

Chapter 2

Issues raised in evidence

2.1 This chapter considers progress made in addressing issues identified during four inquiries undertaken by the committee, and which have received a Government Response, namely:

- Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition (report tabled 15 August 2017);
- Provision of services under the NDIS Early Childhood Early Intervention Approach (report tabled 7 December 2017);
- Transitional arrangements for the NDIS (report tabled 15 February 2018); and
- The provision of hearing services under the NDIS (Interim report tabled 14 September 2017 and final report tabled 21 June 2018).

Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition

2.2 Between November 2016 and August 2017, the committee undertook an inquiry into the provision of services under the NDIS for people with psychosocial disabilities.

2.3 At the time of the inquiry, the key issues raised in evidence were related to:

- the eligibility criteria, including the lack of clarity and guidelines leading to inconsistency in eligibility outcomes;
- access to the NDIS and its planning process;
- continuity of supports for people not eligible for NDIS support;
- provider of last resort arrangements, including for people in indefinite detention; and
- access to NDIS support services for people in custody.

2.4 On 15 August 2017, the committee released its report and made 24 recommendations aimed at strengthening the effectiveness of the Scheme to ensure that people with psychosocial disabilities can be appropriately supported.¹

2.5 A Government Response was provided in March 2018, indicating support for 20 recommendations and providing information of initiatives underway to address the key issues raised in the report.²

1 Joint Standing Committee on the NDIS, *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, 15 August 2017, https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Disability_Insurance_Scheme/MentalHealth (accessed 19 February 2019).

2.6 On 26 February 2019, the committee held a roundtable with representatives of the mental health sector to gauge progress since the release of the report.

2.7 Notwithstanding the recent initiatives undertaken by the NDIA to ameliorate support for people with psychosocial disability eligible for the NDIS, it appears that very little progress has been made to address the key issues identified during the inquiry.³

2.8 In essence, the challenges associated with the transition to the NDIS for eligible participants and continuity of support for those outside the Scheme remain significant.

2.9 At the roundtable, the committee heard that issues around inconsistencies in eligibility and planning outcomes, as well as issues with the planning process and adequacy of plans, were continuing to jeopardise people's access to appropriate, reasonable and necessary supports.⁴

2.10 Roundtable participants also expressed deep concerns about the uncertainty of and lack of clarity for access to continuity of supports for those ineligible for the NDIS. Whilst this issue had been identified during the initial inquiry, roundtable participants flagged the urgency of progressing this matter as key Commonwealth funded programs such Partners in Recovery (PIR), Personal Helpers and Mentors (PHaMs) and Day to Day Living (D2DL) are scheduled to end on 30 June 2019.⁵

The NDIS experience

2.11 At the time of the inquiry, the committee received evidence that access to the NDIS, as well as, the planning process to develop and review NDIS plans, had not been operating well and had often resulted in unsatisfactory outcomes for participants with a psychosocial disability.⁶

2 See Appendix 1 for a list of recommendations, Government Response and summary of initiatives undertaken to date to address each recommendation supported by the Government.

3 See for example: Mental Health Australia, *Opening statement*, pp. 7–12 (tabled 26 February 2019); Ms Robyn Hunter, Chief Executive Officer, Mind Australia, *Committee Hansard*, 26 February 2019, p. 7; Mr Mark Orr AM, Chief Executive Officer, Flourish Australia Ltd, *Committee Hansard*, 26 February 2019, p. 10.

4 See for example: Ms Robyn Hunter, Chief Executive Officer, Mind Australia, *Committee Hansard*, 26 February 2019, p. 7; Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 12; Mr Mark Orr AM, Chief Executive Officer, Flourish Australia Ltd, *Committee Hansard*, 26 February 2019, p. 10.

5 See for example: Mr Glen Tobias, Acting Chief Executive Officer, Neami National, *Committee Hansard*, 26 February 2019, p. 17; Ms Carmel Mary Tebbutt, Chief Executive Officer, Mental Health Coordinating Council, *Committee Hansard*, 26 February 2019, p. 13; Mental Health Australia, *Opening statement*, p. 2 (tabled 26 February 2019).

6 Joint Standing Committee on the NDIS, *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, 15 August 2017, Chapter 2 and 3, pp. 7–35.

2.12 The NDIA has recognised the need to improve the NDIS process from the points of access to the Scheme to the implementation of participants' plans. As a result, the NDIA is currently rolling out a range of initiatives to improve people's individual journeys with the NDIS through NDIS participant pathway reform. This includes the establishment of tailored pathways for cohorts who have specific disability, cultural and / or communication needs.⁷

Psychosocial disability stream

2.13 On 10 October 2018, the Minister for Families and Social Services announced the establishment of a 'psychosocial disability stream' to provide a better pathway and support to people with a psychosocial disability eligible for the NDIS.⁸

2.14 The new stream includes:

- the employment of specialised planners and Local Area Coordinators;
- better linkages between mental health services and NDIA staff, partners and;
- a focus on recovery-based planning and episodic needs.

2.15 The psychosocial disability stream was introduced in specific locations in Tasmania and South Australia in November 2018, followed by Victoria and NSW in conjunction with the implementation of the complex support needs pathway.⁹

2.16 Roundtable participants were unable to comment on the new psychosocial disability stream as it is yet to be rolled out beyond a few specific locations.

2.17 Ms Carmel Mary Tebbutt, CEO of Mental Health Coordinating Council (MHCC), said it was 'a very welcome announcement' but added that more information about how the stream is operating would be beneficial:

[...] there would be a desire for a greater amount of information about how those trials are running and how they're going to be evaluated to take advantage of the great wisdom and knowledge that sits with service providers and consumers in contributing to the trials, because there isn't a lot of information yet as to how that is all actually rolling out.¹⁰

2.18 Mental Health Australia agreed with the MHCC statement and emphasised the need to evaluate those trials so they could be taken to scale.¹¹

7 NDIA, *NDIS pathway reform*, <https://www.ndis.gov.au/news/1215-ndis-pathway-reform> (accessed 20 February 2019)

8 NDIA, *Government announces improved NDIS mental health support*, 10 October 2018, <https://www.ndis.gov.au/news/400-government-announces-improved-ndis-mental-health-support> (accessed 20 February 2019)

9 NDIA, *COAG Disability Reform Council Quarterly Report*, 31 December 2018, p. 26.

10 Ms Carmel Mary Tebbutt, Chief Executive Officer, Mental Health Coordinating Council, *Committee Hansard*, 26 February 2019, p. 17.

11 Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 17.

2.19 Mental Health Australia also pointed out that these trials were 'an opportunity for collaboration between the mental health sector and the NDIA to refine NDIA's approach to planning and pricing services'.¹²

2.20 Roundtable participants pointed out that the sector has done significant work with Mental Health Australia on the 'Optimising Psychosocial Support Project', which can be used to refine the psychosocial stream pathway.¹³

2.21 Mental Health Australia recommended that the implementation of the psychosocial disability stream 'be carried out in an open and transparent manner, with relevant data and information on progress published on a regular basis'.¹⁴

Inconsistency in eligibility and planning outcomes

2.22 At the time of the inquiry, the lack of clarity around eligibility criteria, the apparent reliance on diagnosis rather than functional needs, the absence of a validated assessment tool for planners, and reported lack of skills and expertise of planners in the mental field were identified as key contributors to inconsistencies in eligibility and planning outcomes.¹⁵

2.23 At the February 2019 roundtable, according to Mind Australia, inconsistencies in eligibility outcomes remain common:

I have with me some examples of people with the same diagnosis and presenting functional impairment in similar contexts, but one gets in and the other doesn't.¹⁶

2.24 Similarly, inconsistencies in planning outcomes continue to be observed:

I've certainly had national providers say to me that demographic groups that look very similar in two different parts of the country can have variants of plan size of to 100 percent – so, \$15,000 averages in one region and \$30,000 averages in another region – for population groups that for their intents and purposes look exactly the same.¹⁷

2.25 Mr Mark Orr AM, CEO of Flourish Australia Ltd, also commented on the differences in funding and supports between regions:

12 Mental Health Australia, *Opening statement*, p. 2 (tabled 26 February 2019).

13 See for example: Mr Mark Orr AM, Chief Executive Officer, Flourish Australia Ltd, *Committee Hansard*, 26 February 2019, p. 16; Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 16.

14 Mental Health Australia, *Opening statement*, p. 6 (tabled 26 February 2019).

15 Joint Standing Committee on the NDIS, *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, 15 August 2017, Chapter 2, pp. 7–20.

