



Australian Government

Australian Government response to the
Joint Standing Committee on the National Disability Insurance
Scheme report:

Progress Report, 2019

February 2020

Introduction

The Australian Government welcomes the Joint Standing Committee on the National Disability Insurance Scheme second progress report on the inquiry into general issues around the implementation and performance of the National Disability Insurance Scheme (NDIS).

The Committee received submissions from 71 individuals and organisations across Australia, and conducted eight public hearings, since the last progress report of September 2017.

The Committee's report contains 18 recommendations covering the:

- provision of services under the NDIS for people with psychosocial disabilities
- provision of services under the NDIS Early Childhood Early Intervention (ECEI) approach
- transitional arrangements for the NDIS
- provision of hearing services under the NDIS
- disability workforce
- NDIS Quality and Safeguards Commission
- National Disability Insurance Agency (NDIA) engagement with the disability sector.

The Government is committed to improving services and outcomes for people with disability through the NDIS. The NDIS has grown substantially, from about 30,000 participants in 2016 to almost 340,000 today. The NDIS is now available to eligible Australians in all states and territories, except Western Australia, and more than 134,000 – or almost 40 per cent – are receiving supports for the very first time.

The Government acknowledges a number of implementation challenges have emerged as the NDIS transitions to full national roll out, and will continue to put in place improvements to better support NDIS participants, their families and carers. This includes initiatives to improve the participant planning pathway and support the provider market, which will lead to a better NDIS experience and improved long term outcomes for NDIS participants. As the NDIS transition period draws nearer, the Government is also considering how to set up the NDIS for future success through initiatives such as the NDIS Participant Service Guarantee.

The Government notes, supports or supports in principle each of the 18 recommendations made in the Committee's report. This Government Response provides information on key initiatives underway and planned to address the Committee's recommendations.

Inquiry into the general issues around the implementation and performance of the NDIS

Recommendations made by the Committee

- 1. The committee recommends the NDIA immediately commit resources to work with the mental health sector to refine the psychosocial disability stream before it is rolled out nationally to ensure it is fit-for-purpose.**

Supported

The NDIA continues to rollout improvements for people with a psychosocial disability through a dedicated psychosocial disability service stream. This includes the implementation of a streamlined access process, providing consent for a support worker or a trusted person to be the NDIA contact for the duration of the access process; the development and sharing of key documents to support access; and delivering training and education regarding NDIS access requirements to the mental health sector. The NDIA commenced these implementation improvements in Tasmania, South Australia, Australian Capital Territory, New South Wales and Queensland with remaining states and territories to follow by June 2020.

The NDIA is also developing a proposed psychosocial disability capability framework with the assistance of experts to define the capability required for NDIA staff and its partners. This framework was initiated to directly address the recommendations made in the Mental Health Australia Pathway Consultation report for the need to build psychosocial capability in the NDIA.

Following a meeting on 9 October 2019, the Disability Reform Council (DRC) committed to improve access and experiences for participants with a psychosocial disability. The NDIA together with Department of Social Services (DSS), state and territory government representatives, and sector representatives have commenced working collaboratively on the following key initiatives:

1. Undertaking a joint examination of access and eligibility
2. Improving linkages and referral to mental health supports for people not eligible for the NDIS
3. Assertive Outreach, increasing access to the NDIS for people with a psychosocial disability
4. Psychosocial disability recovery approach
5. National approach to concurrent supports.

The 2019 Review of the *National Disability Insurance Scheme Act 2013* (Tune Review) is also expected to shape improvements to NDIS access and recovery focused plans for people with psychosocial disability.

2. The committee recommends the NDIA immediately commit resources to provide additional training in mental health to staff and planners to rollout the psychosocial disability stream nationally during 2019.

Supported

The NDIA commissioned psychosocial disability experts, Kim Koop and Associates, to provide advice on competencies required to deliver the psychosocial pathway, and to develop a psychosocial disability capability framework. The NDIA is currently looking at the implementation of this framework and undertaking recruitment strategies for staff with psychosocial disability experience and expertise. This will be progressively rolled out over the next three years.

