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Chair
Joint Standing Committee on the
National Disability Insurance Scheme
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Dear Chair,

Re: General issues around the implementation and performance of the NDIS – Partners in the Community (PITC) program

Thank you for the opportunity to provide further feedback to the Joint Standing Committee on the National Disability Insurance Scheme (NDIS). We do so with the hope that the matters raised in this submission will be urgently prioritised by the members of the Committee in the 47th Parliament.

We would like to draw the Committee's attention to our concerns about the Partners in the Community (PITC) tender process that was initiated just prior to the Federal Election. The tender documents indicate that the National Disability Insurance Agency (NDIA) intends to continue its existing approach to the largescale commissioning of PITC providers, without addressing many of the shortcomings in this approach that have previously been identified by a range of stakeholders. Consequently, JFA Purple Orange **urges the Committee to inquire into this PITC commissioning approach** in order to consider how the program could be improved to better achieve its purpose and to deliver the outcomes that people living with disability seek and deserve, and to complete any such inquiry in sufficient time to influence or reset the current commissioning process. With the tender documents stating that notifications of outcomes pertaining to the **next five to seven years** will be given to tenderers before March 2023, we would like to **underscore the urgency of discontinuing the current PITC commissioning approach and replacing it with one that better reflects the values of the Scheme, the strength of local communities, and the importance of people living with disability having authentic choice**. Otherwise, a deeply flawed model will be locked in until at least 2028.

Background to this submission

PITC are providers commissioned by the NDIA to assist people living with disability to access the NDIS and/or mainstream services and other supports within their local communities. PITC providers are currently funded through a grants-based model and deliver Early Childhood Early Intervention (ECEI) services for children under the age of

seven and Local Area Coordination (LAC) services to all others. They are usually the primary point of contact available to people living with disability to discuss their options or concerns. JFA Purple Orange regularly hears from people about how their experiences with PITC providers fall short of reasonable expectations and it is these first-hand lived experiences that underpin our concerns.

Despite the issues within the current approach that many have identified, tender documents indicate that the NDIA will commission PITC providers for the next five to seven years in much the same way as it has done in the past. There will be some minor modifications to the role and cohorts, but none of these adjustments significantly changes the NDIA's approach to the largescale commissioning of providers. For example, the renamed Early Childhood (EC) program will now be for children under the age of six with developmental delay and under nine for disability. The NDIA is also signalling a greater "leveraging" of technology for budget development that may reduce the involvement of PITC providers in this role at an unspecified future time. Additionally, the future direction for 'independent assessments' is unclear, but the tender documents foreshadow a possible role for PITC providers within whatever option is adopted, also at an unspecified future time. It is expected that there will be a separate tender process for PITC providers in some remote and very remote areas soon, but details of this are not yet publicly available.

JFA Purple Orange believes the tender call documents reflect a significant missed opportunity to improve the impact and outcomes of the PITC program. Leading up to the tender document release, little attention has been given to assessing the effectiveness of the current approach and whether it is the best way to continue to deliver this support to people living with disability within their local communities. The limited market consultation conducted late last year overwhelmingly focused on narrow issues, such as an expansion into remote areas, specialisation, and a part-fixed / part-variable approach to paying providers, rather than the current PITC approach as a whole. A much more expansive consideration of the problems and potential solutions is needed.

We also believe that the tender documents are not sufficiently anchored in inclusion practice, including how to assess a tenderer's capacity for this when evaluating their tender. Specifically, the tender call documents ask tenderers to detail how they will build local knowledge and connections, which suggests the NDIA does not require tenderers to already have this deep connectivity in place. Apart from the time it takes for agencies to authentically build those connections, which typically is much longer than people might think, it disregards the extent to which that local knowledge and connectivity is already within communities, typically in smaller grassroots organisations to whom this tender call is not really aimed.

It is hard to see from the tender documents how the NDIA will measure a tenderer's depth of commitment to the values underpinning inclusion, and how this is authentically and credibly reflected in their previous work, or how the NDIA will measure a tenderer's capacity to undertake successful community connection that brings people into valued membership of mainstream community life. It will be extremely difficult for whomever is evaluating the tenderers to retrofit these considerations into the process now given their absence from the tender specifications upon which tenderers understandably relied in

preparing their proposals. Without this degree of detailed rigour, the commissioning process will lead to a transactional service that is unlikely to deliver on the Scheme's mandate to deliver transformational outcomes.