16 Ms Robyn Hunter, Chief Executive Officer, Mind Australia, *Committee Hansard*, 26 February 2019, p. 7.

17 Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 12.

[...] depending on where you are in the country you get a very different experience, a very different plan and a very different amount of support that's funded.¹⁸

2.26 The key drivers of these inconsistencies appear to remain the absence of a standardised assessment tool and the lack of skills and expertise in mental health of planners.¹⁹

Standardised assessment tool

2.27 The committee had recommended the development and introduction of a validated fit-for-purpose assessment tool to assist addressing these inconsistencies in eligibility and planning outcomes.²⁰

2.28 The Australian Government supported this recommendation and advised the committee that the NDIA was progressing the selection of an existing appropriate functional assessment tool, and the development of reference packages for people with psychosocial disability. The assessment tool was expected to be progressively introduced from early 2018.²¹

2.29 The NDIA recently advised the committee that the Agency continues to trial appropriate functional assessment tools for people with psychosocial disabilities. This includes the Life Skills Profile (LSP) assessment tool, which has been included as part of the Independent Assessment Pilot in service delivery areas in New South Wales.²²

2.30 At the roundtable, Ms Robyn Hunter, CEO of Mind Australia pointed out that there was still a need for 'adoption of an assessment process that actually takes into account fluctuating functional impairment, not just diagnosis'.²³

2.31 Mental Health Australia also reiterated the urgent need to implement a validated, agreed and transparent assessment tool.²⁴

18 Mr Mark Orr AM, Chief Executive Officer, Flourish Australia ltd, *Committee Hansard*, 26 February 2019, p. 10.

19 Ms Robyn Hunter, Chief Executive Officer, Mind Australia, *Committee Hansard*, 26 February 2019, p. 7; Mr Mark Orr AM, Chief Executive Officer, Flourish Australia ltd, *Committee Hansard*, 26 February 2019, p. 10; Mental Health Australia, *Opening statement*, p. 5 (tabled 26 February 2019).

20 Joint Standing Committee on the NDIS, *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, Recommendation 4.

21 Australian Government, *Government response to provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition* (received 6 March 2018), pp. 6–7.

22 NDIA, *answers to question on notice SQ19-000009*, received 22 February 2019.

23 Ms Robyn Hunter, Chief Executive Officer, Mind Australia, *Committee Hansard*, 26 February 2019, p. 8.

24 Mental Health Australia, *Opening statement*, p. 5 (tabled 26 February 2019).

Training of staff

2.32 A perceived lack of skills and expertise of planners remains a concern as it impacts on consistency of eligibility decisions and adequacy of plans.

2.33 As part of its efforts to ameliorate its processes, the NDIA advised the committee it had delivered training on access and psychosocial disability to approximately 1440 NDIA staff, LACs and providers during 2018. Additionally, the NDIA indicated that all staff are supported in decision-making by a range of technical and operational advice materials, specialists and advisors.²⁵

2.34 Mr Angus Clelland, CEO of Mental Health Victoria, is of the view that some of the challenges will be overcome by the NDIA commitment to train planners in psychosocial disability, but pointed out that this initiative needs to be 'fast tracked'.²⁶

2.35 Ms Carmel Tebbutt, CEO of MHCC, explained to the committee that MHCC has delivered some training to NDIA staff but that 'it is difficult for people to find the time to attend the training because there are so many demands on NDIA staff time'.²⁷

2.36 Mr Mark Orr AM, CEO of Flourish, expressed concerns about Ms Tebbutt's report that NDIA staff are too busy to attend training, and stressed the importance of delivering training, which has been developed by people with lived experience.²⁸

2.37 Mental Health Australia also made a number of recommendations aimed at developing the skills, knowledge and experience of NDIS staff and planners, pointing to the need to actively involve the sector in the development of a psychosocial competency framework for NDIA staff.²⁹

Adequacy of plans

2.38 Roundtable participants were of the view that the way plans are currently constructed does not meet the needs of participants with a psychosocial disability. In particular, plans continue to lack the flexibility to respond to the fluctuating needs of participants with a psychosocial disability.³⁰

25 NDIA, *Answer to question on notice SQ19-000010*, received 22 February 2019.

26 Mr Angus Clelland, Chief Executive Officer, Mental Health Victoria, *Committee Hansard*, 26 February 2019, p. 12.

27 Ms Carmel Mary Tebbutt, Chief Executive Officer, Mental Health Coordinating Council, *Committee Hansard*, 26 February 2019, p. 12.

28 Mr Mark Orr AM, Chief Executive Officer, Flourish Australia Ltd, *Committee Hansard*, 26 February 2019, p. 16.

29 Mental Health Australia, *Opening statement*, p. 4 (tabled 26 February 2019).

30 See for example: Ms Robyn Hunter, Chief Executive Officer, Mind Australia, *Committee Hansard*, 26 February 2019, p. 10; Mr Neil Turton-Lane, NDIS Manager, Victorian Mental Illness Awareness Council, *Committee Hansard*, 26 February 2019, p. 18.

2.39 Ms Robyn Hunter, CEO of Mind Australia reported that around 80 percent of the plans are inappropriate or inadequate.³¹ She explained to the committee why most plans do not meet participants' needs:

The quantum of funding is generous for people who do get a plan, but they're constructed with a very inflexible structure. Plans are frontloaded with 'core' [...], which is exactly what a lot of these people don't need. They actually need to have flexible supports that are geared towards building their capacity and independence.³²

2.40 Similarly, Tandem reported that plans are often inadequate and not based on a recovery model:

Plans loaded up with core supports are keeping people in situ in a stagnant life, without the level of capacity building supports such as therapies to build on personal recovery goals in a meaningful way. These plans are frequently not fit-for-purpose.³³

Funding in plans

2.41 The committee also received evidence that inadequate levels of funding in plans also remained a live issue:

In terms of immediate priorities, Neil mentioned the dollar plans or low-value plans. We need to target those in very short order. There is a practical problem here in that if someone has a plan or has been accepted into the NDIS [...] they're becoming ineligible for state services, and then they're left with nothing. We need to action that very quickly.³⁴

Continuity of support and funding of services outside the NDIS

2.42 Given that the majority of people who experience mental ill-health will not access the NDIS, the continued provision of services for people outside the Scheme is particularly important.

2.43 Indeed, according to Mental Health Australia, about 300 000 people with a severe mental health condition have a need for some form of individualised support.³⁵ At full Scheme, the NDIS will meet the social support needs of around 64 000 of this group. As Mr Frank Quinlan pointed out, these figures give an indication of the scale

31 Ms Robyn Hunter, Chief Executive Officer, Mind Australia, *Committee Hansard*, 26 February 2019, p. 10.

32 Ms Robyn Hunter, Chief Executive Officer, Mind Australia, *Committee Hansard*, 26 February 2019, p. 10.

33 Tandem, *Submission 86*, p. 5.

34 Mr Angus Clelland, CEO, Mental health Victoria, *Committee Hansard*, 26 February 2019, p. 15.

35 Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 8.

of the population outside the NDIS that requires access to a range of support services.³⁶

2.44 At the time of the inquiry, the committee found that there was uncertainty about what psychosocial support programs would be available to people outside the NDIS, especially once the transition period has ended.³⁷

2.45 The committee recommended Australian, state, and territory governments clarify and make public how they will provide services for people who are not participants in the NDIS.³⁸ The Australian Government supported this recommendation but was not in a position to provide any details itself, as agreements and negotiations with states and territories were still in train at the time of its response.³⁹

2.46 At the roundtable, the issue of continuity of support was central to the discussions. Roundtable participants stressed the urgency of clarifying how continuity of support will be provided because some of the Commonwealth funded programs are due to end on 30 June 2019.⁴⁰

Clients of existing Commonwealth programs transitioning to the NDIS

2.47 During the inquiry, the committee found that a significant number of clients of Commonwealth programs transitioning to the NDIS would not be accessing the Scheme and that continuity of support for these clients had become uncertain.⁴¹

2.48 A key reason for the uncertainty of continuity of support put forward by submitters was the requirement for existing clients of Partners in Recovery (PIR),

36 Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 8.

37 Joint Standing Committee on the NDIS, *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, 15 August 2017, Chapter 4, pp. 37–50.

38 Joint Standing Committee on the NDIS, *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, 15 August 2017, Recommendation 13, p. xiv.

39 Australian Government, *Government response to provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition* (received 6 March 2018), p. 13.

