

**Joint Standing Committee on the National Disability Insurance Scheme**

**Market Readiness Inquiry**

Public Hearing Kalgoorlie- 18 April 2018

**Goldfields Individual & Family Support Association Inc (GIFSA)**

**Speaking Notes**

*Should be read in conjunction with GIFSA's Inquiry Submission # 3*

**PREAMBLE:**

- GIFSA thanks the Committee for visiting the Goldfields-Esperance region of WA and its major population centre, the City of Kalgoorlie-Boulder.
- GIFSA is an active member of the Council of Regional Disability Service Organisations (CORDS) and National Disability Services (NDS WA).
- GIFSA's coverage region is 771,000km<sup>2</sup> (>3 times the size of Victoria) of which there are three very distinct sub regions requiring unique responses, maybe hybrid responses.
- Currently GIFSA provides a range of services that may have to be cut due to the NDIS funding model. Services include:
  - Community & Family Living Support
  - Community Inclusion and Participation
  - Comprehensive Respite (Brokerage Funding)
  - Host family
  - Individualised Supported Accommodation
  - Information, referral and advocacy services
  - Mobile Respite Services (NG Lands)
  - Norton Saturday Morning Club
  - Residential Respite
  - Respite Through Recreation
  - School Holiday Program
  - Shared Management
  - Shared Supported Accommodation
  - Young People in Residential Aged Care (YIPRAC)
- It is noteworthy that this region has been operating in an individualised funding system for a number of years and therefore it is not a new concept to the organisation.
- Successive Government service delivery initiatives show that a one-size-fits-all model of service delivery is unworkable in this region. There is a need for a hybrid NDIS system that appreciates regional difference and diversity.
- The Market in this region is diverse and complex.
- The Market in this region is thin with a population of ~65,000.
- This region lives with service delivery market failure and the NDIS will be no different.
- Although some participants say they are ready for the NDIS; borne out of frustration at the time it has taken federal and state Governments to come to agreement; our local intelligence tells us that most are not ready. It would be a

fair assessment to suggest that the 'Market' in this region is not ready for an October 2018 transition.

- Although we've known about the NDIS for some, it would be disingenuous for anyone to suggest that the region is market ready given that the NDIS is in a state of constant change and the pace of change, without funding support, is onerous. It would be naïve at best to suggest that the market will 'sort itself out' over time.
- In our experience working and living in regional WA we know that centralised bureaucracy inevitably leads to future market failure. Therefore there will be a need for real localised decision-making capacity and capability in this state.
- The key issues in this region are:
  - Pricing inadequacy
  - Labour force competition, availability & competency
  - Complex thin market dynamics
  - Tyranny of distance
  - Market failure to reach those entitled to support
  - Lack of local decision-making
- The NDIA has the unique opportunity to learn from the mistakes in other jurisdictions and to get the model "right" in WA.
- Notwithstanding the many challenges for the NDIS, GIFSA is willing and able to provide regional, rural and remote insights and intelligence that will add considerable value to the Scheme. Indeed, in the absence of any regional, rural or remote marketing, GIFSA has been at the forefront of promoting the NDIS in this region.
- GIFSA recognises the growth opportunities promised by the NDIA however growth and sector sustainability must be companions on the NDIS journey.

## **PRICING & SECTOR SUSTAINABILITY**

- Although the McKinsey Independent Pricing Review (IPR) does recognise that inadequate NDIS prices have created significant risks for some people in the NDIS of not receiving services in this region including people with high and complex support needs, Aboriginal, CALD or people that are in crisis, how will the NDIA address this significant identified shortcoming?
- Of the 22 providers that participated in the IPR, it is alarming that the distribution of service-providers meeting the attendant care cap, 9% are currently viable; 14% are at risk; and 77% are non-viable and will potentially fail. This data vindicates the sector's position and runs counter to the position argued in the IPR.
- The IPR failed to acknowledge the significant financial contribution being made to the implementation of the NDIS from the balance sheets of the not-for-profit sector. Unlike other states the WA State Government has provided no transitional funding support.
- The current pricing limits don't cover the cost of providing support.
- Pricing indexation (CPI) does not take into consideration the ERO.
- Despite sector readiness grants, providers appear not to want to take the financial risk. Working capital, or lack thereof, is restricting the capability of providers to deal with the changes imposed by the NDIS. Therefore there is

an acute need for sector transitional funding to be made available to providers.