Below, we identify the key principles that we believe should guide the development of an alternative PITC model and suggest how this could be implemented.

Return the NDIS to its original concept

The NDIS was set up to deliver both *transactional* and *transformational* benefits for Australians living with disability in line with the core values of choice and control. Transactional benefits arise from supporting a person's essential day-to-day needs, such as assistance with personal care. Prior to the NDIS, many of these basic needs were not met, or not sufficiently met, for example when a person only received irregular assistance for showering.

Transformational benefits are those that support people into lives characterised by active participation in the social, cultural, and economic lives of their communities, such as through mainstream waged employment. In this way, they transform the experience of being 'shut out' of society, as described in the 2009 National Disability Strategy Consultation Report, into one of equal participation in a community where all people enjoy equal opportunities to fulfil their potential. Although essential, the delivery of transactional benefits alone is not fulfilling the promise of the NDIS; it must also deliver transformational benefits in the lives of people living with disability if it is to be judged a success.

The 2011 Productivity Commission report on disability support described three necessary tiers in the proposed new approach under an insurance model: Tier 1 being for everyone, Tier 2 being for all people living with, or affected by, disability, and Tier 3 being for those people with significant care and support needs. So far, most of the policy and implementation focus has been on Tier 3, with the funding of personalised supports through individual NDIS plans. There has been insufficient attention directed toward enabling greater access and utilisation of community supports and mainstream services under Tier 2. As states and territories have withdrawn from funding a range of legacy services, an even wider gap in support has opened at this Tier than that which existed prior to the NDIS.

Likewise, the resources of LACs and ECEI programs have been heavily directed toward moving people into Tier 3 plans, while their envisaged role in relation to Tier 2 has not developed as originally proposed. This has been a consequence of both an overly complex, resource intensive, and time-consuming participant pathway to gain access to Tier 3 personalised supports, thus drawing the resources of LACs and ECEI programs away from Tier 2, and a lack of investment in establishing, funding, implementing, and progressing Tier 2 opportunities through the Information, Linkages, and Capacity Building (ILC) program to their full potential.

Recommendation 1: Governments should recognise that the success of the NDIS requires that all three tiers envisaged by the Productivity Commission in 2011 be

appropriately funded and effectively implemented. Further, governments should recognise that the failure of any tier will undermine the effectiveness and sustainability of the others.

Establish a simple pathway and clear roles

The current NDIS participant pathway is too complicated, involves a lot of inefficient back-and-forth wrangling between PITC and the NDIA, and routinely produces inconsistent outcomes leading to costly reviews and appeals. It also provides the context for ill-defined roles and responsibilities in relation to the Scheme. It is essential that the PITC approach works well with all other aspects of the Scheme and that the work of LACs and EC programs is distinct from, yet complementary to, other roles within the Scheme.

A simple pathway based on a conceptual framework of **'Indicate – Calibrate – Evaluate'** would improve the participant experience, lower the administrative burden, and create clear distinct LAC and EC roles. Under this framework, a simple, non-clinical, NDIS assessment process would focus less on mapping the person's disability and more on mapping the **consequences of that disability**. If accepted, an indicative budget that is considered reasonable and necessary to change those consequences would be signaled to the participant, so they can then consider how they might best apply that draft budget to their situation. This **'indicate'** step, comprising a simple assessment and the signaled draft budget, should be undertaken by a delegate of the NDIA as the agent of the Scheme.

Based on the indicative budget, a participant would develop a draft plan that focuses on what is important to them. A PITC could assist the participant to develop their plan, utilising their local knowledge and expertise to help identify relevant opportunities for community connections and participation, as well as the mainstream services that are suitable for the person's needs. As such, the core components of the PITC role would be:

- Providing information to people through being embedded in the local community and well-informed about the amenities, opportunities, supports, and services that are available
- Building relationships of trust whereby they can support the person's decision making and the emergence of the person's stated priorities
- Facilitating community connections for people that are enabled by maintaining relationships across local organisations, businesses, institutions, agencies, and councils; knowing who to ask for what; and promoting the values that create connections and increase the chances of authentic valued membership of mainstream community life

In providing these roles, the PITC (ie. LAC) is operating as the agent of the person, not the Scheme.