40 See for example: Mental Health Australia, *Opening statement*, p. 2 (tabled 26 February 2019); Mr Glen Tobias, Acting Chief Executive Officer, Neami International, *Committee Hansard*, 26 February 2019, p. 13; Ms Carmel Mary Tebbutt, Chief Executive Officer, Mental Health Coordinating Council, *Committee Hansard*, 26 February 2019, p. 13.

41 Joint Standing Committee on the NDIS, *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, 15 August 2017, Chapter 4, pp. 37–50.

Personal Helpers and Mentors (PHAMs) and Day to Day Living (D2DL) to test their eligibility for the NDIS in order to access continuity of support.⁴²

2.49 The committee had noted that such requirements would likely result in some existing clients losing supports.⁴³ Consequently, the committee recommended that clients currently receiving mental health services, including services under Commonwealth programs transitioning to the NDIS, should not have to apply for the NDIS to be guaranteed continuity of supports and access services.⁴⁴

2.50 This recommendation was not supported by the Australian Government. The rationale for not supporting the recommendation was:

- funding for the PIR, D2DL, PHaMs and MHR:CS programs is transitioning to the NDIS on the basis of the close program alignment with the NDIS and the majority of clients are expected to be eligible;
- the Government considers it is in the best interests of existing clients to have the opportunity to test their eligibility with the assistance of trusted support workers who are most familiar with their individual circumstances and needs; and
- NDIS participation will provide guaranteed lifetime support and better outcomes for former program participants.⁴⁵

2.51 At the recent roundtable, Mr Frank Quinlan from Mental Health Australia commented that he did not understand the government's rationale, as a very large proportion of those people are not going to be eligible for the NDIS.⁴⁶

2.52 Indeed, at the roundtable, the committee received further evidence that participants in existing Commonwealth mental health programs continue to experience a high rejection rate despite having a severe and enduring mental health condition:

We're experiencing at Mind Australia a 50 percent rejection rate of people who have been participating in the Partners in Recovery program. By their very definition, they have severe and enduring mental ill health.⁴⁷

42 Joint Standing Committee on the NDIS, *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, 15 August 2017, p. 16.

43 Joint Standing Committee on the NDIS, *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, 15 August 2017, pp.18–19.

44 Joint Standing Committee on the NDIS, *Provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition*, Recommendation 6.

45 Australian Government, *Government response to provision of services under the NDIS for people with psychosocial disabilities related to a mental health condition* (received 6 March 2018), p. 7.

46 Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 19.

47 Ms Robyn Hunter, Chief Executive Officer, Mind Australia, *Committee Hansard*, 26 February 2019, p. 7.

2.53 Similarly, Ms Carmel Mary Tebbutt, CEO of Mental Health Coordinating Council reported that a study by their national peak body and the University of Sydney is showing so far that more than 50 percent of participants of PHaMs program who had applied for the NDIS had been found ineligible for NDIS services.⁴⁸

2.54 Mr Frank Quinlan, CEO of Mental Health Australia further explained:

[this] means we're forcing a huge population of people who are unsuitable and should perhaps never be considered for the NDIS to nonetheless test their eligibility for the NDIS in order that they qualify for those continuity of support programs outside the NDIS. [...] I think it's bad for the system and it's bad for those individuals [...].⁴⁹

2.55 Mental Health Australia is of the view that the requirement that people in existing programs need to test their eligibility for the NDIS in order to gain continuity of support should be lifted.⁵⁰

2.56 Because of the requirement to test eligibility, roundtable participants stressed the need to extend these programs beyond 30 June 2019 to enable all existing clients to go through the process:

The priority from our perspective is the looming funding cliff where all Commonwealth funding to Day to day Living, PHaMs and PIR end on 30 June. [...] There's no way in the world, given the pace that the NDIA is working at the moment, that those people remaining will be able to go through the eligibility process and have it tested.⁵¹

2.57 The ongoing lack of certainty and clarity around how continuity of support will be delivered beyond 30 June 2019 was another reason for recommending the extension of these programs:

We know that continuity of support commitments have been made by the government but it is unclear how that is going to play out in practice. Even the primary health networks don't yet know what sort of funding they're going to get or how they'll manage that funding.⁵²

48 Ms Carmel Mary Tebbutt, Chief Executive Officer, Mental Health Coordinating Council, *Committee Hansard*, 26 February 2019, p. 9.

49 Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 8.

50 Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 14.

51 Mr Glen Tobias, Acting CEO, Neami National, *Committee Hansard*, 26 February 2019, p. 17.

52 Ms Carmel Mary Tebbutt, Chief Executive Officer, Mental Health Coordinating Council, *Committee Hansard*, 26 February 2019, p. 13.

2.58 Roundtable participants indicated to the committee that these Commonwealth funded programs should be extended for at least two years to ensure that all people can test their eligibility and have access to continuity of support.⁵³

Need for further investment

2.59 More broadly, roundtable participants were concerned about the gaps in programs and funding for those outside the NDIS.⁵⁴

2.60 According to Mental Health Australia, the current investments in 'continuity of support' and other measures are not addressing 'the major gaps that are opening up in psychosocial support and community based mental health as the NDIS is rolled out, and as related programs are being wound back'.⁵⁵

2.61 The Western Australian Association for Mental Health contended that the 'alternative arrangements currently proposed after program cessation (Continuity of Support and National Psychosocial Support Measures) are vastly underfunded'.⁵⁶

2.62 Similarly MHCC and Mental Health Victoria stated that funding outside the NDIS was insufficient to cover the needs of people who require supports.⁵⁷ For example, MHCC stated:

[...] even with the community of support funding, it's not going to be enough to support all of the people who need support who are not going to get a plan through the NDIS, particularly people who are currently not in any sort of Commonwealth supported program or going to get an NDIS plan. It is unclear about what source of support there is for that group of people, because the continuity of support money will not be enough and will not cover that group. It's that gap.⁵⁸

53 Dr Sarah Pollock, Executive Director, research and Advocacy, Mind Australia, *Committee Hansard*, 26 February 2019, p. 17; Mr Neil Turton-lane, NDIS Manager, Victorian Mental illness Awareness Council, *Committee Hansard*, 26 February 2019, p. 17; Mr Angus Clelland, CEO, Mental health Victoria, *Committee Hansard*, 26 February 2019, p. 17.

54 Ms Carmel Mary Tebbutt, Chief Executive Officer, Mental Health Coordinating Council, *Committee Hansard*, 26 February 2019, p. 13; Mr Angus Clelland, CEO, Mental health Victoria, *Committee Hansard*, 26 February 2019, p. 13; Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 13.

55 Mental Health Australia, *2019 pre-Budget submission*, p. 3, https://mhaustralia.org/sites/default/files/docs/mental_health_australia_-_2019-20_pre-budget_submission.pdf (accessed 22 January 2019)

56 Western Australian Association for Mental Health, *Submission 94*, p. 1.

57 Mental Health Australia, *2019 pre-Budget submission*, p. 3, Mr Angus Clelland, CEO, Mental health Victoria, *Committee Hansard*, 26 February 2019, p. 13; Ms Carmel Mary Tebbutt, Chief Executive Officer, Mental Health Coordinating Council, *Committee Hansard*, 26 February 2019, p. 13.

58 Ms Carmel Mary Tebbutt, Chief Executive Officer, Mental Health Coordinating Council, *Committee Hansard*, 26 February 2019, p. 13.

Committee view

2.63 The committee is concerned by the lack of progress in ensuring that people with a psychosocial disability can access appropriate support services under the NDIS or outside the Scheme. Overall, the issues identified during the inquiry remain unresolved. The recommendations made by the committee, which were supported by the Australian Government have barely been progressed or acted on. The committee strongly encourages the NDIA to review these recommendations and assess how they could be swiftly implemented.

Psychosocial disability stream

2.64 The committee welcomes the establishment of a psychosocial disability stream. In theory, this new stream should address the many issues associated with access to the NDIS, the planning process, adequacy of plans and implementation of plans. It is too early to comment on the effectiveness of the initiative as it appears to be only trialled in a few specific locations. Secondly, too little information is available on how the stream has been developed to assess its appropriateness.

2.65 The committee is concerned that the NDIA appears not to actively engage with the sector and build on its experience and expertise to ensure the psychosocial disability stream is providing an adequate pathway to support people with a psychosocial disability before it is rolled out nationally. For example, roundtable participants mentioned the work undertaken by the sector around the Optimising Psychosocial Support project, which can inform the NDIA's work on how to optimise the quality and appropriateness of the psychosocial disability stream.

Recommendation 1

2.66 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.