In addition, the NDIA, in conjunction with stakeholders, is undertaking a range of projects and training initiatives intended to further improve the participant experience. These include:

- Training in the use of the reimagine website (<http://reimagine.today/>) and workbook for frontline NDIA staff and Partners in the Community. These resources were launched in July 2017 and support people living with mental health conditions, and their friends, family and carers, to navigate the NDIS. The training is being delivered by the Mental Health Coordinating Council (New South Wales). A round of training is being delivered nationally, face to face, by a trainer with lived experience of mental distress. The project will conclude with an eLearning module that will be integrated into the NDIA online learning system.
- National training for NDIA staff and Partners focused on the access process for people with psychosocial disability.
- National engagement with community mental health and related services to understand NDIS access requirements and support people to access the NDIS.

3. The committee recommends the Australian Government extend funding for PIR, PHaMs and D2DL programs until 30 June 2021 and make public by 30 June 2020 how it intends to deliver longer-term arrangements for existing program clients not eligible for the NDIS.

Supported in Principle

Partners in Recovery (PIR), Personal Helpers and Mentors (PHaMs) and Support for Day to Day Living in the Community (D2DL) programs ceased on 30 June 2019.

Clients of Commonwealth community mental health programs (PIR, PHaMs and D2DL) who are eligible for the NDIS will receive supports through individual NDIS funded plans; clients who have been found ineligible for the NDIS will receive support through Continuity of Support (CoS) arrangements.

Under CoS arrangements announced in the 2018-19 Federal Budget, all active Commonwealth community mental health clients found ineligible for the NDIS, or deemed ineligible to apply for the NDIS – for example people with disability over the age of 65, or people with disability who are not Australian citizens, who do not live in Australia or do not hold a Permanent or Special Category Visa – will be able to access CoS through services commissioned by Primary Health Networks (PHNs). Current funding for CoS is \$109.8 million for three years to 2021-22.

On 21 March 2019, the Government announced transitional funding of \$121.29 million for a further 12 months to 30 June 2020, to support active clients of Commonwealth community mental health programs who are yet to test their eligibility for the NDIS, to transition to the NDIS or CoS arrangements.

The aim of these extended funding arrangements is to enable mental health service providers to support remaining clients of the PHaMs, PIR and D2DL programs through the NDIS access process until they receive an access decision and can either develop and implement an NDIS plan or transition to CoS supports.

Bringing together all funding streams to be delivered through the PHNs will ensure a more integrated and coordinated approach to supporting people who require psychosocial support, and enables commissioning of services at a regional and local level to meet the assessed needs of individuals and communities. PHNs have commissioned service providers, including some existing community mental health providers to deliver these supports. Services commenced on 1 July 2019.

The Government will continue to closely monitor the transition of clients from Commonwealth mental health programs to the NDIS in 2019-20, and will review progress by June 2020 to determine if further support is needed to ensure all remaining clients transition to new services.

State and territory governments remain responsible for the funding and provision of public specialised mental health services and associated psychosocial support services outside the NDIS.

<p>4. The committee recommends the Council of Australian Government (COAG) conduct an audit of all Australian, state and territory services, programs and associated funding available for mental health.</p>
--

Supported

The Government supports this recommendation and will work through the COAG DRC to gain a clearer picture of mental health supports outside the NDIS. DRC will also consider this recommendation in light of the Productivity Commission's recommendation in its Review of the National Disability Agreement (NDA) final study report that:

- DRC undertake a gaps analysis and identify what services will be provided to people with disability, including psychosocial disability, who are not eligible for the NDIS. The report will need to be considered in deciding the future of the NDA and the design of a new national disability strategy, noting a consultation process on the new strategy is underway.

DRC has previously identified a number of priority work areas to improve clarity about roles and responsibilities and the interactions of services funded through the NDIS and other service systems. Agreed priority areas of focus are health, mental health, child protection and family support, justice, specialist school transport and personal care in schools.

DRC has established a Mental Health Working Group to report on interface issues between the NDIS and the mainstream mental health system, and propose resolution strategies where identified. The Mental Health Working Group is working on a number of activities to support collaboration between the NDIS and the mental health system, including developing a clearer understanding of psychosocial supports available outside the NDIS.

Funding of \$80 million with matched funding from states and territories over four years from 2017-18 for the National Psychosocial Support Measure (NPS) is being provided for support services to assist people with severe mental illness who are not currently receiving supports under existing Commonwealth community mental health programs. The Commonwealth component of the NPS measure is being implemented through purpose specific funding to PHNs to commission these new services. All states and territories have committed to implementing their component of the measure, which is outlined in the Bilateral Agreements between the Commonwealth and states/territories.