Once the draft plan is developed the NDIS delegate, as the agent of the Scheme, would meet with the participant to make sure the draft plan contents are within the Scheme's parameters, are relevant to the person's situation, hold the promise of a positive impact,

and are reasonably priced. This is a process we term **calibration**, to help make sure there is a workable match between the participant's planned intentions and the Scheme parameters for the finalisation of the individual budget. On this basis, the delegate signs off the plan so funds can flow.

At the end of the plan's term, or other significant point in time, the NDIA delegate and the participant would **evaluate** how well the budgeted plan achieved the desired outcomes. This would be done using the same assessment process as that which mapped a person's circumstances initially, because it does not make sense to have an assessment tool that is different from an outcome measurement tool. This evaluation also provides information about the participant's current circumstances (in other words, it serves as an updated assessment) and heralds a new draft budget.

The data obtained through this step could also be collated and analysed to help the Scheme evolve by identifying what types of investment provide the most positive impact on the participant's circumstances, in areas such as mainstream employment, inclusive housing, and authentic membership and participation in the social, cultural, and economic lives of local communities. Once again, in undertaking this work the delegate is operating as the agent of the Scheme to uphold and advance the Scheme's values and parameters. As such, the delegate serves to uphold the social insurance model that underpins the Scheme.

In summary, the **PITC (ie. LAC) is the agent of the person**, whereas the **NDIA delegate is the agent of the Scheme**. The role of PITC is to stand alongside the person, supporting them to access information, make decisions, and connect to their community. The role of the NDIA delegate is to apply the parameters of the Scheme ensuring the participant plan fits with Scheme outcome values and sustainability. Currently these roles are confused due to an unnecessarily complex pathway.

Recommendation 2: The NDIA should implement a simple participant pathway based on the conceptual framework of 'Indicate – Calibrate – Evaluate' to ensure that Partner roles (LAC and EC) are clear and distinct from the Scheme delegate role, where the LAC/EC is the agent of the person, and the delegate is the agent of the Scheme.

Harness local expertise

The role of PITC outlined above is **inherently local**. In our experience it is **grassroots organisations and agencies** that are embedded in local communities that offer the greatest prospects of delivering the best outcomes for people living with disability, ensuring that they can build lives characterised by valued membership of, and active participation in, their local communities. The current largescale commissioning of PITC providers is not a good fit for the objective of harnessing existing local resources and achieving effective outcomes within communities. To date, large organisation PITC providers have not demonstrated any significant advantages in connecting people to mainstream services and community supports over what could be expected from networks of smaller local agencies that already know their communities. Likewise, it is not clear that the NDIA itself (or another national government body) taking on the roles

included in the PITC approach, as proposed by some advocates especially in Western Australia, would achieve better outcomes. If we are seeking to harness local expertise to build genuine local community connections, the most likely source of this will be found within local communities.

We recognise that there are additional challenges in delivering PITC programs in remote areas with thin markets, however we think a developmental approach to commissioning programs, whereby the NDIA partners with local communities and leaders to co-design and co-produce appropriate local solutions, offers an effective solution. This approach would be particularly useful in First Nations communities, and in disability demographics where there is limited expertise and capacity in response.

Recommendation 3: PITC providers should be commissioned in ways that facilitate the involvement of small local grassroots agencies that bring well-established community expertise to providing PITC programs. The NDIA should end its preference for commissioning large organisations without any genuine local community presence (that is, knowledge and connections, not just physical office premises) as PITC providers to cover wide geographical areas.

Recommendation 4: In remote areas and other ‘thin markets’, the NDIA should utilise co-design and co-production approaches to ensure appropriate tailored PITC solutions can be found from within those local communities.

Focus on relationships

PITC programs should be designed and commissioned to reflect the utmost importance of the development and continuity of relationships between:

- PITC providers and people living with disability so that trust and insight are built and sustained
- PITC providers and local communities so that a shared history and depth of knowledge are built and sustained

The current largescale approach to commissioning PITC providers does not provide an adequate basis to ensure they invest resources, time, and effort into these relationships or the quality of the support they provide. The incentive for providers to improve the quality of their work in order to be regarded as a provider of choice by people living with disability is missing.

Recommendation 5: PITC providers should be commissioned in ways that ensure that their focus is on the development and continuity of relationships, high-quality engagement, and LAC or EC programs that genuinely advance the life chances of people living with disability.