2.67 The committee is concerned that no timeline has been publically communicated as to when and how the psychosocial disability stream will be rolled out nationally. Concrete measures to ameliorate the planning process and ensure that participants can implement their plans are needed urgently. Importantly, the skills and expertise of the NDIA staff and planners working in the psychosocial disability stream will be critical to the success or failure of this specialised stream.

Recommendation 2

2.68 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.

Continuity of support arrangements for existing clients of Commonwealth programs transitioning to the NDIS

2.69 The uncertainty and lack of clarity around how continuity of support arrangements will be delivered in the near future requires urgent attention from all governments. Whilst there is a commitment from government to provide continuity of support and some funding measures were announced as part of the 2018 Budget, it

remains unclear how this funding will be allocated across the different types of disability support services that were funded through the array of Commonwealth programs transitioning to the NDIS. This issue is not new and has been repeatedly flagged by the mental health sector, consumers and several parliamentary committees operating at federal and state levels.⁵⁹

2.70 The committee also received evidence that the imminent closure of these programs and the uncertainty of future funding arrangements and programs are resulting in an exodus of a highly skilled workforce.⁶⁰ This will negatively impact on the quality of supports that people with psychosocial disability will receive in the near future. Broader disability workforce issues are further discussed in another section of this chapter.

2.71 In light of the evidence received to date, the committee has deep concerns that many existing clients of Commonwealth programs such as PIR, PHaMs and Day to Day Living (D2DL) have yet to test their eligibility to the NDIS in order to qualify for continuity of supports. At the time of the roundtable in February 2019, these programs were due to close on 30 June 2019. However, on 21 March 2019, the Minister for Families and Social Services, the Hon Paul Fletcher, announced a commitment to extend funding to providers to support the transition of people in Commonwealth funded programs to the NDIS for up to 12 months to 30 June 2020.⁶¹ The committee welcomes this announcement, but is of the view that a longer extension of funding for these programs will be required to ensure that all people can test their eligibility and have access to continuity of support. Furthermore, longer-term arrangements for existing program clients not eligible for the NDIS should be put in place before closure of existing programs.

Recommendation 3

2.72 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.

59 This issue was discussed in: ACT Standing Committee on Health, Ageing and Community Services, *Inquiry into the implementation, performance and governance of the NDIS in the ACT*, November 2018, p. 131; NSW Legislative Council, *Implementation of the NDIS and the provision of disability services in NSW*, 6 December 2018, p. 58; Community Affairs References Committee, *Accessibility and quality of mental health services in rural and remote Australia*, December 2018, p. 25.

60 See for example: Mr Frank Quinlan, Chief Executive Officer, Mental Health Australia, *Committee Hansard*, 26 February 2019, p. 8; Ms Carmel Mary Tebbutt, Chief Executive Officer, Mental Health Coordinating Council, *Committee Hansard*, 26 February 2019, p. 9; Mr Neil Turton-Lane, NDIS Manager, Victorian Mental illness Awareness Council, *Committee Hansard*, 26 February 2019, p. 9.

61 The Hon Paul Fletcher, Minister for Families and Social Services, *Morrison Government commits over \$165 million to extend support to people transitioning to the NDIS*, Media release, 21 March 2019, p. 1.

2.73 More broadly, the committee heard evidence that funding outside the NDIS was insufficient to cover the needs of people with severe and enduring mental health conditions. The committee had previously recommended a national audit and mapping of all Australian, state and territory services, programs and associated funding available for mental health. The committee is of the view that such audit should be undertaken as soon as possible as it would provide some clarity around existing and emerging service gaps and inform priorities for investment. The Australian Government supported this recommendation but did not indicate a timeline for undertaking such stocktake.

Recommendation 4

2.74 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.

Provision of services under the NDIS Early Childhood Early Intervention Approach

2.75 Between June and December 2017, the committee undertook an inquiry into the provision of services under the NDIS ECEI Approach.

At the time of the inquiry, the key issues identified were:

- access to the Scheme;
- the planning process and adequacy of the plans;
- underfunded plans for children with ASD;
- delays in accessing services; and
- the costs of delivering services for service providers.

2.76 On 7 December 2017, the committee released its report and made 20 recommendations aimed at ensuring that children can be appropriately supported to reach their full potential. A Government Response was provided in May 2018 agreeing with all the recommendations.⁶²

2.77 On 26 February 2019, the committee held a roundtable with representatives of the ECEI sector to gauge the effectiveness of the ECEI pathway in meeting the needs of children and their families and carers.

2.78 The committee was particularly interested in hearing any immediate concerns that need addressing in the short term.

62 See Appendix 1 for list of recommendations, Government Response and summary of initiatives undertaken to date to address each recommendation supported by the Australian Government.

2.79 While some roundtable participants acknowledged that improvements have occurred since the inquiry, including through the development of the ECEI pathway⁶³, all roundtable participants reported that there were still a range of issues that need to be urgently addressed.⁶⁴

2.80 Critical issues raised in evidence included delays in provision of services, significant challenges in addressing the needs of children with Autism Spectrum Disorder (ASD), and the lack of a clear, national strategy around the ECEI approach under the NDIS.⁶⁵

Delays

2.81 During the inquiry, the committee had heard about delays at various stages of the ECEI journey, especially at plan approval stage.⁶⁶

2.82 In recent submissions received by the committee and at the roundtable held in February 2019, the committee heard that delays are a pressing issue that need urgent attention. Indeed, delays continue to be observed at all points of the ECEI journey, resulting in children not accessing early intervention support services in a timely manner.⁶⁷

63 See for example: Dr Jennifer Fitzgerald, Chief Executive Officer, Scope, *Committee Hansard*, 26 February 2019, p. 23; Dr Jim Hungerford, Chief Executive Officer, The Shepherd Centre, *Committee Hansard*, 26 February 2019, p. 22.

64 See for example: Dr Jennifer Fitzgerald, Chief Executive Officer, Scope, *Committee Hansard*, 26 February 2019, p. 23; Dr Jim Hungerford, Chief Executive Officer, The Shepherd Centre, *Committee Hansard*, 26 February 2019, p. 22; Mr John Forster, Chief Executive Officer, Noah's Ark Inc., *Committee Hansard*, 26 February 2019, p. 24; Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, p. 25.

65 See for example: Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, p. 25; Ms Stephanie Gotlib, Chief Executive Officer, Children and Young People with Disability Australia, *Committee Hansard*, 26 February 2019, p. 25; Mr John Forster, Chief Executive Officer, Noah's Ark Inc., *Committee Hansard*, 26 February 2019, p. 33; Ms Trish Hannah, Chair, Early Childhood Intervention Australia, *Committee Hansard*, 26 February 2019, p. 33.

66 Joint Standing Committee on the NDIS, *Provision of services under the NIDS Early Childhood Early Intervention Approach*, December 2017, p. 30.

67 See for example: Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, p. 25; Ms Stephanie Gotlib, Chief Executive Officer, Children and Young People with Disability Australia, *Committee Hansard*, 26 February 2019, p. 25; Ms Trish Hannah, Chair, Early Childhood Intervention Australia, *Committee Hansard*, 26 February 2019, p. 26; Ms Yvonne Keane, Executive Officer, Early Childhood Intervention Australia, *Committee Hansard*, 26 February 2019, p. 27; Ms Stefania Ruidaz El-Khoury, NDIS Coordinator, Royal Institute for Blind Children, *Committee Hansard*, 26 February 2019, p. 29; Australian Autism Alliance, *Submission 77*, p. 12; Association for Children with a Disability, *Submission 84*, p. 1; Scope Ltd, additional information received 20 February 2019, p. 3.

2.83 Roundtable participants stressed that long delays tend to occur at planning and plan approval stages.⁶⁸ For example, Ms Stephanie Gotlib, Chief Executive Officer of Children and Young People with Disability Australia stated:

For us, we're still hearing very strongly of really long delays in planning – from six to 18 months. It's completely unacceptable.⁶⁹

2.84 The committee heard cases of children with ASD waiting to get a planning meeting for up to 18 months after gaining access to the Scheme.⁷⁰

2.85 The Australian Autism Alliance also reported that it was common to hear of families waiting six to twelve months or sometimes longer to access early intervention services.⁷¹

2.86 According to Ms Fiona Sharkie, Chief Executive Officer of Amaze, approximately 2000 children in Melbourne's West are waiting for a planning meeting or waiting for a plan to be approved.⁷²

2.87 Dr Jennifer Fitzgerald, CEO of Scope Ltd, provided a snapshot of the situation in Victoria based on her organisation's experience of servicing around 4000 children across Victoria,:

In January, we had over 550 children who were deemed eligible who were awaiting planning, and we had 187 children who had transitioned out of early childhood intervention services who we believed would be eligible who were awaiting services [...] and at that time had had no services provided.⁷³

2.88 Ms Trish Hanna, Chair of Early Childhood Intervention Australia also pointed out that the ECEI pathway is not just about children getting a funded plan and that it appears that children who should be supported to access mainstream and community supports are 'getting pushed to the back of the queue'.⁷⁴

68 See for example: Mr John Forster, Chief Executive Officer, Noah's Ark Inc., *Committee Hansard*, 26 February 2019, p. 29; Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, p. 28; Ms Stefania Ruidaz El-Khoury, NDIS Coordinator, Royal Institute for Blind Children, *Committee Hansard*, 26 February 2019, p. 29.

