supports that will not be included in funded packages.

The National Minimum Data Set (NMDS) codes that are being considered include:

- 2.07 Other Community Support
- 6.01.01 Boarding House Resident Support, Advocacy, Individual Advocacy
- 6.02.01 Family Support Places & Intervention – Early Intervention, Information/Referral
- 7.02 Training and Development
- 7.04 Other Support Services
- 7.04 Other Support Services, Ability Links NSW
- 10.20.01 Aboriginal Access/Development Officer, Non Output Services

NSW will continue to map current programs against the national policy work being considered across jurisdictions.

Question

d. What will happen to Tier 2 LACs, Ability Links, after July 2018?

Answer

Ability Links will transition to the NDIS as part of the NSW contribution to the full scheme rollout. The details of how this transition will be implemented are the subject of current bilateral negotiations between NSW and the Commonwealth. Ability Links will be evaluated to inform its fit within a national Tier 2 model.

Question

e. What discussions has the NSW Government had with the Commonwealth Government and other State Governments about a nationally consistent approach to the administration, funding and delivery of Tier 2 services?

Answer

Tier 2 is an identified work item on the Disability Policy Group's (DPG) work plan, recognising its importance to the overall effectiveness and sustainability of the NDIS. All jurisdictions participate on the DPG and on the subsequent decision-making bodies – Senior Officials Working Group (SOWG) and COAG's Disability Reform

Council (DRC). Tier 2 discussions are focused on determining a national approach to these supports, in line with the standing of the NDIS as one nationally consistent scheme.

Accommodation and building of group homes

Question

5. The committee notes that there is considerable concern among disability groups with the NSW Government's contribution to housing and accommodation for people with disability. ADHC told the committee that under the bilateral agreement, the State Government will be contributing \$550 million over three years and a further \$35 million over four years during the trial phase. However, this contribution did not relate to capital. ADHC told the committee that there is an intention to review the budget through the trial to determine the capacity for the state to cash out the group home and large residential services.

a. Can you elaborate on this position? Is it the current intention of the NSW Government to cash out the group home and large residential services that it currently operates?

Answer

ADHC is working with the NDIS to facilitate the transition of people living in Group Home and Large Residential Centre (LRC) to the NDIS. For the period of trial, from the time individuals have a plan with the NDIS, they can continue their current support arrangements, or they can elect to receive other support arrangements.

ADHC is committed to its LRC redevelopment program, which aims to provide LRC residents with access to contemporary accommodation options.

From July 2018, with the full implementation of NDIS across NSW, ADHC will no longer directly provide or fund disability services. This means ADHC will no longer own or operate any group homes and LRCs. However, in a full Scheme environment, it is the expectation that the funding related to the operation of group homes and LRCs will form part of the \$3.1 billion contribution from NSW to the NDIA to fund client supports, as identified in the Heads of Agreement between the Commonwealth and NSW Governments.

Question

b. How are the issues relating to the cost of capital being resolved with the NDIA?

Answer

With respect to the cost of capital, NSW is considering how cost of capital will be addressed in both trial full scheme scenarios. NSW expects that the cost of capital will be met through the allocation of individual packages as defined with in the NDIS rule, and will include rental subsidies to enable service providers to utilise facilities within the private rental market, as well as capital regeneration, and new supply for specialist accommodation associated with 24/7 service provision.

NSW is also in discussion with the Commonwealth (DSS and NDIA) to ensure there is a sustainable way forward to meet the ongoing demand of capital investments for disability services in NSW. NSW will be proposing a model for the treatment of the cost of capital to inform the national discussions.

Question

6. The committee has heard evidence that 'some' of the alternative accommodation has been budgeted for to support the state government's commitment to deinstitutionalise its large residential centres (p. 21).

Can you explain what this means in practical terms and whether the state government will continue to fund the building of supported accommodation – such as group homes – for the 450 people with disability currently living in Hunter residences? (p.23)

Answer

The State Government has funded the following to de institutionalise its LRCs:

- The full redevelopment of Riverside (\$30 million) due for completion in 2015
- The full redevelopment of the Metro Residences at Rydalmere and Westmead (\$160 million) due for completion in 2015
- Initial funding for the Hunter Residences at Stockton, Morisset and Tomaree (\$30 million).

The NSW Government is committed to the devolution of large residential centres by June 2018. ADHC has developed a business care for the redevelopment of the Stockton Centre while it is being considered by the Government. The budget for the devolution of Hunter Residences is yet to be determined. The NSW Government announced \$30 Million for 2014/15 towards land acquisition.

Young people in aged care facilities

Question

7. The committee took evidence that there are a number of people living in a state funded aged-care home in Wallsend. As part of the agreement with the Commonwealth Government on the transfer of responsibility of aged care to the Commonwealth, what is the NSW Government's position on what will happen to those young people, who may or may not want to stay in the Wallsend home? What role is the State Government going to play in helping those people find alternative accommodation? (p.23)

Answer

The NSW Younger People in Residential Aged Care (YPIRAC) Program is funded jointly by the Commonwealth and State governments to allow people under 50 to move out of residential aged care services. The program has 121 accommodation places. For people who wish to remain in nursing homes, the program can provide 'in-reach' services for additional therapy and recreational activities. The program previously provided support to 9 younger residents with disability at Wallsend Aged Care Facility. 8 of those 9 YPIRAC program participants have since transitioned to the National Disability Insurance Scheme (NDIS).

The remaining client has commenced the planning phase with the National Disability Insurance Agency (NDIA), and it is anticipated that this plan will be completed in the very near future.

As the Wallsend Aged Care Facility is within the NDIS Hunter launch site the younger people residing in that facility will become clients of the NDIA and ADHC will no longer provide their supports. The facility is largely occupied by older people (it has 98 beds in total, including 24 secure dementia beds) and will continue to provide services to them.

The YPIRAC program is writing to those previously supported through the YPIRAC program to advise them that all future supports will come through the NDIA. State funding associated with YPIRAC is part of the NSW contribution to the trial in the Hunter.

The FACS local district staff is working with the NDIA to help the people who have transferred to the NDIA to find appropriate accommodation.

Question

8. There will be some residents of the Stockton Centre who will not be eligible for the NDIS given they are already over the age of 65.

a. What accommodation options will these people have?

Answer

People aged over 65 will be offered the same 24-hour supported accommodation options that all other residents will be offered. Primarily this will be group accommodation in domestic scale housing with up to four other compatible people. In a limited number of cases, for people with specialised needs group homes may be constructed in groups of two, three or four together. Specialised needs can include people who require support for high dependency aged care needs. Only where appropriate, and with consent, people may be ACAT assessed for entry into residential aged care.

With regard to other supports for people aged over 65 who are not eligible for the NDIS, they will receive supports under continuity of support arrangements funded by the Commonwealth Government.