Create community connections

It is widely acknowledged that under the current approach PITC providers are required to spend most of their time concentrating on connecting people to the NDIS rather than to mainstream services and supports within their local community. The role of PITC providers to connect people to their communities and communities to all their residents

on an instinctively inclusive basis has been neglected. We are often told by people living with disability that their PITC provider has limited knowledge of, or presence in, their local community. Therefore, the benefits that could come from this role, as envisaged by the 2011 Productivity Commission report, among others, are missing.

As a result, all the focus is on what the NDIS itself can offer to a person living with disability. However, often a person does not qualify for the NDIS and is left languishing without options for support. Alternatively, the funding within an NDIS plan might not be sufficient to extend to community connection. Community connection and Tier 2 supports remain essential elements of a successful approach, as well as an essential pathway toward ending segregated service provision and developing more inclusive mainstream options.

Importantly, PITC practice should be anchored on best known practice in relation to community development, and how the work to connect specific individuals into community opportunities (including how to ask, how to support, and how to step back) is often the most powerful way to change community capacity towards welcome and inclusion.

Recommendation 6: PITC providers should be commissioned in ways that ensure that access to informal supports, mainstream services, and local community connections for people living with disability are enhanced, the accessibility and inclusiveness of communities are increased, and that highly individualised community development work is the cornerstone of PITC practice.

Enshrine choice

We strongly believe that the NDIS principle of choice should apply to PITC programs. Currently, providers are commissioned in large demographic and geographic blocks meaning each person living with disability is designated a single provider through which to access programs. If, for whatever reason, they are unhappy with what they receive from that provider there are no alternative options available to them.

Given the Scheme is anchored on the values of choice and control, it seems deeply counterintuitive and disingenuous to commission a pivotal role within the Scheme in a way that is the opposite of choice and control. It is not defensible. NDIS participants should be able to choose who supports them to develop and implement their plan.

Additionally, choice would be a strong incentive to improve the quality and consistency of PITC programs.

Recommendation 7: PITC providers should be commissioned in ways that allow NDIS participants to choose which provider they wish to access LAC or EC programs from, and to change provider if and when they choose.

Measure impact

For a program that awarded \$524 million of funding to commissioned providers in the 2020-21 financial year, the impact and outcomes of the current PITC approach are unjustifiably opaque. The continuation by default of a set-and-forget approach without consideration of alternatives will result in a PITC program that fails to fulfil its promise. Comprehensive independent evaluation and transparency against a framework of verifiable accreditation of practice, are key tenets of sound program delivery in any context. The absence of any key performance indicators in the recent tender documents is of great concern to us as it suggests a regression in accountability and transparency.

Recommendation 8: PITC providers should be subject to comprehensive and rigorous independent evaluations and accreditation against publicly available criteria to measure their impact and outcomes, with results released publicly to ensure transparency.

Improve quality

People living with disability have told us that there is significant variability in the quality of PITC providers and between individual staff. The largescale commissioning of big organisations as PITC providers to offer services across wide geographic areas has not avoided this problem. It is far from clear that the quality of services derived from the current approach is superior to what could be offered by smaller genuinely local agencies with longstanding community connections. We believe that a **substantial investment in improving the quality** of PITC programs through workforce development initiatives, robust provider networks, Communities of Practice for managers and staff, and other similar types of investment are needed irrespective of the size or number of providers commissioned by the NDIA.

We also note that in our recommended alternative approach to commissioning, where participants choose their LAC or EC provider, they can take personal and potent action when they encounter lower quality by simply changing providers. In this way, we think that the market will be more likely to increase quality in line with the growing expectations of NDIS participants for community connection.

Recommendation 9: The NDIA should invest substantially in improving the quality of the PITC programs it commissions through workforce development initiatives, robust provider networks, Communities of Practice, and other similar types of investment and support that identify and share best practice approaches.

Co-design a more innovative commissioning and funding model

We are confident that all of these key principles can be achieved within a new innovative approach to the commissioning and funding of PITC. A co-design process that brings together people living with disability, providers, peak organisations, disability sector experts, and other stakeholders should be utilised to design a commissioning model that maximises the involvement of local grassroots organisations. The model should enable individual choice when accessing PITC without resorting to a rigid service-recipient

orientated model with unnecessary barriers to access or to splitting the LAC and EC programs provided to participants eligible for an individual plan under Tier 3 from programs available for those being supported by Tier 2. We also believe that an innovative funding model can be designed that ensures that accountability and oversight imperatives are fulfilled without creating unjustified or inefficient contract management and administrative burdens. In any case, we believe that the transformational benefits for Australians living with disability that would result from rethinking the PITC approach in line with these principles would far outweigh any additional costs that may potentially arise from a redesigned approach.