5. The committee recommends the NDIA immediately commit the necessary resources to address the delays experienced by families to access services under the ECEI pathway.

Supported

The Government is committed to reducing the timeframes for people with a disability to get an NDIS plan, in particular children under seven to maximise the benefits of funded supports at a critical time in their development.

On 26 June 2019, the Government announced a six-month remediation plan to resolve delays and backlogs currently being experienced across the country. The key initiatives of the six month plan implemented by the NDIA included:

- Working with ECEI Partners to secure additional resources to ensure children receive early childhood supports in a timelier manner.
- For those children who had been found eligible for the NDIS, but who were likely to experience a wait time of greater than 50 days between an access decision and getting a plan, the NDIA would provide a standardised interim plan for six months.
- For participants with complex support needs, they were immediately streamed to an NDIA Early Childhood specialist to develop their plan and appropriate funding package.
- The NDIA would also provide additional support to ECEI Partners in areas experiencing delays by redirecting available NDIA ECEI planners to assist with planning activities.
- Increasing the capacity of its NDIA's national access team and to closely monitor the progress and timeliness of access decisions.

The NDIA ICT system was also upgraded to enable more data on the ECEI gateway to be entered into the system to provide full end-to-end metrics, providing the NDIA with better information on which to make decisions and better support children and their families.

Quarterly data for the period ending 31 December 2019 demonstrates there has been significant reduction in backlogs for children with disability over the previous six months as a result of this plan:

- The average wait time for children aged 0-6 years to meet NDIS access has reduced from 43 days in June 2019 to an average of less than 3 days in December 2019.
- The average wait time for children currently awaiting a plan has reduced from 104 days at 30 June 2019 to 44 days as at 31 December 2019.
- The average wait time for children from meeting NDIS access to receiving an NDIS approved plan has reduced from 129 days in June 2019 to 54 days in December 2019.
- The number of children waiting greater than 50 days for an NDIS Plan after meeting access reduced from 4,208 at the beginning of June to 712 at 31 December 2019.

The NDIA is continuing to progress and implement a range of short to medium term strategies to assist ECEI Partners in managing workloads by addressing systemic issues impacting the delivery of the ECEI pathway.

The Government has also committed to implement a NDIS Participant Service Guarantee from 1 July 2020. The Participant Service Guarantee will, amongst others, set timeframes around how long it will take the NDIA to approve plans and set standards for how the NDIA works alongside people with disability, including children and their families.

6. The committee recommends the NDIA introduce Key Performance Indicators for its ECEI partners that stipulate a maximum time to complete each step of the access, planning and plan approval processes to ensure all eligible children have an approved plan ready for implementation within three months of being in contact with an ECEI partner.

Supported in principle

The NDIA is implementing revised Key Performance Indicators (KPIs) and an Assurance framework for Partners. These frameworks have been designed to measure Partner performance in line with the NDIA's service delivery expectations and take into account each Partner's organisational maturity and ability to achieve optimum staffing levels in a competitive ECEI labour market.

As set out in the Tune Review, the proposed implementation of a NDIS Participant Service Guarantee from 1 July 2020 will set standards and timeframes around how long it will take the NDIA to make certain decisions or complete certain administrative processes, including the process of developing, approving and reviewing a plan. The Guarantee will also set standards for how the NDIA works alongside people with disability and improve the transparency and inconsistency of how the NDIA makes decisions.

The Government will consult on the proposed legislative form of the Participant Service Guarantee and the proposed timeframes for decision-making. For plan approvals, it is proposed that a plan is approved for a participant within 70 days of an access decision in 2020-21, reducing to 56 days from 1 July 2021.

The NDIA is working with its Partner in the Community Network, including ECEI Partners, to ensure that the required operational arrangements are in place to ensure the timeframes set out in the Participant Service Guarantee are delivered from 1 July 2020

There is significant variation in the workloads managed by the Early Childhood Partners, both between Partners and across states and territories, which impacts on the current capacity of each jurisdiction to transition to a three month approval timeframe. The NDIA is addressing Partner workloads through a number of actions, as set out in the response to Recommendation 5. Partners have processes in place to ensure any child and family with priority needs are identified and responded to as a priority. Utilising their professional expertise, Partners undertake initial information gathering and assessment of need, as well as collaboration with mainstream services who may already be assisting the child or family to access the Scheme.

