

## **Parliamentary Joint Standing Committee on the National Disability Insurance Scheme: Inquiry into Market Readiness for the National Disability Insurance Scheme**

### **Submission from Enable Western Australia Inc. February 2018**

Enable Western Australia Inc. thanks the Australian Parliament for the opportunity to provide some comments on this component of the implementation of the National Disability Insurance Scheme.

Enable is the largest disability support provider across the South West of WA with 550+ clients and 300+ staff. As a registered NDIS provider, Enable has participated in the NDIS “MyWay” later renamed WA NDIS trial and are in the process of preparing to transfer existing clients and of accepting new clients under the federal NDIS model.

The following comments relate to each of the elements of the terms of reference that the Joint Standing Committee has identified as areas of enquiry and reporting.

Enable Western Australia Inc. respectfully advises that comments made in one area of this submission may also have relevance to other sections within the document. We also respectfully advise that the comments contained within this submission are made mainly in the context of a regional and rural disability support provider.

#### **1. The Transition To A Market Based System For Service Providers;**

As an existing registered WA NDIS provider of services to clients with individualised funding plans, Enable is more advantageously placed than service providers who will need to move from block or program funding models. Notwithstanding this though, the costing and pricing frameworks for both the WA NDIS and the federal NDIS model have not considered providers’ service expansion requirements and workforce development issues in an expanded system.

It can be argued that a free market economy will produce efficiencies and drive out those providers who are unable to adapt to the change marketplace. It is recognised that rural and regional operate within “thin markets” and it is in these areas where smaller providers that lack an economy of scale are most at risk of failing.

Should this occur, then in the short to medium term there will be adverse impacts on both communities as well as people with disabilities who are unable to access adequate or appropriate support services. In rural and regional communities, the experience has been and likely will continue to be that where there are few services, people will be placed at risk and/or this may result in dislocation of families.

The example is of a family member with a disability who requires support that otherwise would be reasonably available in their local community, may be forced at

much greater cost to government, to move away from their families, friends and informal community support systems. It has been argued that in many instances, rural and regional communities should be treated no differently than remote regions under the costing and pricing framework where higher price limits, to accommodate additional service delivery costs have been factored.

The example of where, due to limited workforce participants, a worker may be required to travel more than 20 minutes from one client to another. This highlights the problem of where the distances between clients and the times involved will exceed the first 20 minutes that can be claimed. In this instance, additional costs will then either be carried by the provider or the expectation is that the worker will be unpaid for this time. This is neither fair nor reasonable.

Enable supports that a weighted or graded costing and pricing framework should apply based on distance from the provider and that a factor is added to compensate for travel. The same formula should also apply to where a client is seeking to access resources not available within their immediate locale.

## 2. Participant Readiness To Navigate New Markets;

Currently there is still a great amount of uncertainty regarding the NDIS rollout in WA. People with disability are uncertain about the funding model and what they may purchase in the NDIS. Service providers also are experiencing some doubt about how the model will impact on business decision making.

Just in the past 24 hours, the same staff from Enable have attended two different NDIS information forums and have come away with different, conflicting and mixed messages from the presenters. Good and accurate information is essential yet participants are hearing the message that the details “still being worked out”.

For there to be confidence in the changes that will be coming, the information exchange will be an essential element. Enable would strongly encourage that if accurate information and operational details haven't been determined, then these information sessions should be delayed until there is greater certainty in the information being provided. Navigation of the new markets relies upon this as it will be difficult to prepare if the details are hazy. The Bi-Lateral's short transfer and transition timeline may be the driving force to rushing these information sessions.

## 3. The Development of the Disability Workforce to Support the Emerging Market;

Capacity building has been heavily touted under the NDIS rollout but it must be remembered that WA has not benefitted from this as we were excluded under the state based model from accessing capacity building initiatives. It has been estimated one in five new jobs in the workforce will be in the disability sector.<sup>1</sup> Despite this, there is no coordination of workforce development activities and

<sup>1</sup> Productivity Commission Position Paper 2017 – National Disability Insurance Scheme (NDIS) Costs

providers, without additional specific funding are increasingly expected to invest in the skills development of their respective workforces.

While there will be many changes facing the disability sector in the transition to the new system. It must be recognised that other sectors such as health, mental health, aged care and child protection services are also increasingly reliant upon the NGO sector to take a more active role in supporting the broader range of clients in the community.

It is also the case especially in rural and regional areas, that under the NDIS pricing structure, providers may experience difficulty implementing its desired workforce structure. The available workforce may not have the range of skills or competencies to provide specialised services and as has been Enable's experience, a highly skilled professional is required to perform tasks that attract a much lower unit price in the NDIS.

In rural and regional Australia, the pool of available workers is extremely shallow and organisations within and across these sectors are often in competition with one another for these workers. It must also be acknowledged that these workforces are traditionally lower paid and while changes to the composition of the workforce are occurring under the award system, they continue to have a high proportion of casual workers.

There are few incentives or resources offered to providers to assist in recruitment activities and in workforce development. Yet the success of government policy implementation and sector restructuring rests on these services being readily available to communities.

*"The Government will assist service providers in rural, regional and outer suburban areas to provide the workforce required to meet the expected growth in the disability and aged care sectors arising from the introduction of the National Disability Insurance Scheme and an ageing population"<sup>2</sup>*

Whilst there have been assurances of funding, this in regional and rural Western Australian has not translated into demonstrable action. There is an immediate need therefore to identify, coordinate and appropriately resource workforce development strategies. This needs to be both within the disability sector, and across related sectors, in order to build the right capacity.