Question

b. More broadly, can you provide details of the discussions that ADHC has had with the Commonwealth Government that will ensure continuity of care for people over the age of 65 who are currently receiving ADHC services?

Answer

The Intergovernmental Agreement for the NDIS Trial stipulates that continuity of support will be provided to people with disability currently receiving services to ensure that they are not disadvantaged in the transition to the NDIS. This continuity of support extends to those who are over the age of 65 currently accessing supports, who will not be eligible for the NDIS in the Hunter trial site.

Continuity of support is being monitored by the NDIA, Commonwealth and NSW to ensure that no person is disadvantaged by the rollout of the NDIS. NSW expects that management of continuity of supports for people over the age of 65 will be managed by the NDIA within the context of the Commonwealth responsibilities for people in that age group. Administration mechanisms for other continuity of support clients is yet to be determined. NSW considers this to be a matter of the utmost urgency to ensure that people are not disadvantaged as a result of these changes.

Workforce Training

Question

9. Can you provide the committee with detailed statement of the NSW Government's plans in relation to workforce training and staff development in the disability sector? In particular, what courses are currently available for those seeking entry to the sector and looking to update their skills? Are these courses state funded? What is the capacity of RTOs to provide the courses that will be needed to add to the stock of qualified staff in the State's disability sector? Are new training packages required to be developed? If so, how long would it take to have these operational? In terms of ADHC's negotiations with the Commonwealth government on these matters, what federal agencies have been involved and what has been the nature of the discussions to date (page 25)?

Answer

The shift towards a person-centred system under the NDIS will result in significant changes to the disability workforce. ADHC is working in partnership with National Disability Services (NDS) to prepare the sector for a new service environment by delivering initiatives that support the changing training and development needs of the sector.

Under the Industrial Relations and Workforce Development Strategy, NDS is leading the development of a Career Planning and Capability Framework for the disability workforce. The Framework will deliver industry endorsed career and educational development pathways for employees within the sector and those looking to enter the disability workforce. The Framework aims to provide the disability sector with a clear and consistent capability framework to cover the broad range of available roles. By understanding the specific capability levels of its employees, employers will be able to deploy targeted training to meet the ongoing development needs of its workforce and meet specific needs of clients. It is anticipated that the Framework will be finalised late 2014 and direct linkages will be made between the Framework and NDS's Workforce Recruitment Strategy 'carecareers' initiative.

Carecareers is an online workforce recruitment service and marketing initiative for the NSW disability sector which is funded by ADHC and managed by NDS. The Capability Framework will be hosted on the carecareers website, which will be a central information repository to assist employees, employers and those individuals who are looking to enter the workforce plan their career within the disability sector.

The specialist disability sector offers a diverse range of job roles, qualifications and employment pathways. Job roles range from entry level positions, which offer on-the-job training, through to senior management and allied health roles that may require tertiary qualifications. At present, there are no mandatory training requirements for

the disability sector and Peaks, professional bodies and individual organisations are responsible for determining the training and development requirements for each role within the sector.

Under the Australian Qualifications Framework, frontline qualifications in the disability sector are delivered through the national vocational education and training (VET) sector. The VET sector offers qualifications up to eight levels, from Certificate I to Vocational Graduate Diploma. The 'Community Services Training Package' contains the four main qualifications that are relevant to roles in the disability sector:

The development of the Allied Health workforce has also been an area of focus in preparing the sector for the roll out the NDIS. Within the Department of Family and Community Services, the Clinical Innovation and Governance (CIG) unit is responsible for the development of the Allied Health workforce. In preparing to respond to a changing service system, allied health workforce development has focused upon:

- Further developing communities of practice across the sector to establish networks of support and access to resources;
- Strengthening links across the sector, and with the National Disability Insurance Agency (NDIA), to determine how the range of functions currently provided by the CIG will be delivered in the future; and
- Forging relationship with organisations such as NDS, Medicare locals and Allied Health Professionals Associations; and
- Facilitating discussion between CIG and universities to determine the most effective ways to provide student placements, professional development opportunities and supervision.

CIG continues to have ongoing discussions with the NDIA and within FACS in regards to planning a way forward to ensure ongoing clinical governance and leadership following the roll out of the NDIS.

Facilitating Access to the building code

Question

10. The committee heard in Geelong that some people wanting to participate and invest capital in a group home are unable to do so because of regulatory restrictions (Geelong, 14 April 2014, pp 23-24?). There are also constraints around boarding house requirements which are further restricting options.

• Can you consider the evidence put to the committee by Ms Krystyna Croft in Geelong on 14 April 2014 (pp 23-24)? Can you comment on this matter and whether you are aware of any such building restrictions imposed by the national building code in relation to building accommodation for people with disabilities in NSW? Is ADHC

aware of similar issues facing people with disability in NSW who are looking to pool costs for group home accommodation?

• If so, can you comment on Ms Croft's suggestion (p. 23, 14 April) that there is a need for 'a conversation between all tiers of government and housing associations to resolve these problems'?

Answer

The NSW government agrees that it is important that all tiers of government work together to resolve accommodation problems and is working across its agencies and with local government to ensure that appropriate accommodation can be economically provided for people who seek specialist accommodation services.

The specific matter raised in Geelong relates to the need in Victoria to provide fire sprinklers in certain types of group accommodation services.

NSW planning law accommodates group homes and boarding houses with the building code requirements based on the risks to occupants. While NSW doesn't currently have general requirements for sprinklers in group accommodation services, ADHC is installing sprinklers in all group homes that it operates in recognition of the potential risk to life presented by an outbreak of fire.

Generally premises have to comply with building code requirements based on the size and type of occupancy. In NSW this includes fire separation construction and the use of smoke detectors. The code requirements are continually under review by planning authorities and are adjusted from time to time in line with assessed risk.

In NSW there are general requirements related to the application of Universal Design Principles which apply to all funded assets. Specific community housing developments currently underway in NSW to build accommodation for family governance arrangements have led to issues being raised by some family members regarding aspects of the application of these principles. However, this has not prevented the developments from proceeding. These developments have been funded through government grants. This approach has been more appropriate than a shared equity arrangement.

Continuity of supports

Question

11. The committee has heard evidence of two families previously receiving packages from the NSW Government in the order of \$135,000 each and then now receiving a funded plan from the NDIA for \$45,000. Can you consider this evidence given to the committee on 5 May in Newcastle and advise the committee of any discussions it has had on these matters with the NDIA?

Answer

Due to the lack of specific details as to who the individuals are, ADHC would welcome the opportunity to review individual matters or examples where NDIS participants believe they are receiving fewer services or supports under the NDIA than they were receiving under a state-based system.

Regarding this particular matter, outcomes of discussions with Hunter NDIA and ADHC district staff have both agencies stating that they are unaware of anyone whose package has been reduced by this amount, or any other large amount. It is NSW understanding from information provided by the NDIA that delays in the activation of plans and technical considerations of how plan data is captured at point in time could contribute to the perception of a 'gap' in the dollar value of planned supports.