Under a new model, LACs and EC programs would have clear and distinct roles to provide information, build relationships and support decision making, and facilitate community connections within the context of a reimagined simple NDIS participant pathway that ensures greater efficiency and avoids costly reviews and appeals. This co-design process can sit alongside, and complement, the current review of the Tier 2 ILC program, further ensuring that all aspects of the NDIS work together to produce the best possible outcomes.

Recommendation 10: A co-design process should be established to develop a new innovative approach to the commissioning and funding of PITC in line with the key principles identified in this submission. As such, the NDIA's current PITC tender process should not proceed in its current form.

Time to rethink PITC approach

JFA Purple Orange believes that it is time to rethink the NDIA's approach to the largescale commissioning of PITC providers. Continuing with the current tender process **will not** allow enough flexibility to significantly change the PITC approach after contracts have been signed and any prospect of exiting contracts mid-term would undoubtedly pose additional challenges, as well as exposing the NDIA to potential long-term reputational damage. **We do not accept that the current tender process can in any way deliver the outcomes that people living with disability seek and deserve and, therefore, it should not proceed in its current form.**

We recognise that having proceeded this far with the current approach, limited time remains to change course without jeopardising the continuity of essential elements of the work undertaken by PITC. However, there are options to work around this problem, such as only contracting these essential elements for a shorter period or extending existing PITC contracts by a year. We would support the government implementing either of these options if it results in the establishment of a credible, fast-paced, co-design process to reset how PITC are commissioned and funded longer-term, including by:

- Mapping a simple participant pathway with clear distinct roles for NDIA delegates and LAC and EC programs
- Establishing a co-design process to properly contemplate and articulate what the purposes of LAC and EC programs are (and are not) and to identify the lessons of the current largescale commissioning approach in order to inform the design of a better alternative

- Designing a commissioning and funding model, such as an accreditation process for providers with an ongoing demand-based payment scheme
- Establishing a pilot program of the alternative model in order to gather data, finetune details, and lay the groundwork for scaling up
- Developing a strategy for the Tier 2 cohort that integrates contributions from the PITC program, ILC program, and other initiatives from *Australia's Disability Strategy 2021-2031*

We appreciate that the NDIA is currently navigating a range of challenges across the Scheme and has signalled its openness to co-designing solutions to many of these going forward. We also appreciate the NDIA role operates in an environment where responsibility for some parts of the Scheme is held elsewhere (eg. Department for Social Services, the NDIS Quality and Safeguards Commission) and by the expectations of a range of government stakeholders. We are keen to work with and support the NDIA in establishing the processes we recommend and share the agency's desire that it continue to build on its work so far to respond to the various difficulties within the Scheme. However, we strongly believe that change in how PITC are commissioned needs to be **urgently prioritised** and considered immediately alongside the NDIA's current range of initiatives aimed at strengthening the Scheme as an integrated whole. All the parts must work well together, not just separately.

In this submission, we have put forward some key principles and ideas that we believe can assist the NDIA to drive positive changes in the PITC approach. We hope that **the Committee will recognise the huge opportunity that currently presents to redesign the future approach to LAC and EC programs**, appreciating the significant impact that these could have in advancing the life chances of Australians living with disability if a more suitable and purposeful commissioning and funding model is adopted.

Thank you again for the opportunity to provide feedback regarding the PITC program as part of the Committee's "General issues around the implementation and performance of the NDIS" inquiry. We hope that the Committee **will recognise the importance of the concerns that we have raised here**, as well as **the urgency with which it will need to act** to ensure that a sub-optimal PITC approach is **not locked in for another five to seven years**.

We are keen to assist the Committee in its important work to help build a better NDIS for Australians living with disability. Accordingly, we request the opportunity to meet with the Committee to explore the matters raised in this submission. To arrange this, please contact Mr Robbi Williams, CEO of JFA Purple Orange,

Committee members may also find the attached paper "Keeping the Promise" helpful in considering how an alternative approach could better achieve the purposes of PITC in line with the core values of the NDIS. Please keep in mind that this paper was developed and written in 2017, however the fundamental principles and ideas remain highly relevant despite the presence of some data that is now outdated.

Yours sincerely

Robbi Williams
CEO, JFA Purple Orange