69 Ms Stephanie Gotlib, Chief Executive Officer, Children and Young People with Disability Australia, *Committee Hansard*, 26 February 2019, p. 25.

70 Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, p. 24.

71 Australian Autism Alliance, *Submission 77*, p. 12.

72 Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, p. 28.

73 Dr Jennifer Fitzgerald, Chief Executive Officer, Scope, *Committee Hansard*, 26 February 2019, p. 30.

74 Ms Trish Hanna, Chair, Early Childhood Intervention Australia, *Committee Hansard*, 26 February 2019, p. 26.

Impact of delays on children and families

2.89 Delays are negatively impacting children's future development outcomes and the effectiveness of early intervention services:

Every day of delay is a lost opportunity for that child's development and outcomes.⁷⁵

2.90 The Australian Autism Alliance also stressed that 'any delay in accessing services could have a significant detrimental impact on the short and long-term outcomes of autistic children'.⁷⁶

2.91 A roundtable participant pointed out that the impact of these delays on families and parents' mental health cannot be underestimated:

We're seeing significant level of stress, and everyday I have a family member come into our site very distressed because they feel they've let child down, because they haven't been able to access the supports that they've been told that they need in order for their child to develop and grow.⁷⁷

2.92 Ms Helen Johnson, Parent Support Adviser at the Association for Children with a Disability (ACD) also described how the delays and administrative hurdles are affecting families:

[...] I have testimonials here from families about the hell they have gone through: the mental health effects, the stress, the distraughtness and the financial cost [...].⁷⁸

Causes of delays

2.93 Mr John Forster, Chief Executive Officer of Noah's Ark is of the view that one of the reasons for delays is that ECEI partners may not be funded adequately to manage the amount of plans they have to process:

I think there's a question about the adequacy of funding to the ECEI partners to actually manage the task they're doing, because it's cumulative in the sense that, if you start off with a thousand children the next year you've got to do a thousand reviews *plus* the next thousand children.⁷⁹

75 Ms Yvonne Keane, Executive Officer, Early Childhood Intervention Australia, *Committee Hansard*, 26 February 2019, p. 27.

76 Australian Autism Alliance, *Submission 77*, p. 12.

77 Ms Sharon Fragomeni, Customer and Service Delivery Manager, Scope Ltd, *Committee Hansard*, 26 February 2019, p. 32.

78 Ms Helen Johnson, Parent Support Adviser, Association for Children with a Disability, *Committee Hansard*, 26 February 2019, p. 60.

79 Mr John Forster, Chief Executive Officer, Noah's Ark Inc., *Committee Hansard*, 26 February 2019, p. 29.

2.94 Similarly, Scope Ltd contended that the higher than expected numbers of children being funded under the Scheme has an impact on the capacity of ECEI partners to meet the demand for all eligible children.⁸⁰

2.95 Dr Jennifer Fitzgerald of Scope Ltd, also explained to the committee that the system is not working well because of its complexity, which contributes to delays:

So it is a complex system in the early childhood intervention services, because there's an on boarding process, a review process and a new cohort coming every year. At the moment, the system is kind of stuck and is not working effectively.⁸¹

Suggested solutions

2.96 The Australian Autism Alliance is calling for the Australian Government 'to commit to reducing waiting times (from entering the Scheme to finalising a plan) to six weeks, and for this to be monitored and publicly reported by the NDIA'.⁸²

2.97 First Voice is of the view the NDIS 'should establish performance benchmarks of Early Childhood Partners to ensure these families receive their initial plan within two months of their eligibility being established'.⁸³

2.98 The Association for Children with a Disability (ACD) also recommended that there should be a maximum wait time set for each step of the NDIS process. Furthermore, it recommended the implementation of a clearer triage process to prioritise urgent cases.⁸⁴

2.99 ECIA is of the view that, in line with Recommendation 13 made by the committee in the *Transitional Arrangements for the NDIS* report, 'the NDIA should focus all necessary resources and efforts on reducing waiting times at all points of the Scheme, specifically for plan approval, activation and review'.⁸⁵

Children with Autism Spectrum Disorder (ASD)

2.100 During the inquiry, the committee heard that children with ASD and their families were facing significant challenges accessing adequate levels of support under the NDIS.⁸⁶

80 Scope Ltd, ECEI approach and hearing services roundtable, additional information received 20 February 2019, p. 3.

81 Dr Jennifer Fitzgerald, Chief Executive Officer, Scope, *Committee Hansard*, 26 February 2019, p. 30.

82 Australian Autism Alliance, *Submission 77*, p. 12.

83 First Voice, *Submission 75*, p. 1.

84 Association for Children with a Disability, *Submission 84*, p. 1.

85 ECIA, Additional information arising from the public hearing on 26 February 2019, p. 2.

86 Joint Standing Committee on the NDIS, *Provision of services under the NDIS Early Childhood Early Intervention Approach*, December 2017, pp. ix–x.

2.101 At the roundtable held in February 2019, Ms Fiona Sharkie, Chief Executive Officer of Amaze, reported that the situation for children with ASD has not improved and, that in fact, 'autistic children were going backwards under the NDIS'.⁸⁷

2.102 She provided an update on the status of the committee's recommendations to address the issues affecting children with ASD at the time of assessment, planning and approval of funding for supports.⁸⁸

Access to the Scheme

2.103 At the time of the inquiry, the committee identified the need for a fit-for-purpose assessment tool for children with ASD because using the PEDI-CAT was ill-suited for assessing the functional capacity of children with ASD.⁸⁹

2.104 The committee recommended the development of a purpose-built assessment tool with children with ASD in Australia to ensure consistency in access to the Scheme, and adequacy of supports in plans.⁹⁰

2.105 The Australian Government supported this recommendation and advised that work was underway with the Autism Cooperative Research Centre to develop a national guideline for consistent diagnosis of ASD.⁹¹

2.106 On 22 February 2019, the NDIA informed the committee that a trial of the PEDI-CAT ASD was underway to determine if it was reliable for measuring functional ability in individuals with autism. The NDIA indicated that the trial was expected to be completed by the end of June 2019.⁹²

2.107 Ms Fiona Sharkie, Chief Executive Officer of Amaze, acknowledged that work on the PEDI-CAT ASD was progressing, but that, on the ground, the situation remained problematic:

Parents are being asked what level of diagnosis the children have been diagnosed at, which is completely irrelevant to gaining access to the Scheme, but also completely irrelevant in determining what services that child will need. They are being precluded from entering the Scheme through being asked about the level of their diagnosis.⁹³

87 Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, p. 24.

88 Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, pp. 24–25.

89 Joint Standing Committee on the NDIS, *Provision of services under the NIDS Early Childhood Early Intervention Approach*, December 2017, p. 28.

90 Joint Standing Committee on the NDIS, *Provision of services under the NIDS Early Childhood Early Intervention Approach*, December 2017, Recommendation 7, p. 28.

91 Australian Government, *Government response to the provision of services under the NDIS Early Childhood Early Intervention Approach Report*, received 3 May 2018, p. 4.

92 NDIA, *Answers to question on notice SQ19-000018*, (received 22 February 2019).

93 Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, p. 25.