ADHC staff are of the view that if the person was known to ADHC, then the matter would be brought to their attention in order for the individual to get assistance in raising the issue with the NDIA.

Numbers in phasing

Question

12. There have already been 237 new entrants to the scheme with a further 800 expected next year, increasing to approximately 2,300 the following year.

What work is the state government undertaking in partnership with the Scheme Actuary to identify the needs of the sector, particularly the number of new staff that will be needed?

Answer

The NSW Government is undertaking a number of programs aimed at increasing and strengthening the market capacity within the disability sector and its workforce.

The NSW Government provided \$17 million to National Disability Services to set up an Industry Development Fund (IDF) with the sole purpose of directing investment to initiatives that support the transition of the industry to an integrated, efficient, innovative, robust and responsive service system for people with disability, their families and carers. The IDF funded Sector Support Consultant team is identifying the needs of the sector through conducting face to face meetings with all ADHC funded organisations in NSW to discuss organisational readiness for transition to the

NDIS. As of April 2014, 620 organisations had been visited, including all organisations in the Hunter launch site. Through the IDF, the government is committed to supporting the disability sector and helping drive the transition to an NDIS.

In addition to the IDF, the NSW Government has established a \$2.8 million Organisation Transition Fund that is providing transition support grants for individual disability organisations preparing to transition to the NDIS.

The NSW Government recognises the importance of a diverse and sustainable non-government organisation workforce and is committed to providing training and skilled opportunities for individuals to enter and pursue meaningful careers in the sector.

The Workforce Recruitment Strategy aims to attract new employees to the care sector and is targeted at three primary groups within the community: parents returning to work, education leavers and career changers. It also targets potential employees in Aboriginal and Culturally and Linguistically Diverse communities.

The objectives of the Workforce Recruitment Strategy are to raise the profile of the disability and community care sectors, increase the size of the workforce available to the sectors and to attract the right types of workers to deliver quality services.

Carecareers combines a staffed careers centre and an internet based recruitment portal with multimedia marketing to provide a unique attraction and recruitment program for not-for-profit non-government disability and community care organisations in New South Wales. This portal is dedicated to community care and disability services recruitment.

ProjectABLE which began in March 2010, is a work experience and training scheme aimed at students in secondary schools and university-allied health programs. It is designed to inspire students to engage in an experiential program with a service provider and ultimately attract more young people into the sector.

The NSW government is also working closely with the Public Sector Association (PSA) and all unions to ensure ADHC employees are supported as transition to the NDIS takes place, giving them opportunities in the expanding disability support workforce.

No disadvantage test

Question

13. Can you explain what processes or checks are used to ensure that people are not missing out on services they were previously receiving under state government funding, and thereby complying with the 'no disadvantage' rule? In particular, could

you comment on the claim that New Horizons was previously receiving a housing subsidy which is no longer being provided for a person who transitions to the NDIS?

Answer

Where participants raise issues with the content of their plan, ADHC liaises on a case-by-case basis with NDIA to resolve the matter. ADHC would welcome the opportunity to review individual matters or examples where NDIS participants believe they are receiving fewer services or supports under the NDIA than they were receiving under a state-based system.

In relation to New Horizons, it has been receiving funding under a program designed to provide an accommodation response to people with disability. As New Horizon's clients transition to the NDIS the organisation will no longer receive ADHC funding. But to ensure that people are not disadvantaged in the transition they will continue to receive supports to achieve intended outcomes. NSW considers the rental components of these supports to constitute an appropriate 'cost of capital'.

It is the expectation of ADHC that the discussions with the Commonwealth (DSS and NDIA) in relation to the treatment of cost of capital (referred to in Question 5) will address the ongoing demand for capital investments for disability services in NSW.

Question

b. Can you also respond to claims that massage therapy is no longer being funded for people with severe brain injury as a result of the transition?

Answer

With regard to the funding of massage services by the NDIA, it is ADHC's understanding that massage is not included in the NDIA catalogue of supports; however, reasonable and necessary supports that assist a person to live independently and reduce/minimise the need for more costly or intensive interventions/supports should be a feature of the scheme.

Victorian Department of Human Services, 19 June 2014

1. The committee has heard evidence from participants about where the responsibility for meeting the costs of different interventions might lie, such as for blister packs and the provision of therapies.

- How are you working with the NDIA and other federal agencies on the interface between health, education, disability, transport, child protection and other systems while ensuring continuity of supports?

Regarding interface issues, at the COAG meeting on 19 April 2013, all Australian Governments agreed:

- on a set of principles to be used to determine the funding and delivery responsibilities of the NDIS and other systems, including health, mental health, education, early childhood, child protection and transport.
- that the NDIS launch sites would provide the opportunity to review interactions between the NDIS and other service systems and consider any lessons arising out of the launch.
- the principles, and arrangements needed to operationalise them, would be reviewed through the process set out in Part 8 of the Intergovernmental Agreement for the NDIS Launch.
- based on this review and on the lessons from launch, the Standing Council on Disability Reform could advise COAG on amendments to the Applied Principles and 'tables of supports', in consultation with other Ministerial Councils as appropriate. The National Disability Insurance Agency (NDIA) Board could also report to the Standing Council and COAG on the operation and effectiveness of the interface with other service systems.

At its subsequent meetings on 13 December 2013 and 2 May 2014, COAG has noted progress in, and the lessons learnt, from the NDIS trials in NSW, Victoria, South Australia and Tasmania, including interface issues. At its last meeting on 2 May 2014, COAG agreed to list the NDIS as a standing agenda item for all of its meetings.

Regarding continuity of support, in general people who do not meet the NDIS access criteria but who were accessing a disability service prior to being assessed by the NDIA will continue to receive support consistent with their current arrangements, as agreed by all Governments in the Intergovernmental Agreement. The Barwon trial continuity of support arrangements are set out in Appendix E of Victoria's Bilateral Agreement with the Commonwealth.

- What specific actions have been taken with the NDIA and the Commonwealth to clarify and implement service delivery?

The Department of Human Services continues to closely work, at senior and working official levels, with the NDIA to ensure that all Victorian Government commitments, made at COAG and in the Intergovernmental and Bilateral Agreements are met.

As NDIS service delivery is the responsibility of the NDIA, this question would be more appropriately answered by the NDIA.

- What approach is taken to managing and resolving issues and conflicts regarding these responsibilities? How are the opportunities to resolve these conflicts communicated to the client? (p. 6, 7-8)

As above, this question would be more appropriately answered by the NDIA.

2. The Committee has heard examples of funding being withdrawn from services whose clients will not be eligible for the NDIS, such as the Geelong Mood Support Group.

- What specific actions is the department taking to identify those affected? What steps are being taken to ensure that funding does not cease for these organisations that are only in the trial site so as to meet the 'no-disadvantage' test embedded in the bilaterals?

