

COMMUNITY AND PUBLIC  
SECTOR UNION

SPSF GROUP NSW BRANCH  
ABN 11 681 811 732

## CPSU SPSF NSW Branch

Submission to:

The Joint Standing Committee on the National  
Disability Insurance Scheme (NDIS) Inquiry into  
market readiness for the NDIS

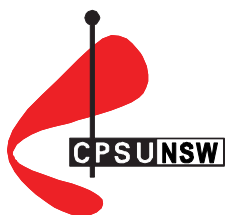
In reply please quote: **SC:cj**

1 March 2018

---

160 Clarence Street, Sydney NSW 2000 T 1300 772 679 W [www.psa.asn.au](http://www.psa.asn.au)  
GPO Box 3365, Sydney NSW 2001 F (02) 9262 1623 E [cpsu.nsw@psa.asn.au](mailto:cpsu.nsw@psa.asn.au)

The CPSU NSW is the Federal Counterpart of the Public Service Association of NSW. CPSU NSW members are also members of the PSA.



COMMUNITY AND PUBLIC  
SECTOR UNION

SPSF GROUP NSW BRANCH  
ABN 11 681 811 732

## NDIS Market Readiness

### CPSU SPSP NSW Branch Submission

This submission has been prepared by the Public Service Association of NSW a division of the Community and Public Sector Union (CPSU NSW), the primary union covering public sector workers in the Commonwealth, State, and Territory governments. Our members work in NSW state government disability services departments, and since July 2017 the private and non-government sector, in roles directly working with and supporting clients (eg social trainers, disability support workers, local area coordinators and other clinical services such as psychologists and occupational therapists), and policy, planning, management and administrative roles. The CPSU NSW supports the principles of NDIS, but we do not support NDIS being used by governments for privatisation and the erosion of employment security, pay and conditions which has the potential to decrease quality care for people with disability.

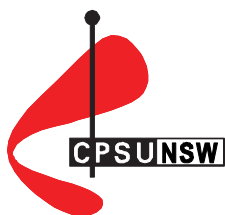
#### **a. the transition to a market based system for service providers;**

**Issue:** Disability providers are not ready.

As the union covering a large number of both public and private sector disability workers who have been or are soon to be transferred to non-government organisations it has become abundantly clear that the transition to a market based system has been anything but smooth. Individualised funding does not account for a large amount of the work of disability providers many of which have come under intense pressure over the last few years.

With funding allocated to individuals, providers face much less certain and potentially reduced income. This has implications for both the workforce and the quality of service clients will receive. The CPSU is concerned the non-government sector is not ready for the roll-out of NDIS, and the non-government sector appears to hold this same concern.

Many providers do not have the administrative structures necessary to underpin a quality disability service. In the second half of 2017 six large groups of disability workers and clients were transferred to private providers. While these transitions have ranged from relatively smooth to chaotic, one thing that has become clear is that a fully market based system is not conducive to quality care.



COMMUNITY AND PUBLIC  
SECTOR UNION

SPSF GROUP NSW BRANCH  
ABN 11 681 811 732

This is further complicated by the fact that people with disability are unable to be assessed for packages whilst in a correctional facility. It has been reported to the CPSU NSW that up to five people with disability are unable to gain funding as they do not have any interim accommodation following release from prison. This situation is highly problematic for both people with disability and providers.

Without funding providers are unable to provide supported accommodation to people with disability. The result has been an increase in people with disability presenting at mental health units and hospitals or ending up back in the corrections system. This is also the case with clients who may be evicted from their accommodation and require crisis support.

Providers have also reported to the CPSU NSW that the period of time to apply for funding for supported accommodation for their clients is extremely short making it almost impossible to gain appropriate funding. This funding shortfall has the potential to force providers out of the market and result in people with disability not having accommodation and support.

**Recommendation:** Slow down the transition to a market based system and in NSW ensure direct delivery of services to complex needs clients by the government to act as a safety net for emergencies and crisis situations.

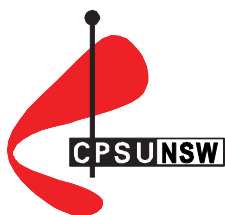
**Recommendation:** Ensure safe interim and crisis accommodation, services and support for people with disability requiring assessment, or who have been evicted from their previous accommodation.

#### **b. participant readiness to navigate new markets;**

**Issue:** Defunding advocacy, complex planning processes and lack of support for participants.

In November 2017 the CPSU NSW held a public forum in Newcastle, one of the early launch sites of the NDIS. The forum gathered feedback from parents, carers, workers and people with disability. The overwhelming feedback was that the market was exceedingly difficult to navigate, not only for parents and carers but for trained disability professionals as well.