- Indirect costs are expected to be worn by providers. Moreover, they are not recognised by NDIA (transitional funding)
- The additional cost associated with the provision of remote and very remote service delivery i.e. “*staff turnover, air travel, long distance road travel, limited market infrastructure, fit-for-purpose vehicle wear, tear & maintenance, limited economies of scale opportunities*” are also associated with “outer regional” locations like Kalgoorlie and therefore need to be treated the same as remote & very remote locations.

## TRANSITIONING

- NDIA CEO states “*While some (IPR) recommendations require additional work to understand their full impact, implementation will be phased so that those recommendations that produce the greatest benefit will be actioned first*”. Will rural and remote be a priority?
- The WA State Government 58% funded the NDIS (2017-2020) and therefore need to be held to account.
- The WA Disability Sector Plan clearly articulates that the NDIS will stimulate significant economic and jobs growth for the State, but that smooth transition and delivery of high-quality disability services in all parts of our vast state will require significant investment by the State Government in an Industry Plan. This has been the case with other jurisdictions such as Victoria (\$36M) and NSW (\$30M) to assist with sector NDIS readiness and building a sustainable supply of disability services into the future.

## MARKET DYNAMICS

- People with disability are not a market nor should they be considered so.
- The NDIS is not a market. A market sets pricing whereas in the NDIS the Government does.
- The IPR assumes the market will take care of itself. Where’s the evidence for that assumption?
- There is conflicting NDIA information around supply of support service in the market. IPR states that demand is outstripping supply whereas NDIA staff saying it’s not the case because new providers are not in the right location, are sole traders and don’t have the scalability & many new registered providers choosing not to trade/provide services.
- The IPR lacks evidence and the language used is subjective.
- GIFSA has consistently said that the risk of market failure is significant, and inadequate prices is a significant contributor to that risk. The NDIA need to consider more seriously where market failure is likely to occur and communicate how it intends to deal with that failure.
- Constant shifting of the goal posts reduces confidence in the NDIS and creates uncertainty.
- Although this region has yet to transition to the NDIS, there are alarming signs that pricing, not choice and control nor reasonable and necessary supports, are becoming the hallmark of the NDIS.

- The region's labour market is highly competitive and susceptible to rapid change.
- Participants, at this point in time, are confused and ill prepared for the NDIS. They know the NDIS is a "good thing" but have reservations about its implementation.
- GIFSA's independent disability housing study indicates an unmet demand, yet very limited investment opportunities.
- The Rural & Remote Strategy 2016-2019 aims to address the following goals:
  - Easy access and contact with the NDIA.
  - Effective, appropriate supports available wherever people live.
  - Creative approaches for individuals within their communities.
  - Harnessing collaborative partnerships to achieve results.
  - Support and strengthen local capacity of rural and remote communities.

It is questionable whether NDIA is meeting these aspirational goals.

- The Aboriginal & Torres Strait Islanders (ATSI) Engagement Strategy commits the NDIA to:
  - All NDIA staff will be trained to understand and engage with ATSI people and communities in a way that demonstrates respect and support for Aboriginal language, heritage and culture or in the 'proper way'. How?
  - ATSI peoples, their families, carers and communities will be provided with culturally appropriate information to help them understand their rights and needs for disability support in preparation for the NDIS. How?
  - NDIA's engagement approach will inform the way that we work with Aboriginal and Torres Strait Islander communities and influence the way we appropriately engage and deliver services to Aboriginal and Torres Strait Islander peoples with disability and their families; How?
  - NDIA staff will listen, learn, build and deliver. They will be supported in their work with Aboriginal and Torres Strait Islander peoples through the identification and sharing of previous knowledge, experience and lessons learned through the trial sites, states and territories and throughout transition of the NDIS. How?

Are these commitments being met?

- Let us consider GIFSA's experience:

1.

Some of the challenges of introducing the NDIS into the remote Ngaanyatjarra communities of WA.

*There are many environmental, cultural, personnel and financial challenges to operating as a service provider in remote WA. Flexibility to changing circumstances and the ability to maintain a consistent fair and open approach, are imperative to forming a trust based relationship with Yarnangu people, whether they be clients, carers, and staff or community members. As a community service worker it takes time to adjust and also to be accepted before any effective progress can be made, irreparable damage can be done by trying to enforce deadlines or taking a one size fits all approach to Yarnangu people.*

*Under the existing block funded model service providers have been able to assist persons in obvious need immediately without proof of identification and medical evidence of disability, as both these requirements can take some time to collect, if at all possible. There is extremely limited registration with disability services WA on the Ng lands mainly due to lack of medical evidence.*