Please see the response to question 1 above on continuity of support.

3. Following on from the above question, the department has acknowledged there is an argument in favour for continuing block fund to these services as they currently are (p. 6).

- What is the department's policy on Tier 2 funding both in the Barwon trial presently and upon commencement of full scheme, or alternatively?
- What measures have been taken to clarify and implement such a policy and to what timeframes?
- Have there been any formal announcements or direction provided in terms of the role of the state for the provision or funding of direct services upon commencement of full scheme? (p. 7)

Please see the responses provided to the Committee on 20 May 2014 (Question 1) and 4 June 2014 (Question 1) in relation to Tier 2 services and supports.

4. Could the department provide advice on what it is doing to address the concerns of people with individual support packages (ISP's) who have experienced delays in the transition to the NDIS and a reduction of services and flexibility compared to what was previously received?

- How has the department been working with the NDIA to remedy these problems? (p. 7)

Please see the response provided to the Committee on 4 June 2014 (Question 9) in relation to the streamlined access arrangements for the Barwon launch that apply to ISP holders.

5. People with an ISP have already been recognised by the state jurisdiction as having a considerable disability. The committee has heard some people are being subjected to a burdensome process of proving their disability again.

- Does the department have any suggestions for the way forward in ensuring the person is not required to prove their disability again in order to be accepted as a participant in the NDIS? (p. 11)

As above, please see the response provided to the Committee on 20 May 2014 (Question 9).

The committee has heard the department is taking steps to encourage a smoother process for the transition of clients from Colanda into the NDIS.

- Could the department confirm whether it is the Victorian government's current policy to close down this facility?

Please see the responses provided to the Committee on 20 May 2014 (Question 3) and 4 June 2014 (Question 3).

- What is the government doing to address the shortfall of supported accommodation in anticipation of the movement of people? Could the respond please also take into consideration the specific example of Kirrily Hayward? (Geelong hearing, 14 April, p. 21 – 23), a young woman who is currently residing in an aged care facility due to a lack of available supported accommodation (p. 9).

Please see the response provided to the Committee on 4 June 2014 (Question 4).

As Kirrily Hayward is a participant in the NDIS Barwon trial, details of her services and supports are more appropriately directed to the NDIA.

7. In addition, could the department comment on the challenges faced by families who are attempting to combine resources and establish a group home for their children, such as the intersection with workplace health and safety legislation and the requirement of an internal sprinkler system under the building regulations?

- Where can such people go for assistance with this particular issue? Will there be a change in a requirement under the legislative instruments that deal with what is a workplace and appropriate health and safety issues which may now be impacting on roll out of carers in homes and the establishment of group homes? (p 7 – 9).

Please see the response provided to the Committee on 4 June 2014 (Question 5).

8. The committee has previously written to the department requesting an update on the upgrade of the railway station, as this was a commitment undertaken by the Victorian government.

- What progress has been made towards these upgrades and when is the expected completion date? (p. 7, 11)

Please see the response provided to the Committee on 20 May 2014 (Question 4) and 4 June 2014 (Question 2).

9. Has the department undertaken any analysis of how many new providers have come into the trial site and how many existing services may have diversified into servicing they were previously not undertaking? (p. 9 – 10)

Please see the response provided to the Committee on 4 June 2014 (Question 6).

10. The committee has heard evidence that a culture was present in former DHS staff who now work with the NDIA. Participants gave evidence that several of those staff appeared to have a less person-centred approach preferring an older more prescriptive approach that was in place prior to the NDIS.

- In addition to the Services Connect program that was briefly mentioned, what is the department doing to bring about a cultural change in the mindsets of staff to adapt a more person-centred approach to its interactions with clients? (p. 10)

The weight of evidence in the Hansard for the public hearings held in Geelong on 14 and 15 April 2014 appears to support the view that the department operated a person-centred and flexible approach to planning and decision-making. That is, several participants (or their parents/carers) told the Committee that the Department of Human Services' Individual Service Package (ISP) model was, in their experience, more person-centred and flexible than NDIS arrangements (for examples, see the statements made by Mr Stone, p.3, Ms Fear, p.6, Mr Francett, p.12 and Ms Knight, p.14 in the Hansard for the 14 April 2014 hearing).

The department has been offering individualised funding since the early 1990s, when the Victorian Government initiated major reform of the state's disability system.

The Victorian *Disability Act 2006* provides the legislative framework for the department and its funded service providers to deliver flexible support based on choice and a person's individual requirements.

Since 2002, successive *Victorian State Disability Plans* have been underpinned by the principle that people with disabilities should have choice and control over their supports and services.

In 2008, the department introduced the current form of individualised funding known as 'Individual Support Packages' or 'ISPs', which are based on a self-directed approach comprising:

- self-directed planning
- self-directed funding
- self-directed support.

Since the introduction of individualised funding models, the department has provided relevant training and support to service delivery staff on the legal, funding and operational framework, as well as the person-centred, self-directed philosophy underpinning it.

The department's *Disability Services ISP Guidelines* and accompanying *Information Sheets* and *Practice Advices* (available at <http://www.dhs.vic.gov.au/about-the-department/documents-and-resources/policies,-guidelines-and-legislation/individual-support-package-guidelines-and-information>) are the key reference and training documents for departmental staff and disability service providers involved in the administration and delivery of ISPs.

I consider that the department has been successful in instilling within staff a culture that supports individualised and person-centred approaches. The Victorian Auditor-General concluded in his report, *Individualised Funding for Disability Services*, dated 14 September 2011 (available at <http://www.audit.vic.gov.au/publications/20110914-Disability-Funding/20110914-Disability-Funding.html#s12>) that:

Victoria is a leader in Australia in reforming disability services, with ISPs playing a prominent role. DHS is empowering people with disabilities by giving them greater control over their funds, services and providers. This promotes the dignity and independence of those in our community with disabilities.

11. Can you provide the committee with detailed information of the Victorian Government's own plans in relation to workforce training and staff development in the disability sector?

- In particular, what courses are currently available for those seeking entry to the sector and looking to update their skills? Are these courses state funded?
- What is the capacity of RTOs to provide the courses that will be needed to add to the stock of qualified staff in the State's disability sector?
- Are new training packages required? If so, how long would it take to have these operational?
- In terms of Victorian Government's negotiations with the Commonwealth Government on these matters, what federal agencies have been involved and what has been the nature of the discussions to date?
- Can you include dollar amounts set aside towards this from the state or elsewhere? (p. 13).

Please see the response provided to the Committee on 4 June 2014 (Question 8).

12. The committee has heard evidence there is a sense of inequity and inflexibility in respite options available.

- What discussions have the department had with the NDIA in improving access to respite? How is the department working in partnership with the NDIA in facilitating access to respite? (p. 10 – 11)

As the delivery of services and supports under the NDIS is the responsibility of the NDIA, this question would be more appropriately answered by the NDIA.