2.108 The Australian Autism Alliance is also of the view that 'a robust and reliable tool to ascertain eligibility for autistic people is urgently needed and should continue to be pursued'.⁹⁴

Underfunded plans

2.109 At the time of the inquiry, the committee received compelling evidence in relation to recurring funding shortfalls in plans for children with ASD. The committee heard that the level of funding granted in many plans did not meet participants' needs and did not align with recommended evidence-based practice guidelines. The committee also heard that NDIS funding levels were often lower than previous national funding models, such as Helping Children With Autism.⁹⁵

2.110 The committee recommended the NDIA urgently address issues of scope and level of funding in plans for children with ASD.⁹⁶ The Australian Government noted the recommendation and advised the committee that the NDIA was working with the Autism Cooperative Research Centre to develop evidence-based guidance for ensuring appropriate, individualised support.⁹⁷

2.111 Ms Fiona Sharkie of Amaze explained to the committee that, in addition to unacceptable delays to accessing support services, children were not getting adequate supports:

The committee also made a recommendation about the scope of adequate supports against the evidence of 20 hours.[...] looking at the data published by the NDIS that the zero to six year old children are receiving an average of around \$15,000, that would not indicate that the evidence of 20 hours is really being provided for.⁹⁸

2.112 Other submitters reported that a lack of knowledge and expertise among planners, including ECEI partner staff, is continuing to affect the quality of children's plans.⁹⁹ For example, the Australian Autism Alliance stated:

A lack of autism understanding among NDIA staff, LACs and ECEI staff has negatively impacted on the rights of autistic people to participate and

94 Australian Autism Alliance, *Submission 77*, p. 9.

95 Joint Standing Committee on the NDIS, *Provision of services under the NDIS Early Childhood Early Intervention Approach*, December 2017, p. 63.

96 Joint Standing Committee on the NDIS, *Provision of services under the NDIS Early Childhood Early Intervention Approach*, December 2017, Recommendation 11, p. xiv.

97 Australian Government, *Government response to the provision of services under the NDIS Early Childhood Early Intervention Approach Report*, received 3 May 2018, p. 5.

98 Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, pp. 24–25.

99 See for example: Ms Fiona Sharkie, Chief Executive Officer, Amaze, *Committee Hansard*, 26 February 2019, p. 25; Ms Stephanie Gotlib, Chief Executive Officer, Children and Young People with Disability Australia, *Committee Hansard*, 26 February 2019, pp. 25–26; Every Australian Counts, *Submission 93*, p. 4; Association for Children with a Disability, *Submission 84*, p. 2.

have their support needs understood and met during the planning process (including planning meetings) to ensure they receive an appropriate and responsive plan.¹⁰⁰

ECEI approach under the NDIS

2.113 Roundtable participants expressed concerns regarding the ECEI approach under the NDIS, citing issues around a move away from best practice models because of inadequate pricing, a lack of clear NDIS guidelines on practice models, and an overall lack of strategy around the delivery of Early Childhood Intervention (ECI) services under the NDIS.¹⁰¹

Shift in practices due to inadequate pricing

2.114 According to experts, best practice for ECEI services is to deliver them in natural settings. However, due to the current NDIS pricing structure, service providers have to shift from delivering services in natural settings to centre-based delivery.¹⁰²

2.115 Dr Jennifer Fitzgerald, CEO of Scope, explained that the delivery of services in natural settings is unviable for service providers under current NDIS pricing, and concluded:

That concerns me, given there are two systematic reviews that clearly evidence that it is best to deliver those services in a child's natural environment.¹⁰³

2.116 Ms Trish Hanna, Chair of Early Childhood Intervention Australia (ECIA) also pointed out that current NDIS pricing is impeding the ability of service providers to adhere to best practice models. She recommended a pricing adjustment for travel, as well as allocation of funding in children's plans that allows support in the places where families are comfortable.¹⁰⁴

2.117 Ms Sharon Fragomeni, Customer and Service Delivery Manager at Scope, also stressed that inadequate pricing for travel continues to be a significant issue in rural areas, making it difficult to support families within their natural environment.¹⁰⁵

100 Australian Autism Alliance, *Submission 77*, p. 10.

101 See for example: Dr Jennifer Fitzgerald, Chief Executive Officer, Scope, *Committee Hansard*, 26 February 2019, p. 23; Ms Trish Hanna, Chair, Early Childhood Intervention Australia, *Committee Hansard*, 26 February 2019, p. 26; Mr John Forster, Chief Executive Officer, Noah's Ark Inc., *Committee Hansard*, 26 February 2019, p. 33.

102 Scope Ltd, additional information received 20 February 2019, p. 2.

103 Dr Jennifer Fitzgerald, Chief Executive Officer, Scope, *Committee Hansard*, 26 February 2019, p. 23.

104 Ms Trish Hanna, Chair, Early Childhood Intervention Australia, *Committee Hansard*, 26 February 2019, p. 26.

105 Ms Sharon Fragomeni, Customer and Service Delivery Manager, Scope Ltd, *Committee Hansard*, 26 February 2019, p. 23.

Need for a national strategy

2.118 Mr John Forster, CEO of Noah's Ark Inc., is of the view that service providers and ECEI partners have had 'a very mixed and confused approach' to the provision of Early Childhood Intervention (ECI) services because of a lack of strategy or guidelines for the delivery of ECI under the NDIS. He concluded that, despite being a challenging task, the NDIA must develop a national approach to the delivery of ECI services:

It's a major challenge for the NDIA to develop a national conversation where there wasn't one before, but I think that's essential. If we're going to make it work for families then we've really got to go back and get those fundamentals in place¹⁰⁶

2.119 Ms Trish Hanna, Chair of ECIA, called for the development of an Early Childhood Intervention blueprint that 'is aligned and can work with the NDIS so that there is a strategy beyond just transition phase, but into the future, of what ECI can achieve for families and young children in Australia'.¹⁰⁷

2.120 Her colleague, Ms Yvonne Keane, explained that such national blueprint is urgently required because of the massive disruption that had occurred in the service delivery model of early intervention services with the transition to the NDIS:

Historically, as we know, early intervention was delivered by state or territory governments through previous funded systems, and, as the NDIS is implemented, we're seeing state and territory governments exiting the market and leaving the NDIS implementation with significant issues that need to be addressed. So we think it's critical that government invests in the first of its kind national early childhood intervention blueprint [...] so we can ensure that every child has every possibility to enter early childhood intervention as quickly as possible and make those incredible and significant gains.¹⁰⁸

2.121 She also noted that developing such a blueprint was particularly important to ensure the NDIS delivers on its promise of being an insurance scheme.¹⁰⁹

Committee view*Delays*

2.122 The committee is gravely concerned by the recent reports of long delays in accessing early intervention support services under the ECEI pathway. Whilst delay

106 Mr John Forster, Chief Executive Officer, Noah's Ark Inc., *Committee Hansard*, 26 February 2019, p. 33.

107 Ms Trish Hanna, Chair, Early Childhood Intervention Australia, *Committee Hansard*, 26 February 2019, p. 26.

108 Ms Yvonne Keane, Executive Officer, Early Childhood Intervention Australia, *Committee Hansard*, 26 February 2019, p. 27.

109 Ms Yvonne Keane, Executive Officer, Early Childhood Intervention Australia, *Committee Hansard*, 26 February 2019, p. 27.

was raised as an issue during the initial inquiry into the provision of ECEI services under the NDIS, it appears that the situation may have worsened with the ramp up to full Scheme. The committee was alarmed to hear that some families are waiting for well over a year to access services, at a time when every day of delay can have a negative impact on their child's future development outcomes.

2.123 The committee understands that the delays mostly occur after access to the NDIS has been granted, suggesting that the problems are occurring at plan development and plan approval stages. Submitters described the ECEI pathway as complex and not working effectively. Outsourcing all aspects of the ECEI pathway to ECEI partners may have potentially added a level of complexity to the system. The causes for these delays need to be further examined to be fully understood. However, based on the information received by the committee, it appears that the volume of work of the ECEI partners may be greater than originally anticipated, resulting in ECEI partners being unable to manage the growing amount of plans they have to develop or review with participants. As the value of ECEI partners' grants is based on phasing numbers set out in bilateral agreements and estimates of participant volumes, the NDIA should closely monitor actual participant volumes and ensure ECEI partners' funding can be adjusted if necessary. The NDIA must urgently address these delays and commit the necessary resources to ensure children and their families can access the supports they need in a timely manner.

Recommendation 5

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

2.125 Importantly, there is a need for a clear, transparent and accountable process, which sets a maximum wait time at each step of the ECEI journey. Families must be able to rely on a system that ensures eligible children can have an approved plan within a reasonable timeframe. ECEI partners should have, as part of their KPIs, a maximum time to complete each step of the process to get a plan approved under the ECEI pathway. The committee is aware that since the establishment of the hearing service stream, most children with hearing impairment have obtained an approved plan within a few weeks. Based on this information and other evidence, the committee considers that all eligible children should have an approved plan within three months of families contacting their local ECEI partner.

Recommendation 6

2.126 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.