The lack of funding for case management and defunding of advocacy have further decreased the ability of participants to be able to navigate existing disability markets let alone those that are new and emerging.



COMMUNITY AND PUBLIC  
SECTOR UNION

SPSF GROUP NSW BRANCH  
ABN 11 681 811 732

Attendees at the forum reported inconsistently applied planning processes, over and under assessed clients and inadequate checks and balances to ensure any issues with plans are identified and resolved swiftly and distribution of funding is fair and equitable.

**Recommendation:** Increase training for specialist planners at the NDIA who fully understand complex and multiple diagnoses. Restore funding to disability advocacy groups and implement a third party verification system for funds distributed through plans.

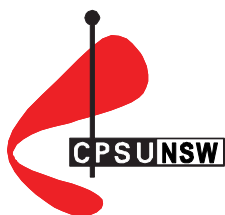
- c. the development of the disability workforce to support the emerging market;**
- d. the impact of pricing on the development of the market;**

**Issues:** Funding under the NDIS for training of disability workers is inadequate; private providers are unable to maintain the conditions and wages of transferred public sector workers in NSW. Wages are inadequate to attract staff.

The lack of funding for training of disability workers in the NDIS will lead to a less stable, lower paid and deskilled disability workforce. Without proper training and remuneration the disability market will find it hard to attract new workers and may come to rely on a largely unskilled contingent labour workforce. In fact in some areas this is already occurring and has led to a de-professionalising of the disability workforce.

At least two non-government providers have reported that they will be recruiting workers internationally to bolster their current workforce. This is mainly due to the difficulty recruiting disability support workers when the market does not support adequate pay and conditions. NDIS packaging is developed based on the lowest possible award conditions for disability workers, the Social, Community, Home Care and Disability Services Industry Award 2010. Recruitment of workers from overseas on 457 Visas demonstrates not only the lack of development of the disability workforce to support the market, but also leaves those workers open to exploitation.

In addition, the NDIA planners themselves often are not trained to properly understand complex diagnoses. The CPSU NSW sees a need for fully trained specialist planners to assist people with complex or dual diagnoses to seek appropriate funding.



COMMUNITY AND PUBLIC  
SECTOR UNION

SPSF GROUP NSW BRANCH  
ABN 11 681 811 732

Sector development has decreased over the last year as public sector workers are transferred to NGOs and the NSW State Government exits the market. In the past the NSW Agency responsible for delivering disability services, Ageing, Disability and Home Care, significantly invested in sector development including grants, block funding and through project teams specialising in sector development. Following the privatisation this work will no longer be funded.

**Recommendation:** Implement regulations to ensure funding for minimum qualification requirements and compulsory training for workers engaged through NDIS funding.

**Recommendation:** That Commonwealth and State governments put in place regulations to safeguard the job security, pay, and conditions for workers who are transferred to the private sector.

#### **e. the role of the NDIA as a market steward;**

**Issue:** NDIA currently does not adequately act as market steward, and does not have the capacity to develop disability markets.

The CPSU NSW does not believe that the NDIA has the capacity to act as a market steward. According to members, the National Disability Insurance Agency (NDIA) has a strategy of only employing ongoing staff members in new sites that will be permanent after 2020. The rest of the positions are being made non-ongoing (mostly 18 month contracts) or are being contracted out to recruitment agencies.

This increase in non-permanent employment significantly affects the level and quality of service provided. Given the focus of the current government on employment in regional areas, it is concerning that these jobs are not secure, full time positions that not only provide certainty to the employee but also to the community they serve.

Once the NSW Government exits the disability sector, the responsibility for market development and stewardship will fall completely on the NDIA. With insecure jobs, inadequate funding, inadequate training, the defunding of disability advocacy and the absence of block funding for disability sector development the NDIA's capacity to act as market steward will be decreased significantly.



COMMUNITY AND PUBLIC  
SECTOR UNION

SPSF GROUP NSW BRANCH  
ABN 11 681 811 732

Additionally, it has been reported to the CPSU NSW by members and advocacy groups alike that articulate and educated people, both with disability or as carers of people with disability have the ability to negotiate generous NDIS packages. As advocacy groups are defunded and support for people with disability that do not have family networks and carers decreases there is a significant disparity between these two groups of people.

**Recommendation:** Properly fund NDIA and ensure oversight, quality assurance and governance through NSW Family and Community Services.

**f. market intervention options to address thin markets, including in remote Indigenous communities;**

**Issue:** market based system is not fit for purpose for remote indigenous communities. Thin markets cannot be addressed without quality, well paid jobs. This cannot be supported due to NDIS funding shortfalls.