13. The committee has heard evidence from participants and providers about issues with the new taxi system for participants in the NDIS, many indicated that the system prior to the introduction of the NDIS worked efficiently.

- Can the department comment on why a new system was introduced for the NDIA?
- Does the department have any suggestions for improving the current arrangements in place with the NDIA to address the significant challenges mentioned? (p. 11)

Please see the response provided to the Committee on 4 June 2014 (Question 10) in relation to the Victorian Government's Multi-Purpose Taxi Program.

As above, this question is more appropriately answered by the NDIA.

Received 14 July 2014

- a) More detailed information about the Services Connect program (Ms Congleton, Committee Hansard, Geelong 15 April p. 3) currently being trialled in the Barwon area

Services Connect - overview

Services Connect is the model for integrated human services in Victoria. It is designed to connect people with the right support, address the whole range of their needs and help people to build their strengths and capabilities to improve their lives.

Services Connect reflects a move from the current program-based approaches to human services delivery to a more integrated, effective and sustainable human services system in Victoria.

Over time Services Connect aims to improve:

- How people access information and services;
- How a person's range of needs are identified;
- How support and services for people are planned; and
- How services are delivered to improve people's lives.

The Services Connect model focuses on providing integrated, coordinated support and improving outcomes in people's lives. It tailors services to the unique needs, goals and aspirations of each client and their family, with an emphasis on building their strengths and capabilities to move out of disadvantage.

Key elements of the Services Connect Client Support model include:

- One key worker who is the primary support worker and plans, coordinates and delivers services for a client and their family to meet their needs and goals;
- One needs identification where comprehensive information is collected so that people don't need to keep telling their story;
- One plan that helps people progress towards their goals and aspirations and covers all of the services they receive; and
- One client record instead of multiple records held by different services.

Since 2012, DHS has been testing the Services Connect client support model at lead sites in Geelong, South West Coast and Dandenong. New sites were established in Preston and Shepparton in 2013 and four new sites are currently being developed in Glenroy, Box Hill, Wondonga and Bendigo.

The next phase of Services Connect includes an Advertised Call for Submissions for groups of non-government service providers to form partnerships to continue testing, refining and further developing the Services Connect model. Up to eight Partnerships will be established across Victoria in 2014.

More details about Services Connect are available at www.servicesconnect.vic.gov.au.

Services Connect trial and NDIS trial in Barwon

As agreed between the Victorian and Commonwealth Governments under section 11 of the Bilateral Agreement, part of Victoria's in-kind contribution to the NDIS Barwon trial is its current *complex case management* services. This includes case management services being delivered by DHS through the Services Connect lead site in the region.

DHS and the National Disability Insurance Agency (NDIA) have agreed operational arrangements for managing DHS in-kind provision of complex case management to NDIS Barwon trial participants. In summary, the NDIA planner will (at the planning and assessment stage) determine whether the participant will require complex case management. If so, the NDIA will make an appropriate referral to DHS. The department will (usually within a week or sooner if the matter is urgent) assess the referral and decide on the participant's suitability for allocation to a Services Connect key worker or a disability case manager. This decision is then communicated by DHS to the NDIA.

- b) Details of any other Victorian government staff such as specialist case managers etc) employed to work with the NDIA in rolling out the scheme. Provide numbers and a framework for how they sit alongside the NDIA if possible.

The answer provided in a) addresses most of question b). There are approximately 11 DHS case managers and key workers providing services to NDIS participants.

- c) Does the department expect these services/arrangements to continue beyond the trial into full scheme?

Arrangements for the full scheme of the NDIS are yet to be agreed by the Commonwealth and States and Territories.

Department of Health and Human Services, Tasmania

Question 1- Sector Readiness:

- A. Can the Department outline what assistance is currently provided to the sector and what assistance it intends on providing at full scheme.**

The State Implementation Team (NDIS)

The Commonwealth provided \$2.523 million to Tasmania over four years to establish and support the work of a State Implementation Team (SIT).

This funding is for a team of four people employed by Disability and Community Services to work with the NDIS trial to support the transition to trial as well as the engagement of appropriate consultants to support the work of the State team.

Some of the objectives of the Tasmanian Implementation Project being undertaken by the SIT will be to:

- Ensure the disability sector and those people who are not in the launch cohort continue to receive and provide services within the existing service systems during the launch period.
- Develop a communication strategy that informs people with disability their families and carers, the sector and mainstream services about the progress toward and potential impact of the implementation of NDIS.
- Work with NDIA and the Tasmanian disability sector to build capacity and develop sector to move to the full scheme in Tasmania.
- Assist service providers to operate within a “dual system” during the launch period, including the management of financial resources.
- Identify and address issues and concerns that may present as barriers for community sector organisations to the successful implementation of NDIS in Tasmania.
- Assist in establishing effective communication with mainstream providers to ensure the objectives of NDIS are met.
- Work with mainstream agencies to develop understandings of the roles and responsibilities, and identify boundary issues.
- Work with the relevant State and Australian Government officials to ensure safeguards and a quality standard framework is implemented with new and existing providers for the duration of the launch.

The ongoing support to full scheme and the ongoing role of the State Implementation Team is yet to be determined and is subject of discussions with the Minister and State Government and ongoing negotiation with the Australian Government.

Disability and Community Services - Workforce Development Unit

Disability and Community Services incorporates a Workforce and Development Unit (WDU) to support workforce development as a priority area to underpin policy directions and achieve reforms in the broader disability services system.

The WDU supports the policy directions and reforms through strategic leadership, planning and directions including coordination, consultancy and executive support for workforce development initiatives to support the sector workforce.

The key priorities for the WDU include:

- Working collaboratively with key sector stakeholders to enhance and/or build capacity for workforce development opportunities
- Support National and State key workforce policy directions and reforms
- Investigating opportunities to progress and support workforce planning and development activities through an independent web site
- Enhancing and value adding to existing workforce initiatives through the review of existing and proposed disability workforce activities

B. How does the work of Mission Australia and Baptcare interact with, and supplement this approach?

Mission Australia and Baptcare Inc are contracted by the Tasmanian Government Department of Health and Human Services (DHHS) to deliver a Gateway Service to the specialist disability services sector. This means that the primary responsibility of the Gateways Services is to provide an intake, assessment and referral role for people with disability, their families and carers and to assist people with disability to navigate the specialist disability service system.

The Gateway Services are not required to provide sector development activity, however the Gateway Services have played a role in assisting existing Disability Services clients within the cohort group to understand the NDIS and to make the transition to the NDIS.

C. In addition to the sector development fund, what additional steps are planned to help the sector prepare and build its capacity?

Community Sector Organisations are being supported to prepare and transition to the NDIS both at a national level through funding allocated by the Australian Government and through the State Government Implementation Team which is working with the National Disability Services Tasmanian (NDS) and have developed a targeted information, communications and engagement process for community sector organisations.