Recommendation 7

2.127 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.

ECEI approach under the NDIS

2.128 The committee has heard on many occasions that best practice is to deliver Early Childhood Intervention (ECI) services in natural settings. However, it appears that, under the current NDIS pricing structure, it has become unviable for service providers to do so. As a result, the committee heard that many service providers have changed their service delivery model to centre-based delivery. The committee is of the view that early childhood service delivery models under the NDIS should not be determined on the basis of cost drivers but on maximising outcomes for children so they can reach their full potential. The NDIA must ensure the NDIS pricing structure for the delivery of ECI services is not precluding the delivery of services in natural settings when this approach is considered the best option for a child.

Recommendation 8

2.129 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.

2.130 Importantly, the evidence received by the committee also suggests that there is no nationally consistent approach to the delivery of ECEI services under the NDIS. The committee agrees with submitters that a national Early Childhood Intervention plan should be developed to ensure the provision of ECEI services under the NDIS can achieve the best possible outcomes for children and their families. This plan should be in place by the end of transition to full Scheme.

Recommendation 9

2.131 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.

Transitional arrangements for the NDIS

2.132 Between June 2017 and February 2018, the committee undertook an inquiry into transitional arrangements for the NDIS.

2.133 At the time of the inquiry, the key issues were:

- interface between the NDIS and mainstream services, especially in the areas of health, aged care, education, transport, crisis accommodation and justice;
- delays in accessing the Scheme, plan approvals, plan activations and access to services;

- ILC funding levels, and its funding approach potentially leading to service gaps;
- no clarity on how the NDIA intends to intervene in areas of thin markets;
- no Provider of Last Resort arrangements;
- service gaps in advocacy, assertive outreach and support coordination; and
- a lack of culturally appropriate services for people from CALD backgrounds and for Aboriginal and Torres Strait Islander communities to engage with the NDIS.

2.134 On 15 February 2018, the committee tabled its report and made 26 recommendations aimed at ensuring that improved and appropriate arrangements can be put in place to provide necessary and reasonable supports for all NDIS participants. A government response was provided in June 2018, indicating support or support in-principle for each of the 26 recommendations.

2.135 On 26 February 2019, the committee held a roundtable with peak body organisations representing service providers and people with disabilities, families and carers to gauge progress since the release of the report.

2.136 Roundtable participants focused on highlighting the critical issues that are impeding the access and delivery of services to NDIS participants. In particular, they discussed the lack of progress to address key issues that had been identified at the time of the inquiry, including:

- the interface between the NDIS and mainstream services;
- the persisting or worsening of areas of thin markets; and
- the absence of clear Provider of Last Resort arrangements.

Interface between the NDIS and mainstream services

2.137 At the time of the inquiry, the committee found that the *Principles to determine the responsibilities of the NDIS and other service systems* agreed by COAG were subject to interpretation and lacked clarity. Additionally, the transition of Commonwealth, state and territory programs to the NDIS was contributing to emerging service gaps and the lack of delineation of funding responsibility between the NDIS and state and territory services.¹¹⁰

2.138 This has resulted in boundary issues and funding disputes, which impact on access to services for NDIS participants and people with a disability not eligible for the NDIS, especially in the areas of health, education, transport and crisis accommodation.¹¹¹

110 Joint Standing Committee on the NDIS, *Transitional arrangements for the NDIS*, 15 February 2018, Chapter 2, pp. 11–37.

111 Joint Standing Committee on the NDIS, *Transitional arrangements for the NDIS*, 15 February 2018, p. ix.

Progress to date

2.139 In its 30 April 2018 communique, the Disability Reform Council (DRC) advised that 'the NDIA and jurisdictions have established working groups for the priority interface areas of health, mental health, justice and child protection.'¹¹²

2.140 In its 10 December 2018 communique, the DRC stated:

Since the Council met in April 2018, work has progressed to improve the experience and interactions of NDIS participants with mainstream service systems of health, mental health, child protection, personal care in schools and specialist school support.[...] The Council noted that states and territories, the Commonwealth and the NDIA are undertaking further work to clarify roles and responsibilities for the NDIS and health systems where health and disability supports are required concurrently.¹¹³

2.141 At its December 2018 meeting, the DRC also agreed that as an interim solution, states and territories will continue to deliver services for specialist school transport and Personal Care in School (PCIS) until 31 December 2023, while development work is undertaken.¹¹⁴

2.142 In relation to the interface with the health system, on 9 January 2019, the Minister for Social Services announced interim arrangements for dysphagia and mainstream health supports until a final decision on roles and responsibilities of the NDIA and health systems is made by the Australian Governments in early 2019.¹¹⁵

2.143 According to the NDIS website, planners and Partners will escalate urgent issues raised by participants, carers or providers relating to accessing immediate and vital supports. In response, the NDIA and state and territory governments will work together to resolve any issues on a case-by-case basis.¹¹⁶

2.144 However, during the roundtable, participants continued to express grave concerns around the lack of progress on clarifying the delineation between the NDIS

112 COAG DRC, *Communique 30 April 2018*, p.1, https://www.dss.gov.au/sites/default/files/documents/04_2018/drc_communique_-_30_april_2018.pdf (accessed 24 January 2019).

113 COAG DRC, *Communique 10 December 2018*, pp. 1–2, https://www.dss.gov.au/sites/default/files/documents/12_2018/drc-communiqu-final-drc-10-december-2018-meeting.pdf (accessed 24 January 2019).

114 COAG DRC, *Communique 10 December 2018*, pp. 1–2, https://www.dss.gov.au/sites/default/files/documents/12_2018/drc-communiqu-final-drc-10-december-2018-meeting.pdf (accessed 24 January 2019).

115 NDIS, *Health*, <https://www.ndis.gov.au/understanding/ndis-and-other-government-services/health> (accessed 21 February 2019).

116 NDIS, *NDIA working with state and territory governments*, <https://www.ndis.gov.au/understanding/ndis-and-other-government-services/ndia-working-state-and-territory-governments> (accessed 21 February 2019).

and mainstream services, pointing that it leads to funding disputes resulting in some people with disabilities not being able to get out of hospitals or jails.¹¹⁷

2.145 Mr Patrick McGee, National Manager, Policy Advocacy Research at the Australian Federation of Disability Organisations (AFDO) bluntly described the situation:

We've got hospitals fighting with the NDIS, we've got justice systems fighting with the NDIS and no one's talking to each other about how to best resolve those issues.¹¹⁸

2.146 The Victorian Healthcare Association also pointed out that the lack of clarity and effective interface between the NDIS and health systems have 'created artificial barriers between health and disability needs, which actively work against the provision of integrated and holistic care'.¹¹⁹

2.147 At the roundtable, Mr Tom Symondson, Chief Executive Officer of the Victorian Healthcare Association furthered explained how this has led to a fragmented approach to care, which is detrimental to the health and wellbeing outcomes of people who need health and disability supports.¹²⁰

Thin markets

2.148 The issue of thin markets has been raised in most inquiries undertaken by the committee. The committee found that whilst the lack of services and providers operating in rural and remote areas is not new or unique to the NDIS, the transition to a market based system has brought new challenges for delivering services in areas of thin markets. Fee for service pricing is creating complex challenges in thin markets for providers to achieve sustainability and viability. As a result, the committee heard that on many occasions service providers were considering or had already opted out of delivering services under the NDIS.

2.149 Importantly, this has devastating consequences for NDIS participants who have plans but have no services and nowhere to spend their NDIS funding.¹²¹

2.150 In its report, the committee had recommended the NDIA develop and publically release a strategy to address thin markets.¹²² The Australian Government

117 See for example: Mr Patrick McGee, National Manager, Policy Advocacy Research, Australian Federation of Disability Organisations, *Committee Hansard*, 26 February 2019, pp. 44–45; Occupational Therapy Australia, *Submission 73*, p. 1; Mr Tom Symondson, Chief Executive Officer, Victorian Healthcare Association, *Committee Hansard*, 26 February 2019, p. 47.

118 Mr Patrick McGee, National Manager, Policy Advocacy Research, Australian Federation of Disability Organisations, *Committee Hansard*, 26 February 2019, p. 45.

119 Victorian Healthcare Association, *Submission 76*, p. 2.

120 Mr Tom Symondson, Chief Executive Officer, Victorian Healthcare Association, *Committee Hansard*, 26 February 2019, pp. 47–48.