*By and large this has been a very successful and culturally acceptable method of providing assistance to individuals in immediate need, family consultation and liaising with appropriate organisations suitable longer term help can be sourced if required with minimal intrusion into the individual's family and cultural life.*

*Client readiness and eligibility for NDIS.*

*The NDIS eligibility requirements age and residency/ citizenship should not be difficult to establish for potential participants on the lands.*

*Meeting disability requirements will pose difficulties as*

- 1) Specialist diagnostic services do not exist on the lands and are extremely difficult to access in regional centres such as Kalgoorlie.*
- 2) Yarnangu people frequently do not wish to be identified as disabled, it is thought shameful and weak or seen as punishment in traditional culture. This cohort includes almost all younger males with psychiatric conditions.*

*Traditionally people do not plan beyond their immediate need for basics and don't perceive planning as important. In meetings I've had discussing NDIS with current clients and carers who do have an understanding of disability and engage with services there is confusion that future services provided may change due to funding changes, and someone (NDIS) will need to speak with them to plan services for the year ahead. Yarnangu people put trust in personal relationships, clients and their*

*family feel reassured that service provider staff will not change, as they believe activities will continue as previously as long as they know the staff.*

*Early intervention for children and pre-planning has not as yet been addressed as GIFSA clients are all adults. GIFSA is unaware of any organisations who have made preparations.*

*In summary there has been little achieved thus far in client readiness for the NDIS and not much to suggest this may change before the rollout date of 1st October, a slow and consultative approach would be advantageous to building trust as any plan developed in haste will result in service provider failure and be detrimental to some of the most disadvantaged people in the Australian community.*

2.

One of the real barriers for persons living with a disability and requiring some level of support in the Ngaanyatjarra (Ng) lands has been meeting medical evidence requirements. Under Disability Services WA currently there is only one registered adult person with a disability on the Ng lands, this is far from an accurate picture of the number of persons requiring assistance in their day to day activities.

A recent example illustrates the point -

***SR is a GIFSA client living in Warburton with an intellectual disability & at times tenuous carer arrangement who “would benefit from structured social interventions for ID support” (medical officers report 2018).***

***After three previous attempts to get SR to Kalgoorlie for a week carer respite the period 9th-14th April 2018 was agreed upon after negotiation with family.***

***Attempts to get her seen by a psychologist / neurologist to perform the required assessment to register with disability services WA proved unsuccessful as no professional was available to perform the assessments in Kalgoorlie at the time.***

***The important point is that medical evidence is extremely difficult to obtain, the highly skilled medical officers working in remote communities are not trained specialist diagnosticians, and specialists visit infrequently, if ever and are not always available even 1000kms away in the large regional centre of Kalgoorlie.***

Is there an alternative pathway to register individuals with NDIS when they do not have the opportunity or perhaps desire, to have definitive specialist medical assessments / diagnosis but who do require support?

## NDIA

- The December 2017 NDIA Quarterly Report to the Ministerial Council shows that the number of complaints submitted to the Agency was 3,880 with 13,113 complaints made overall; 86% about the NDIA, only 4% were complaints about service providers, and 10% were unclassified. We have the opportunity to learn from the mistakes in other states and get it right in WA. Given that the NDIA's 'Charter of Service' commits it to service which is **professional, accessible, fair, and timely**, is it meeting these commitments & is it market ready?
- Within that report most participants accept that the NDIS is a complex system. Many expressed concerns-
  - that the views of people with disabilities, their families and carers were often overlooked in planning processes,
  - that communication processes and messages in the NDIS were inconsistent,
  - that some people with disabilities were disadvantaged because they could not fully understand the system, its costs and its administrative requirements and
  - many participants described challenges accessing and understanding the huge volume of information surrounding the NDIS.
- Consumer expectations in the NDIS is high however confidence in the application of the NDIS is very low.
- The WA Disability Services Sector Industry Plan notes that “ *the primary risk with NDIS service provision in regional and remote areas is that without a sufficient number of service providers, some people with disability may not receive the full suite of supports they would have access to in Metropolitan areas. If this did occur, the only options for people with disability in regional areas would be to either; move to more populated areas to receive the supports they need and are entitled to receive; continue to live in these areas and receive fewer supports than they are entitled to receive; or disengage with the disability system and not receive any supports*”. If that is true how will NDIA mitigate against that risk?
- The NDIA has no real local/State decision making mechanism. It should appoint a Deputy CEO with real power to make State Specific decisions.

End