A Memorandum of Understanding (MOU) was signed (21.06.13) between Disability and Community Services and the National Disability Insurance Agency (NDIA) offering funding to the state to provide a number of sector development activities within the 2013/14 financial year.

The NDIA through the Tasmanian Government has contributed an additional \$115,000 funding in 2014/5 to continue the work of a Project Officer employed by NDS to support industry and workforce development in the sector.

The NDS (Tas), the Mental Health Council of Tasmania (MHCT) and Tasmanian Council of Social Services (TasCOSS) have worked cooperatively to suggest, promote and deliver sector development opportunities for providers that have been well supported.

Local level forums and activities are some of the initiatives that have occurred to assist and the sector to meet the changing demands to move from a social to a business based way of providing services required for the transition to the NDIS.

To date these activities have included:

- "Meet and greet" forums for providers to introduce services and discuss referral processes with NDIA staff. These sessions were on two occasions held across the three regions.

- Workshops for Providers – “Business disciplines in a changing disability marketplace”, provided by Sward Dawson-chartered accounts (Victoria). A total of six workshops were held in the north (3) and south (3) of the state.
- The Tasmanian Support Workers Conference was held in Hobart in November. The Conference was well supported with approximately 200 people in attendance.
- Two day workshops were held in the North West and North in October over two days with a focus on supporting people with disability to gain a “Better Life”. With further workshops held in Hobart in March 2014.
- The NDS nationally has developed a “NDIS Organisational Readiness Toolkit” to assist in preparing service providers for the NDIS. A project office is working with service providers to support and assist them to effectively prepare and plan to move into the way of service provision under the NDIS.

Further workshops and activities planned will target middle managers and support workers through providing opportunities to better understand change and develop strategies that optimise real choice and control for people with disability and develop services accordingly.

This workshop series explores a range of practical approaches for “Becoming a Person Centred Organisation”. “The Change Room – Championing Change” is a further workshop that will provide practical strategies for services to recognise and overcome barriers to change and move into a positive way of ensuring staff and families are committed to the change process.

A Conference will be held in Launceston in late October 2014. The primary focus of this conference is for support workers however it will encompass a target group of staff from across the broader human services sector and include levels above the support worker group.

It is clear the Tasmanian Disability Service Sector requires ongoing sector development to assist it to transition to a new marketised approach.

Question 2 - The committee has heard evidence regarding the limited supply of equipment, such as prosthetics, and the long wait times to access such equipment.

A. Does the Department have any strategies in place to deal with this issue including addressing what may be available to assist a person in the interim if equipment cannot be made available

In Tasmania, there are multiple schemes directed at different (and overlapping) client groups and providing a variety of standard and non-standard assistive equipment and technology and home maintenance for people with needs relating to ageing, disability or hospital discharge. Public funding for equipment is currently challenged.

Tasmanian Health Organisations (THOs), Disability Services (DS) within the Agency, and a small number of community organisations funded by both the state and Australian governments, are involved with the provision of assistive equipment and technology.

These services are not currently operating with one centralised policy, funding and governance model resulting in inequitable and inefficient service delivery across the state.

Systems and processes for the management of assets are poor and inconsistent across the state due to chronic under investment, patchy governance and outdated guidelines.

In 2009, the Steering Committee for the Strategic Framework for Equipment Provision project agreed to the development of a new service delivery platform and model.

On 21 February 2011, the Premier announced a new service model for the provision of equipment, and progress on implementing this program is being made.

The former State Government committed an investment of \$1 million per annum over four years to reform the current service provision and to provide additional funding for equipment and assistive technology. At a time when all budgets in health and human services are being reviewed and budget savings are required, investing in a system that will provide efficiencies and provide data to assist with meeting future demand is financially responsible.

The three foci for achieving the reform process are:

- the establishment of a single state-wide governance structure in order to create a single unified service with single vision and philosophy of service provision.
- the development of a suite of policies and operating procedures to govern the day to day operations of TasEquip and to ensure reforms are achieved equitably across the State,
- and the deployment of a state-wide asset management system to support reforms and to enable improved efficiencies and cost savings through more robust asset management processes and state-wide procurement practices.

The program is expected to be fully operational by December 2014. In the interim, any waiting lists are currently being managed with high priority clients being targeted for funding.

Question 3 - The committee has heard about unit pricing that the Tasmanian Government has developed for the outsourcing of disability services to the non-government sector

A. Can the department provide detailed information on how this pricing is applied to different disability services? and

Information regarding the application of Unit Pricing in Tasmania related to service type and various resources (including the prices) can be sourced from the Department of Health and Human Services Web site. The link is included below.

http://www.dhhs.tas.gov.au/disability/projects/resource_allocation_and_unit_pricing_framework_-_project_implementation_update

Built into the unit prices is an indirect component which covers items such as vehicle lease (in the context of supported accommodation – group homes).

Unit prices do not include a capital component for significant items (e.g. specialist vehicles, buildings).

The unit price for individual funding (based on an hour of support) does not include transport and travel times. The current individual funding program (ISPs) does not fund transport.

An extract from the Unit Pricing guidelines (Section 4) details the specifics used to calculate the unit price. The full Unit Pricing Guidelines document can be found through the website link.

“Calculations for each of the service types deemed suitable for a move to unit pricing are constructed on the basis of the observed labour cost across the sector. This observed labour cost includes amounts that reflect:

- *the varying level of staff (qualifications and experience) employed*

- the use of employment agency and/or casual staff (where applicable)
- shift penalties that account for the day (or time of day) that services are delivered
- senior staff time directed to clinical and staff supervision
- case management or service coordination time.

In addition to these observed labour costs standard uplifts for non-labour and overheads have been incorporated into the unit price and are expected to cover all expenses that are not considered direct labour or long term fixed capital costs, such as:

- travel
- training
- management expenses and corporate/facilities costs
- consumables.

The inclusion of representative allowances for all these key cost components is intended to reflect the true, total cost of contemporary service delivery.”

B. Could you also provide information on how transport and travel times are calculated into cost these units for both metropolitan and regional areas.

Public transport and travel times are not included as a separate unit price.

With the introduction of Unit Pricing, group homes were provided with an initial vehicle. The organisations are expected to cover the costs of maintenance, petrol and replacement vehicles, with the exception of wheelchair accessible vehicles. Organisations can apply to Disability and Community Services for financial assistance to purchase these more expensive vehicles.

Question 4 - The committee heard during its visits to the trial sites that accommodation funding and supply has been identified as a significant issue on a national level.

A. Can the department provide information on what it is doing to meet unmet housing demand?

Disability and Community Services has contributed to a national stocktake of innovative housing and accommodation options. Tasmania has nominated three models of housing that have demonstrated:

- connected communities;
- supporting productivity, security and sustainability;
- facilitating independence;
- built environment that is enabling; and
- involving people with disability in the process.