7. The committee recommends the NDIA report on how long it takes for eligible children to get a plan under the ECEI pathway as part of its Quarterly Reports.

Supported

The NDIA is streamlining the process for reporting on ECEI wait times, which currently requires consolidation from multiple data sources, and progressing enhancements to strengthen ECEI data reporting. Once improved data processes are in place, the NDIA will expand reporting on plan waiting times in future DRC Quarterly Reports.

The 31 December 2019 Quarterly Report reported 9,374 children were in the ECEI gateway, of which 2,067 (22 per cent) had already commenced receiving initial supports. Of the 28,225 additional participants with an approved plan in the December 2019 quarter, 9,753 were children aged 0 to 6 years (35 per cent). This is reflective of the significant effort made by the NDIA to reduce the number of children who were waiting for supports as part of the remediation plan outlined in response to Recommendation 5.

As part of implementing the Participant Service Guarantee, the NDIA will be required to report on its performance in delivering it, including the timeframes for children with disability to have their plan approved after a positive access decision. This report will be included in the NDIA Board's quarterly report to the Ministerial Council and will be monitored by the Commonwealth Ombudsman to ensure the NDIA stays accountable for the way it is continuing to improve participant experiences.

8. The committee recommends that an evaluation of the pricing of Early Childhood Intervention services is undertaken as part of the next annual NDIS pricing review.

Supported

The NDIA continuously reviews its price control arrangements and is responsive to emerging issues and feedback, acting to address challenges identified outside of the Annual Price Review. The issues raised have been addressed in the recent review of price control arrangements and other market settings for therapy services under the NDIS. This was conducted by the NDIA Pricing Reference Group (PRG) from December 2018 to March 2019.

The Review of Therapy Pricing provided the opportunity to analyse and understand the specific challenges in this market, which includes the early childhood intervention space. There was extensive consultation with providers, peaks and the sector as part of the Review, which included ECEI providers.

The Review is now complete, including a report tabled through the PRG with 13 recommendations directly related to price control arrangements. These recommendations were endorsed by the PRG and the NDIA Board. They were announced on 30 March 2019 and have been implemented as part of the NDIS Price Guide and Support Catalogue 2019–20, effective 1 July 2019.

From 1 July 2019, price limits for therapy supports (excluding psychology and physiotherapy) increased by \$11 per hour, from \$179 to \$190. Psychologists and physiotherapists will also see increases based on the location in which these supports are delivered.

In line with the changes to therapy, some ECEI supports have had price limit increases from 1 July 2019. This includes an update in the NDIS Price Guide to include 12 new support line

items with different price limits across different supports and regions. Providers of these supports can also claim for provider travel, cancellations, NDIA report writing and non-face-to-face supports.

9. The committee recommends the NDIA develop, in collaboration with the Early Childhood Intervention sector, an Early Childhood Intervention strategy that sets a national and consistent approach to the delivery of Early Childhood Intervention services under the NDIS.

Supported

Public consultation is underway on a new national disability strategy for beyond 2020. The participation of people with disability in policy and program development will help promote and protect the rights of people with disability and ensure they are at the centre of the design of future disability policy. People and groups in the early intervention sector are able to contribute their perspectives to this work by participating in current and future consultation. The next phase of consultation on the new strategy will commence in March 2020.

The Government has also provided \$300,000 in funding for Early Childhood Intervention Australia (ECIA) to develop a National Blueprint for early childhood intervention services. The National Blueprint will focus on understanding the current state of the early childhood intervention sector, including the challenges and opportunities facing the sector due to the transition to the NDIS. ECIA will consult with the NDIA and the Department of Social Services, along with sector leaders, service providers, parents and carers to develop the National Blueprint. The National Blueprint is expected to be delivered to Government in 2020.

In addition, the NDIA is undertaking a refresh of the ECEI approach to ensure a nationally consistent transition in accordance with the approach's original design. The design of the approach was informed by ECEI best practice as endorsed by the sector through ECIA, and applies nationally consistent services and processes through the ECEI Partners.