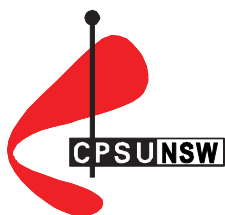
As previously noted, NDIS pricing and packaging is based on the Social, Community, Home Care and Disability Services Industry Award 2010 which, even with the additional remuneration due to the equal pay case will not be sufficient to attract quality staff into remote areas. The total privatisation of all disability services in NSW has removed the structural support for indigenous people with disability previously provided by Ageing, Disability and Home Care and Family and Community Services.

**Recommendation:** Ensure a government safety net for people with disability with complex support requirements and those in remote communities.

**g. the impact of the Quality and Safeguarding Framework on the development of the market;**

**Issue:** Inadequate funding for genuine oversight, safeguards and quality assurance with little to no capacity for investigation of organisations that don't meet the standards and requirements or intervention for people with disability.

The privatisation of state disability services, implemented under the guise of NDIS, will lead to the erosion of some of the world's best-practice disability models, the loss of staff and the expertise they bring to the sector, and will severely impact many individuals and their families who rely on government-run disability services. We believe, at the very least, that NSW Government must retain oversight of the quality of disability care.



COMMUNITY AND PUBLIC  
SECTOR UNION

SPSF GROUP NSW BRANCH  
ABN 11 681 811 732

While the CPSU NSW welcomed the development of the *NDIS Code of Conduct* and supported the creation of the *NDIS Quality and Safeguards Commission* to ensure providers meet the standards in the *Code of Conduct*, it is paramount that sufficient resources are provided to appropriately administer and enforce it. We believe that the NSW Government Agency Family and Community Services have the required skills and resources within their organisation to ensure quality at the state level. It is paramount that the NSW Government remains responsible for ensuring the quality of services in NSW.

FACS has the resources to properly implement the framework and support sector development so that providers meet minimum standards. Without adequate support at a state government level development of the market will be inconsistent and will not be able to meet the needs of people with disability.

**Recommendation:** Quality, Safeguards and Assurance should be administered by the NSW Government Department of Family and Community Services (FACS).

#### **h. provider of last resort arrangements, including for crisis accommodation;**

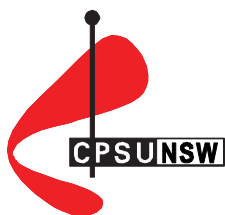
**Issue:** There will be no provider of last resort arrangements in NSW.

The NSW government announced the wholesale sell-off of disability services in 2013 under the guise of introducing the NDIS. No other state or territory obtained the same undertaking with the Commonwealth that NSW did - that there would be no 'residual services' provided by the state. It will be the only state in Australia without a public safety-net for disability services for people with complex needs who are beyond the capacity of the private sector, of whom there are many. Instead, we fear this 'safety net' will come in the form of the public hospital system, the child protection system and the courts and corrections system.

Private and Non-Government providers have raised concerns that they will not be able to provide services at the prices being offered under the NDIS and that they will have to reduce the quality of services and engage workers on 457 visas at lower rates of pay in order to deliver at the current prices.

The NSW Government will rely wholly on the Disability Inclusion Act as the "safety net" for people with disability however; the CPSU NSW has received reports from members that a number of organisations taking over the work of ADHC do not meet the threshold in the Act.





COMMUNITY AND PUBLIC  
SECTOR UNION

SPSF GROUP NSW BRANCH  
ABN 11 681 811 732

Over the past 12 months the CPSU NSW has gathered extensive information from our members, people with disability, parents, carers, advocacy groups and professionals on what a safety net should look like. We will continue to gather this information and advocate for a public safety net and last resort arrangements in NSW. Thus far feedback has centred around four themes which are:

***Funding:***

- Restoring funding for advocacy groups
- Funding for staff and training – including in Group Homes, for specialist disability support staff & clinicians and at the NDIA
- Ensuring funding in NDIS packages for case management
- Increasing funding in packages for dual or multiple diagnosis and community participation

***Agency and Control for People with Disability***

- Voting rights in supported accommodation
- Advocacy or legal support with planning, service level agreements and threat of eviction

***Crisis and Consistency of Support***

- A 24 Hour crisis support team or emergency response unit
- Access to respite to be increased
- Interim 'safe residences' where people with disability can be assessed and suitable accommodation found following eviction or release from prison

***Governance***

- Accountability across the sector – A Government/State Public Sector unit for accreditation, audit, oversight and support of quality safeguards across the sector
- Accountability for NDIA planners – third party verification of the plan

To date the NSW Government has not developed any provider of last resort arrangements or crisis accommodation.

**Recommendation:** Ensure the NSW Government retains direct delivery of services to people with high complex needs in the disability sector. Continues to engage in sector development and administers oversight, quality assurance and governance through NSW Department of Family and Community Services.