#### 4. The Impact Of Pricing On The Development Of The Market;

As with Point One, any funding gaps will disadvantage clients, providers or potentially both groups as regional and rural communities are much more intimately associated with one another, as opposed to the anonymity of high density populations.

<sup>2</sup> Australian Treasury 2017 Budget 2017-18 Budget Paper No. 2 – Budget Measures, Canberra

In smaller communities, the providers and their staff are a part of the community and have a strong sense of community. Subsequently they put in more than the funding would cover. The prospect of not meeting the needs of a person with a disability is an unpalatable option in these communities.

If though in the area of “thin markets” there is a need to severely pull back on service delivery due to funding gaps, then the impact will be far more widely felt and the community as a whole will be affected.

#### 5. The Role Of The NDIA As A Market Steward;

As has been already stated, challenges in regional and rural WA with greater distances, low density populations, higher costs and workforce challenges make it difficult to deliver services into these “thin markets”.

People with disabilities and their families are entitled to receive the same standard of services as is provided in urban centres. The concept of a weighting or graded costing, to compensate for isolation, must be considered as reasonable.

It is therefore incumbent upon the NDIA as the “price setter” to not just establish pricing structures but also to take on a wider responsibility for protecting communities by ensuring those structures don’t result in communities suffering adversity.

#### 6. Market Intervention Options To Address Thin Markets, Including In Remote Indigenous Communities;

Just as the population needs protecting from disadvantage, the providers also need supporting to maintain sustainability as a “thin market” service provider. While Enable doesn’t operate in what is considered a remote location, parts of the South West of WA are distant to basic resources and support workers will travel well in excess of the 20 minute funding plan allocation for travel.

As with Point One and Point Five compensatory mechanisms within the funding model must be developed to accommodate those populations and people with disability who suffer the disadvantages associated with living outside of the well-resourced metropolitan urban centres.

#### 7. The Provision Of Housing Options For People With Disability, With Particular Reference To The Impact Of Specialist Disability Accommodation (SDA) Supports On The Disability Housing Market;

While not a provider of accommodation services, due to a lack of regional and rural accommodation options, the potential exists for Enable to consider expanding into this area.

Again though, mechanisms and incentives need to be developed to encourage providers to enter into developments that support people with disabilities. Growth in

services though will not occur without the proper support with deliberate capacity building strategies that are developed in consultation with service providers.

#### 8. The Impact Of The Quality And Safeguarding Framework On The Development Of The Market;

The NDIS Quality and Safeguarding Framework is developing a system wide Code of Practice and has already issued an interim report on the outcomes of that consultative process. The framework has been developed to assist disability service providers to understand, implement and improve practices that safeguard the rights of people they support. In addition, the NDIS has also issued “guidelines” for Workers and Provider’s around the requirements under the Code of Practice.

Little has been offered though to assist service providers in ensuring that they are adequately prepared to accommodate these changes. In WA, as with other jurisdictions, there has been a safeguarding framework of sorts in place. This has been across the disability and the various related sectors of health, mental health, aged care and child protection. These other sectors though, as with disability, are also increasing their own safeguarding processes and these related areas can and do overlap across disability.

While Enable supports strengthening protections it does not support the introduction of multiple reporting and investigative frameworks. To avoid any conflicts and confusion therefore, a singular process relating to dealing with incident, complaints and other matters where an oversight responsibility is required.

Elimination of duplication, simplification in reporting, training of staff in both the understanding of the new system and the legislative requirements would all need to be considered. Just as the difficulties of operating within regional, rural and “thin markets” have identified issues around sustainability and capacity building, undertakings would also need to be provided to assist service providers in transitioning to the new NDIS Quality and Safeguarding Framework requirements.

#### 9. Provider Of Last Resort Arrangements, Including For Crisis Accommodation;

As with Point Seven Enable has not traditionally operated within the accommodation space but does recognise that there is a critical need to stimulate the development of accessible and affordable accommodation options for people with disabilities. We have already experienced numerous occasions where clients have lost tenancies due to issues such as severe mental illness and then face prolonged periods of either institutionalisation or homelessness.

We have recently seen the situation where a local mental health inpatient unit was prepared to transfer a person with a mental health disability out of the region for “operational purposes” into the Perth metropolitan area. This was purely because there was no immediate access to housing. Once dislocated like this, it would be

unlikely that the person would return and could compromise the individual's recovery.

This is not a unique situation for someone living in a regional or rural area where providers of last resort are scarce or non-existent. It is also the case that people with disability are in direct competition for these scarce resources from both homeless people within the community, as well as with people with disability who are not eligible for the NDIS.

Enable would support initiatives that are directed at stimulating investment or resourcing for the development of housing and emergency accommodation services for people with disabilities. Enable would also, if the incentives were strong enough, consider joining the few providers that exist within this region.

#### 10. Any Other Related Matters.

Enable Western Australia, as a provider of disability support services in regional and rural Western Australia for almost 27 years, is aware the difficulties faced by populations in these areas in accessing "reasonable and necessary" supports.

The growth in support requirements over the past several years, as well as the projected growth over the next phase of the implementation of the national NDIS model, will see greater expectations from regional and rural communities. This will place even greater demands on service providers.

Populations and providers in these settings face issues not encountered in metropolitan areas and therefore it is essential that any regulatory mechanisms be conscious of these differences. Realistic safeguards and provisions, that offer support and sustainability to local communities, should be in place.

Supporting the development of a group, such as the Western Australian Council Of Regional Disability Services (CORDS) should be considered within states and territories across Australia. This group has operated successfully for over 14 years in WA and provides a consultative conduit for agencies and a self-help group for service providers.

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