10. The committee recommends the Council of Australian Governments (COAG) Disability Reform Council agree to put in place a formal mechanism that ensures a person-first principle is applied in the delivery of services in the event of funding disputes between the NDIA and mainstream services.

Supported in principle

The Commonwealth and all states and territories, through DRC, are taking a person-first approach in areas where there are unresolved issues of roles and responsibilities between mainstream systems and the NDIS. The Commonwealth also recognises further work is required to improve the way the NDIS and other services work together to support NDIS participants.

On 28 June 2019, DRC agreed that the NDIS will fund disability-related health supports where the supports are required as a result of the participant's disability and assist the participant to undertake activities of daily living. These arrangements commenced on 1 October 2019.

The types of health supports that are funded by the NDIS include:

- continence supports
- dysphagia and nutrition supports
- respiratory supports
- supports for wound and pressure care.

The approach agreed by DRC to fund disability-related health supports under the NDIS recognises participants need to be placed at the centre of all decisions. It provides certainty to NDIS participants and allows for clearer delineation of system responsibilities.

DRC agreed the Hospital Discharge Delay Action Plan to address NDIS related issues and promote timely discharge of NDIS participants from public hospitals, and that Commonwealth and state and territory agencies collaborate to ensure actions are implemented within agreed timeframes.

DRC also agreed on arrangements to support children with disability living in accommodation outside the family home. Under this agreement, the NDIS will fund 24/7 supports for children in these arrangements, as well as disability supports and specialist coordination, and the states and territories will fund board and lodging and coordinate mainstream services. In addition, the NDIA and states and territories will collaborate to monitor families at risk of requiring these arrangements and deliver early intervention and prevention supports to these families.

In December 2019, DRC agreed enduring roles and responsibilities of the NDIS and states and territories for respite for all children with NDIS plans in statutory home-based care. Agreed guiding statements commit all parties to working collaboratively to fund respite that is in the best interests of the child and statutory carer, and ensuring equity of access to supports for children living in statutory home-based care arrangements compared to all other children.

The Commonwealth and all states and territories will continue to work collaboratively to address unresolved issues of roles and responsibilities between mainstream systems and the NDIS, consistently taking a person-first approach.

<p>11. The committee recommends NDIA start trialling alternatives to a fee-for service delivery model to address thin markets in rural and remote areas by the end of 2019.</p>
--

Supported

At the meeting of 13 December 2019, DRC agreed to use a more flexible approach to address market challenges in the NDIS, recognising that a ‘one-size-fits-all’ approach to delivering the NDIS is not suitable to address market gaps faced by certain geographic locations, particular cohorts or disability support types.

DRC agreed to initial projects that will address thin markets in all jurisdictions including in APY Lands, North Queensland, the Top End, Wentworth and Walgett in New South Wales, Fitzroy Crossing in Western Australia, and Tasmania, and to address specific needs, such as disability support types which includes deepening the behavioural support market in Victoria and the Australian Capital Territory, and professional groups such as allied health.

DRC noted work on the initial projects would commence from late 2019, and a comprehensive rollout plan will be developed and brought to the DRC for agreement in June 2020.

The Government is also bringing forward legislative amendments to give the NDIA more flexibility to undertake market intervention on behalf of participants who are otherwise unable to exercise choice and control over their NDIS supports. These amendments will be informed by the Tune Review and the Thin Markets project and will ensure that all participants in the NDIS, irrespective of market challenges or supply gaps, are able to access the benefits of their NDIS supports. It will also provide the NDIA with increased flexibility in these circumstances to encourage positive market behavior.

Thin market categories being considered include:

- Geographically rural/remote areas
- Support type (e.g. specialised supports with insufficient supply or low demand)
- Supports for people with complex needs such as (but not limited to) early childhood, behaviour supports
- Support for Aboriginal and Torres Strait Islander participants
- Support for culturally and linguistically diverse participants.

The NDIA and DSS have also prioritised attraction of Aboriginal Community Controlled Organisations (ACCOs) to the Scheme, given feedback on plan utilisation rates in Aboriginal Communities and evidence of thin markets in rural/remote areas. Discussions have centred on the role of ACCOs and Aboriginal Medical Services within a broad range of supports and services including:

- Plan Management
- Support Coordination
- Delivery of allied health/therapy supports/services
- Delivery of early childhood supports/services
- Delivery of psychosocial supports/services
- Other supports and services.