There are a number of projects currently being undertaken by Housing Tasmania, these include; the Housing in the Backyard, Mussen Close and Trinity Hill developments. All these initiatives were nominated as opportunities that have met Liveable Housing Design criteria and strengthened the range of options available to people with disability.

The proposed development in central Hobart at Trinity Hill will provide 10 units out of the 46 for people with disability.

Also 10 ground floor units in a tower complex nearby at Cornelian Bay – New Town are being upgraded to meet Liveable Housing Design Guidelines.

The State is also contributing \$500,000 towards an NRAS project to be delivered by a Northern provider, St Michaels, for 20 independent living units as well as \$3.1 million of capital and in-kind support for another NRAS project which will see a number of suitable units developed for people living with a disability out of the 120 to be delivered and managed by Centacare.

Despite these targeted efforts by Housing Tasmania demand for disability Housing is high and there are very limited Capital Funds to address this need.

B. How does the department view its responsibility to deliver supported accommodation?

Almost one third (3 543) of Tasmania's public housing tenants (13 088) are on a disability pension. Not all these people would be eligible for the NDIS.

Housing Tasmania currently has over 3 000 properties state-wide which have been modified or are easily capable of being modified to accommodate persons living with a disability.

People with a disability have a range of housing needs that include affordability, property location, size and modifications and support needs.

Sourcing sufficient appropriate housing will be a significant challenge for Tasmania. A key concern is the lack of capital funds to address accommodation issues.

The Tasmanian Gateway Services (Mission Australia and Baptcare Inc) maintain a needs register for all people with disability seeking supported accommodation and play an active role in identifying priority for any available vacancies in funded disability services.

Gateway Local Area Coordinators (LACs) also work with Housing Tasmania and community housing providers to identify independent living accommodation.

Tasmania's strained social and affordable housing system is likely to be stretched even further by the additional demand for suitable accommodation options.

However there is not sufficient information about the housing needs of disability clients.

To build an understanding of the current and future demand for disability housing, Housing Tasmania has agreed a two-stage process, using consultants, to inform the planning, development and funding decisions, and to improve the available information about the demand for housing assistance for Tasmanians living with disability.

The first stage is a housing demand and gap analysis for existing and prospective NDIS clients in Tasmania.

The second stage is a financial-based analysis and recommendations for a funding model and implementation methodology.

A final report from Ernst and Young is anticipated at the end of June 2014.

C. What is the present dollar figure that the state is contributing to supported accommodation?

The Disability and Community Services current 2013/14 budget identifies a budget of \$97.45 million allocated to Accommodation Support.

Disability Services fund accommodation for people with disability, as well as services that provide support to enable a person to remain in their existing accommodation or to move to more suitable or appropriate accommodation.

Tasmanian provides funding for three large residential facilities >20 places that are located in the North, North West and South of the state. Each facility provides 24-hour residential support in a congregate setting of more than 20 beds. A range of residential and vocational/date services, and or respite services are provided on the one site.

Group homes in Tasmania provide combined accommodation and community-based residential support to people in a residential setting. Usually no more than 6 people are located in any one house. Group homes are generally staffed 24 hours a day and the support varies according to the needs of the residents.

The accommodation provider is responsible for the overall tenancy arrangements of the property such as the lease, as well as the overall support of the people living in the house.

Additionally in-home and or programming services for people with disability to enable the person to live independently in the community can also be provided. Support is based on the individual goals and may include support with budgeting, cooking and shopping or other areas of skill development.

The person's accommodation may be privately owned, rented or otherwise provided, but is independent of the organisation providing the in-home support.

D. The committee is also interested in innovative ideas that are being developed as a result of the NDIS to deal with the accommodation shortage, particularly for those people with complex behaviour support needs.

The Intensive Support Service is a model of service developed to support a small group of clients who challenge the current service system.

Disability and Community Services funds community sector organisations to provide this service.

In order to meet the needs of people who challenge the current service system , the Intensive Support Service (ISS) model has been designed to provide:

- support of a higher intensity than that usually found in the current service system
- support that is 'non-standard' and individually tailored to more fully meet the needs of the client
- arrange of specific support environments, including transitional units, to more closely match a client's current situation
- Coordination of support across more than one program area.

Using these elements the ISS model is flexible and responsive in its supports of people with challenging behaviours. It is proactive and able to focus on providing resources to better support this client group.

Transitional units have been developed to provide an alternative accommodation options for people referred to ISS who are unable to remain living in their existing accommodation.

The transitional units are located in the South and North West of the state and referral to the transitional units can only occur as part of a support plan endorsed by the Disability Assessment and Advisory Team (DAAT).

Question 5 – Can you provide the committee with detailed information of the Tasmanian Government's own plans in relation to workforce training and staff development in the disability sector?

Disability and Community Services incorporates a Workforce and Development Unit (WDU) to support workforce development as a priority area to underpin policy directions and achieve reforms in the broader disability services system.

The WDU supports the policy directions and reforms through strategic leadership, planning and directions including coordination, consultancy and executive support for workforce development initiatives to support the sector workforce.

The key priorities for the WDU include:

- Working collaboratively with key sector stakeholders to enhance and/or build capacity for workforce development opportunities
 - Support National and State key workforce policy directions and reforms
 - Investigating opportunities to progress and support workforce planning and development activities through an independent web site
 - Enhancing and value adding to existing workforce initiatives through the review of existing and proposed disability workforce activities
- A. In particular, what courses are currently available for those seeking entry to the sector and looking to update their skills? Are these courses state funded?**

People seeking entry to employment in the disability services sector or looking to update skills can access training through the Community Services training package. This package is delivered through a number of Registered Training Organisations, including Tasmania's own provider, TasTAFE.

B. What is the capacity of RTOs to provide the courses that will be needed to add to the stock of qualified staff in the State's disability sector?

This work is being conducted at a National level through the Community Services and Health Industry Skills Council -
http://www.skills.tas.gov.au/employersindustry/industryresources/communityserviceshealth/E_Scan_2014_Survey_Results_Final_Report.pdf

C. Are new training packages required? If so, how long would it take to have these operational?

This work is being conducted at a National level through the Community Services and Health Industry Skills Council -
http://www.skills.tas.gov.au/employersindustry/industryresources/communityserviceshealth/E_Scan_2014_Survey_Results_Final_Report.pdf

D. In terms of Tasmanian Government's negotiations with the Commonwealth Government on these matters, what federal agencies have been involved and what has been the nature of the discussions to date?

The Commonwealth provided \$2.523 million to Tasmania over four years to establish and support the work of a State Implementation Team (SIT). This funding is for a team of four people employed by Disability and Community Services to work with the NDIS trial to support the transition to trial as well as the engagement of appropriate consultants to support the work of the State team.