12. The committee recommends the NDIA make public how it will ensure provision of services in case of market failure in rural and remote areas.

Supported

The NDIA released its Rural and Remote Strategy in February 2016, and is currently reviewing the frameworks and plans that have been implemented as part of this strategy. The NDIA is progressing work to support the service delivery framework for remote participants in accordance with the *National Disability Insurance Scheme Act 2013*. This work will also support the selection of suitable host organisations of Remote Community Connectors to provide community-based and trusted resources, to actively connect local people with disability and their families with the NDIS and providers, including using virtual methods where suitable.

In May 2019, the Government committed \$20 million to expand the Community Connectors program, which is expected to be implemented during 2020. This expansion will build on the existing program for indigenous communities, and identify best practice in engagement with other rural and remote communities, as well as culturally and linguistically diverse communities.

On 1 July 2019 the NDIA updated its participant funding, price controls and provider travel claiming rules to encourage increased supply of disability supports in rural and remote areas.

- Participants living in remote areas receive higher funding than they would in urban areas (remote loadings increased from 20 per cent to 40 per cent, and Very Remote loadings increased from 25 per cent to 50 per cent).
- Price limits for supports are higher in remote areas than in the rest of Australia, to allow for higher costs of delivering disability supports (40 per cent higher in Remote and 50 per cent higher in Very Remote, as per participant funding arrangements).
- Providers of disability supports in remote areas also have more flexibility to arrange travel to participants in rural and remote areas, and to claim payments for the costs of this

travel.

As noted in response to Recommendation 11, the NDIA continues to prioritise engagement of ACCOs in provider registration in remote areas, in response to plan utilisation rates and to support delivery of culturally appropriate services by local providers.

In December 2019, DRC also agreed in principle to a more flexible approach to addressing thin markets. A more flexible approach recognises that a 'one-size-fits-all' approach to delivering the NDIS is not suitable to address market gaps faced by certain geographic locations, particular cohorts or disability support types, and includes the option for the NDIA to commission disability supports where appropriate. DRC agreed to a set of initial projects to begin in late 2019, with a comprehensive rollout plan to be developed for agreement in June 2020.

13. The committee recommends the NDIA establish within the Complex Needs pathway a unit in each jurisdiction responsible for coordinating and ensuring crisis service provision.

Supported

In recognizing that a single pathway approach is not appropriate for all participants, the NDIA has established the Complex Support Needs (CSN) Pathway. The CSN Pathway has been designed to provide skilled support for people with disability who experience personal and situational factors that are beyond the scope of general NDIS disability support models. The CSN Pathway works with specific participant groups including young people in residential aged care (YPIRAC), children and young people with disability living in accommodation outside of the family home, and other participants who are transitioning from Commonwealth and state and territory programs and are determined to be high-risk.

The CSN Pathway acknowledges primary and secondary situational and personal factors that contribute to the impact of complex support needs on a participant. This may include voluntary or involuntary involvement in other government service systems and transitional supports for returning to community, for example, exiting incarceration or acute rehabilitation settings.

The complex support needs pathway incorporates stronger connections with other services, for example with providers and government services, through dedicated liaison roles. It will also include NDIA planners skilled in supporting participants with complex support needs. CSN practice leads, skilled support coordinators and a greater focus on implementation, monitoring and review of participant plans.

Having a stronger connection between the planner, support coordinator and participant on a regular basis will ensure that the participant's plan continues to be fit-for-purpose with regular evaluation to avoid the risk of service breakdowns.

The intention is to enhance the ability of the participant, the support coordinator and the NDIA to identify and manage risks up-front, preventing crisis situations where possible.

For example, support coordinators are expected to assist a participant to prepare for and navigate unexpected events, including providing assistance to access appropriate crisis services. It is expected a support coordinator work with a participant proactively to ensure a plan is in place for managing a crisis. This includes listing key contacts and/or family supports and steps that should be taken if a crisis eventuates.

The role of a support coordinator in these circumstances is to support a participant to design a plan to minimise unexpected situations, work with stakeholders to flexibly use existing NDIS supports to manage and overcome a change in circumstances, support the implementation of any established crisis plans and assist with relevant linkages and connections to broader systems of support.

The CSN Pathway is now operating in all states and territories. The CSN Pathway is being expanded to include health and justice liaison officers nationally to provide a collaborative service system response for people with complex needs exiting the hospital and justice systems, and there is currently a recruitment exercise underway to double the number of YPIRAC planners to 80 by the end of March 2020.

In addition to the CSN pathway, the NDIA has developed the Maintaining Critical Supports (MCS) approach. MCS is the overarching term used to describe a range of interventions to build capabilities of individuals, service systems and markets to protect participants from finding themselves without disability-specific supports critical to their wellbeing, particularly while the disability supports market adjusts. These arrangements continue the NDIA's commitment to refine and build the capability of the sector. Success will require continued collaboration with all jurisdictions to ensure that all people with disability have access to appropriate mainstream services, such as health and housing, critical to their wellbeing and safety.

A key aspect of the MCS approach has been the establishment of the Exceptionally Complex Support Needs Program (ECSNP), which commenced from November 2019. Following a competitive grant round the ECSNP has commenced implementation in Western Australia, Queensland, New South Wales, the Australian Capital Territory and Victoria. The Tasmanian provider is expected to be appointed in February and alternate sourcing strategies have been developed for South Australia and the Northern Territory, with an appointment expected in March 2020.

The ECSNP will deliver the following functions:

- Sector and Community Development Activities to support the growth and capability of the disability sector in working with complex participants
- Subject Matter Expertise Activities to build systemic capabilities, knowledge and skills of providers who work directly with complex participants
- After Hours Crisis Referral Activities to ensure the availability of specialised and expert skills and experience to perform, or procure, integrated support coordination to participants 18 years and older, who are experiencing a crisis because of an unforeseen, unavoidable or unexpected loss of disability supports.

The NDIA is working with all jurisdictions to formalise escalation mechanisms to resolve individual and systemic roles and responsibilities, where a lack of action or agreement has the potential to make the situation critical for the participant or Scheme reputation and where multiple service systems are often involved.

14. The committee recommends the NDIA ensure that the hearing referral pathway delivered by Australian Hearing is available to all children.

Noted

The NDIA has partnered with Hearing Australia (formerly Australian Hearing) to prioritise access to the NDIS for children from birth to six years of age with a newly-diagnosed hearing

loss. This supports children to move quickly from diagnosis to early intervention, minimising the risk of developmental delay.

Hearing Australia assists families to test their eligibility and access the NDIS following initial assessment, diagnosis and treatment.

15. The committee recommends Australian Hearing be formally appointed as the independent referral pathway for access to early intervention services under the NDIS on an ongoing basis, and funded appropriately for this role.

Noted

Hearing Australia and other primary hearing health providers will continue to function as the primary interface in the paediatric and early intervention referral pathways through to the NDIS, from detection, diagnosis, initial device fitting and access to early intervention and ongoing disability supports.

During the NDIS trial and transition, Hearing Australia has continued to be a primary provider of specialist hearing services for children from birth to aged six, through an 'in kind' arrangement under the Commonwealth Government's Hearing Services Program.

Assessment results from Hearing Australia and other primary specialist health hearing providers engaged in the early detection of hearing loss are supporting children and adults with newly diagnosed hearing loss to gain access to appropriate supports, including through the Hearing Services Program and the NDIS.

Current 'in kind' arrangements are scheduled to cease by 30 June 2020 but the Hearing Services Program will continue to be available and clients have choice and control about how they would like to access services available under the government's Hearing Services Program and/or the NDIS.

The NDIA, NDIS Quality and Safeguards Commission, the Department of Health and Hearing Australia are engaging with the hearing sector to ensure ongoing arrangements for co-ordinated and integrated supports and services for people who are deaf and hard of hearing. Hearing services providers can register with the NDIS Quality and Safeguards Commission to support NDIS participants.

16. The committee recommends the NDIA consider how to better reflect in its pricing of supports the additional administration and professional development costs associated with operating in the NDIS environment as part of the next annual NDIS pricing review.

Supported

The NDIA continuously reviews its price control arrangements, including through Annual Price Reviews. The concerns raised by the Committee have been addressed following a comprehensive consultation and review process as part of the Annual Price Review.