The NDIA have engaged locally on workforce and training issues and have included in those discussions Tasmanian Government Department of Premier and Cabinet, Department of Health and Human Services and Skills Tasmania. At a National level NDIA engaged Department of Families, Housing Community Services and Indigenous Affairs (now Department of Social Services) and Department of Employment Education and Workforce Relations (now Department of Social Services). Relevant Unions were also engaged in the discussions at the time. This work is still to progress.

E. Can you include dollar amounts set aside towards this from the state or elsewhere?

Skills Tasmania has worked with National Disability Services Tas (NDS Tas) to develop an industry and skills workforce development strategy - [http://www.skills.tas.gov.au/employersindustry/workforceplans/Tasmanian-Disability-Industry-WFDSPlan_Final.pdf#Tasmanian Disability Industry Workforce Development Plan](http://www.skills.tas.gov.au/employersindustry/workforceplans/Tasmanian-Disability-Industry-WFDSPlan_Final.pdf#Tasmanian%20Disability%20Industry%20Workforce%20Development%20Plan). Disability and Community Services have funded NDS Tas in 2013-15 \$115 000 per year to employ a project officer in order to implement the plan.

The Tasmanian Government has committed \$250 000 to support the NDS Tasmanian Disability Workforce Development Plan.

Question 6 - In addition to workforce training issue (above), can the department provide information on training for the transition to work for people with disability?

Disability and Community Services have not formerly taken a funding role in transition to work programs for young people with disability, as this has traditionally been a funding responsibility of the Commonwealth.

Disability and Community Services had a small state-wide annual budget allocated to school leavers in transition from compulsory schooling to employment, education or training pathways. The funding aimed to support the persons specialist disability needs.

This program funding was transferred to the NDIS on 1 July 2013 and the NDIA Planners have worked with all school leavers to plan around the disability support requirements in transition.

The local NDIA have developed a pilot project for integrated pathway planning for students with disability on an employment pathway. The Tasmanian NDIA office will be able to provide detail about this project.

Question 7 - The committee has heard of instances where a participant is not implementing their plan because they do not understand how this is done.

Implementing a NDIS plan is the responsibility of the NDIA. Participants of the NDIS are able to access Local Area Coordinators contracted by the NDIA through the Tasmanian Gateway Services (Mission Australia and Baptcare Inc). Local Area Coordinators can assist participants, their families and carers to implement plans. If participants have particularly complex needs the NDIA have supported the funding of a complex care coordinator to assist in implementation.

For more detail on implementing plans this question should be directed to the NDIA.

The Hon Mal Brough MP
Committee Chair
Parliamentary Joint Standing Committee on
National Disability Insurance Scheme
PO BOX 6100
Parliament House
CANBERRA ACT 2600

By email: ndis.sen@aph.gov.au

23 June 2014

Dear Mr Brough

Insurance factors relating to carers for persons with a disability

The Insurance Council of Australia (ICA) is pleased to respond to the Australian Parliamentary Joint Standing Committee on the National Disability Insurance Scheme (the committee). We understand that certain insurance related questions were raised during your recent examination of the roll out of the National Disability Insurance Scheme (NDIS) trial sites across Australia. We represent general insurers who operate in a variety of personal injury schemes across Australia.

You have asked for our feedback on the following:

1. Are people who provide attendant care or personal support (carers) for a person with a disability covered by the public liability component of the person with a disability's home contents insurance policy?
2. Is there any insurance available for a carer who is employed to care for someone in the same house?

Please find attached some general information in relation to different types of insurance which may be applicable. We also include for ease of reference a table indicating the types of insurance which may be available in particular circumstances.

Question 1

A household public liability policy held by the person with a disability may not respond to injuries suffered by family members whether or not they are providing care services. Family members and people employed or contracted by the householder are often excluded from the policy as other insurance may apply.

Carers who provide care commercially as sole traders can take out public liability insurance to deal with any injury to the person with a disability caused by their negligence. They can also take out personal accident insurance to compensate them in the case that they suffer an injury. In these circumstances, it may be prudent for the carer to seek the advice of a specialist broker as to the types of insurance they may need.

Question 2

Please see the table below in relation to the types of insurance which may be available to a carer:

Insurance Available for	Employed Carer	Self – employed/contractor Carer	Family Member Carer
Injury to the Carer	Workers Compensation taken out by the employer to cover employees.	Personal Accident insurance taken out by the carer, Various Life insurance policies taken out by the carer such as income protection, total permanent disability, Health insurance.	Personal Accident insurance taken out by the carer, Various Life insurance policies taken out by the carer such as income protection, total permanent disability, Health insurance.

Conclusion

Though the provision of individual products is a commercial matter for each insurer, public liability and other commercial products are available in the marketplace. We suggest that in home family carers seek advice as to the potential insurance for their own risk of injury and risk of injury to others.

The ICA and our members are happy to work with the committee and provide their assistance on the range of issues raised during your inquiry.

Yours sincerely

Robert Whelan
Executive Director & CEO

Types of Insurance Policy

- **Public Liability Insurance** This insurance covers an individual or company policy holder in respect of their responsibility to other people who may be injured or their property damaged as a result of a negligent act by that policy holder. The term “other people” does not normally extend to the policy holder, members of their family or their employees. It also does not apply unless the policy holder has breached their duty of care to the individual injured or the other’s property damaged.
- **Personal Accident Insurance** This usually covers the individual directly if they suffer an accident or sickness which results in partial or total disablement in clearly defined circumstances or as a result of a number of listed events. If this occurs, they receive a benefit. These events are usually clearly set out in a table with the benefit amount and include death, broken bones and loss of sight.
- **Workers Compensation insurance** – this is a compulsory form of insurance which must be taken out by employers which covers the employer for the injuries suffered by their employees during the course of their employment. Depending on the provisions in each state and territory, the person with a disability may need to take out a domestic workers insurance policy in case of injury to the carer.¹
- **Professional Indemnity insurance** – this insurance is usually taken out by people or businesses that provide advice to others. It covers the responsibility of the policy holder if, through their negligent advice someone else is injured or another’s property is damaged.
- **Community and volunteering insurance products** - there are also various insurance schemes available to the not for profit sector. Two of these are provided by the NSW Council of Social Services (NCOSS) and Volunteering Australia.
 - NCOSS has an insurance product called “**NCOSS Community Cover**” which is underwritten by AON Risk Services. In addition, NCOSS provides a referral service to other providers of community sector insurance. NCOSS also runs an insurance program through which it provides education about insurance for community service providers.²
 - Volunteering Australia also has a special arrangement with AON Insurance and has developed the ‘**Volunteers Vital Pack**’, with no specified age limit, although there is a risk management requirement in relation to capacity to take direction.³

¹ Specific provisions can be obtained from the relevant WorkCover Authority in each state and territory.

² Information is available at the NCOSS website: <http://www.ncoss.org.au/content/category/9/156/172/>

³ Information is available at the Volunteering Australia website: <http://www.volunteeringaustralia.org/policy-and-best-practise/insurance/>