The NDIA significantly increased, in real terms, the base price limits for attendant care and community participation supports across standard and levels one, two and three of high intensity price limits, effective 1 July 2019. The new base price limits were based on the efficient costs of a provider as per the evidence received from the independent benchmarking survey conducted by AbleInsight.

The increases were endorsed and announced on 30 March 2019 and have been implemented as part of the NDIS Price Guide and Support Catalogue 2019–20, effective 1 July 2019.

For providers delivering these supports to NDIS participants, base price limits increased by between 5.6 per cent and 15.4 per cent in real terms, dependent on variables such as location, times and days of shifts, and the level of worker. Attendant care and community participation price limits were also indexed by 4.5 per cent on 1 July 2019 for the Fair Work Commission's Minimum Wage Case and for the effect of the Equal Remuneration Order in December 2019. These increases will be on top of the real increases described.

Providers of attendant care and community participation supports will also be eligible for an additional increase in the price limit through a Temporary Transformation Payment (TTP). This conditional loading will assist providers to continue transforming their businesses in the move towards a more competitive marketplace and assist with the costs associated in transitioning to the NDIS. The TTP will replace the Temporary Support for Overheads. In 2019-20, the TTP is set at 7.5 per cent on the relevant level one support item and will reduce by 1.5 per cent each year thereafter. The TTP amount applicable to levels two and three supports is the same as the dollar amount applied to the level one equivalent of those supports, in each respective year.

DRC has commenced a project on pricing that will consider ways to improve the effectiveness of the NDIS market.

17. The committee recommends that the NDIS Quality and Safeguards Commission urgently review the impact of its regulatory requirements on sole providers and small to medium sized businesses providing disability services and report to the parliament on its findings.

Supported

An important element of the NDIS Quality and Safeguarding Framework (the Framework) is the oversight of a diverse and sustainable provider market, which is able to provide safe and high-quality disability support services. The Framework sets out requirements that are proportionate to the type of support offered and the needs of participants and that build a culture of continuous improvement.

The regulatory impact statement for the Framework estimated regulatory savings of \$23.185 million per annum, largely resulting from a streamlined national system where service providers would no longer be required to undergo multiple third-party verification processes. In the medium to longer term, the impact of the NDIS Quality and Safeguards Commission's (NDIS Commission) regulatory requirements on providers is expected to be considered as part of the Review of the Framework, subject to DRC's decision on the Terms of Reference. This Review is due to commence in mid-2021 and report to DRC by mid-2022.

The NDIS Commission has been monitoring the impact of new regulatory requirements, including registration and audit costs on small business, and has made changes to the rules under the *National Disability Insurance Scheme Act 2013* to address disproportionate regulatory impact on smaller businesses delivering lower risk supports.

The NDIS Commissioner, as the Minister's delegate, has amended the National Disability Insurance Scheme (Provider Registration and Practice Standards) Rules 2018 (the Rules) to reduce disproportionate regulatory impact on providers delivering lower risk supports.

The amendment removes the requirement for all providers that are body corporates to undergo a comprehensive and more costly type of audit known as certification, irrespective of the types of supports being provided.

The NDIS Commission consulted with sector and industry leaders and all states and territories on the amendments, including providers who would benefit from this change to avoid them commencing any unnecessary activities.

These changes came into effect on 1 January 2020.

18. The committee recommends the Australian Government consider adding to the Guiding Principles of the NDIS Act, a further principle aimed at ensuring that the NDIA systematically engage and collaborate with the disability sector and people with disability in the development and review of its operational plans and guidelines.

Supported

The Government agrees that the centrality of people with disability is an integral element of the NDIS.

In its response to the 2015 Independent Review of the *National Disability Insurance Scheme Act 2013* (the Act), COAG agreed that a new principle should be added to the guiding principles of the Act to reflect this concept. COAG also noted the review found that this concept is already evident in the operational practices of the NDIA and complements the broad thrust of the existing principles at sections 4 and 5 of the Act.

Government will bring forward these amendments to the NDIS Act in 2020, alongside the legislative amendments required to give effect to the Participant Service Guarantee, which was informed by broad national consultation with people with disability, their families and carers. The Government is committed to strengthening the participant-centred focus of the NDIS, and will continue to work collaboratively with people with disability and the disability sector in matters regarding the design, scope and implementation of the NDIS.