121 Ms Kirsten Deane, Executive Director, National Disability and Carer Alliance, *Committee Hansard*, 26 February 2019, p. 38.

supported this recommendation and advised the committee that the NDIA's market stewardship approach was characterised by monitoring and assessing markets and taking actions where necessary to improve the functioning of the markets.¹²³

2.151 On 26 November 2018, the Assistant Minister for Social Services announced the release of a new NDIS Market Enablement Framework. The new framework provides guidance on how the NDIA will monitor the market and determine what, if any, strategies should be adopted to encourage market growth or correction.¹²⁴

2.152 The NDIA advised the committee it 'is undertaking a range of work through the Market Enablement Framework to support growth of an innovative disability services market as the Scheme rolls out'. The NDIA also indicated that 'a project is being finalised to pilot interventions for ineffective and under-developed markets, including thin markets and regional and remote communities'.¹²⁵

NDIA lack of progress to address thin markets

2.153 Mr Tom Symondson, CEO of the Victorian Healthcare Association pointed out at the roundtable that the issues on how to intervene in areas of thin markets and Provider of Last Resort situations had been the subject of discussions with the NDIA for a very long time but is yet to be progressed:

We were talking about this five years ago, and it feels like we haven't really moved very far since then, which is pretty tragic, in my opinion.¹²⁶

2.154 Mr David Moody, Acting Chief Executive Officer of National Disability Services, reported that not much has progressed to develop a strategy to address thin markets, let alone implement it, at both the Disability Reform Council and the NDIA level, concluding that 'I don't think anyone could seriously point to any objective examples of where intervention has been undertaken to address the problems'.¹²⁷

2.155 Ms Kirsten Deane, Executive Director of the National Disability and Carer Alliance, reported that families and people with disabilities expressed frustration that the NDIA appeared to be working in isolation and not building on existing service delivery models to address the issue of market failure in remote communities:

The issue of service delivery in remote communities is not a new one for government. But they felt like the NDIA was coming along and looking for

122 Joint Standing Committee on the NDIS, *Transitional arrangements for the NDIS*, 15 February 2018, p. 70.

123 Australian Government,

124 NDIS, *New Framework to ensure NDIS Provider Markets are available to participants*, <https://www.ndis.gov.au/news/996-new-framework-ensure-ndis-provider-markets-are-available-participants> (accessed 7 March 2019).

125 NDIA, *Answer to question on notice SQ19-000012*, received 22 February 2019.

126 Mr Tom Symondson, Chief Executive Officer, Victorian Healthcare Association, *Committee Hansard*, 26 February 2019, p. 38.

127 Mr David Moody, Acting Chief Executive Officer, National Disability Services, *Committee Hansard*, 26 February 2019, pp. 41–42.

solutions when in actual fact joined-up government might be one of the solutions. If health services are already finding a way to service remote communities, why isn't the NDIA working with them to have a more joined-up approach to that?¹²⁸

2.156 Mr Llewellyn Reynders, Policy Manager at the Victorian Council of Social Services (VCOSS), is of the view that this lack of progress is directly related to the NDIA's reluctance to consider any service delivery model that is not based on an individualised fee-for-service funding model:

We find that, every time we start having a conversation or produce evidence or research that starts steering the conversation to an alternate commissioning model, suddenly that work seems to disappear. [...] we have a very difficult time convincing the NDIA to even consider in any detail models that use other forms of commissioning.¹²⁹

Pricing

2.157 Roundtable participants reminded the committee that inadequate pricing of supports is contributing to shortages and lack of choices of services.¹³⁰

2.158 For example, according to Ms Philippa Angley, Head of Policy at National Disability Services, the pricing of allied health assistance under the NDIS remains a 'fundamental issue' resulting in the inability to attract allied health assistance workers to fill positions.¹³¹

2.159 Mrs Andrea Douglas from Occupational Therapy Australia, also noted that the markets may become even thinner if no action is taken to address pricing issues related to travel delivering services:

There are providers that are travelling vastly more extensively than what they're being paid for. [...] So travel is creating big problems.¹³²

2.160 In its submission, Vision Australia explained that service providers often travel long distances to deliver services in rural and remote areas and bear the costs of doing so.¹³³

128 Ms Kirsten Deane, Executive Director, National Disability and Carer Alliance, *Committee Hansard*, 26 February 2019, p. 38.

129 Mr Llewellyn Reynders, Policy Manager, Victorian Council of Social Services, *Committee Hansard*, 26 February 2019, p. 44.

130 See for example: Ms Philippa Angley, Head of Policy, National Disability Services, *Committee Hansard*, 26 February 2019, p. 37 and p. 46; Ms Andrea Douglas, Professional Adviser, NDIS, Occupational Therapy Australia, *Committee Hansard*, 26 February 2019, p. 38; Mr David Moody, Acting Chief Executive Officer, National Disability Services, *Committee Hansard*, 26 February 2019, p. 47.

131 Ms Philippa Angley, Head of Policy, National Disability Services, *Committee Hansard*, 26 February 2019, p. 37.

132 Ms Andrea Douglas, Professional Adviser, NDIS, Occupational Therapy Australia, *Committee Hansard*, 26 February 2019, p. 38.

133 Vision Australia, *Submission 83*, p. 4.

2.161 Mr Tom Symondson, CEO of the Victorian Healthcare Association, also pointed out that travel costs in rural and remote areas were not covered under the current pricing. He reminded the committee that his organisation has repeatedly called for the NDIA to develop and implement 'a thin market strategy that actually recognises the costs of doing business in a rural or remote area'.¹³⁴

Workforce

2.162 Roundtable participants stressed to the committee that the lack of available trained workforce to work in disability support services was contributing to the worsening of areas of thin markets.¹³⁵

Maintaining Critical Supports (Provider of Last Resort)

2.163 At the time of the inquiry, the Provider of Last Resort arrangements remained unclear and incomplete, which prompted the committee to recommend the NDIA publically release its Provider of Last Resort policy as a matter of urgency.¹³⁶

2.164 The Australian Government supported the recommendations and informed the committee that the NDIA was working on the 'Maintaining Critical Supports' project and would publish the agreed outcomes following the Disability Reform Council in the first half of 2018.¹³⁷

2.165 At the time of writing, the Maintaining Critical Supports project is still in development. The NDIA advised the committee that it is working closely with state and territory governments on a new approach to Maintaining Critical Supports that is participant-centric. The NDIA is also working on a number of initiatives to ensure participants can access the following supports:

- After-hours crisis support arrangements – the NDIA has been piloting after-hours crisis response arrangements in three states to determine the best way to meet the needs of participants. Providers have been sourced to provide varying levels of support, depending on the level of escalation required.
- Critical Service Issues Response – the NDIA has worked with each State and Territory Government to establish clear mechanisms for escalation and resolution of individual and thematic issues that affect participants.¹³⁸

134 Mr Tom Symondson, Chief Executive Officer, Victorian Healthcare Association, *Committee Hansard*, 26 February 2019, p. 41.

135 See for example: Ms Emma King, Chief Executive Officer, Victorian Council of Social Services, *Committee Hansard*, 26 February 2019, p. 37; Mr Tom Symondson, Chief Executive Officer, Victorian Healthcare Association, *Committee Hansard*, 26 February 2019, p. 41.

136 Joint Standing Committee on the NDIS, *Transitional arrangements for the NDIS*, 15 February 2018, p. 70.

137 Australian Government, *Government response to the JSC Transitional Arrangements for the NDIS report* (received 19 June 2018), p. 11.

138 NDIA, *Answer to question on notice SQ19-000013*, received 22 February 2019.

2.166 Roundtable participants reiterated the need to have clear Provider of Last Resort arrangements in place as the absence of such arrangements are putting people at risk of not accessing any supports, resulting in admission to hospital, aged care facilities or jail.¹³⁹

2.167 Similarly, Victoria Legal Aid contended that the absence of a PLR framework contributed to its 'clients falling through gaps, including offending, imprisonment, inability to be discharged from secure mental health facilities and child removal'.¹⁴⁰

Lack of progress

2.168 Mr Tom Symondson, CEO of the Victorian Healthcare Association, reminded the committee that providers were told 'as early as 2016 that each jurisdiction was having a separate bilateral conversation with the federal government and the NDIA around a provider of last resort approach'.¹⁴¹

2.169 However, no tangible progress has been made on a process to ensure provision of services in both crisis situations and where there is simply no market. In fact, Mr Symondson is of the view that the provider of last resort conversation is still 'very immature' and that, to date, no one has taken ownership of the problem.¹⁴²

2.170 Drawing on his experience in Victoria, he stated that, at present, the system relies on state government services to step in, which is not sustainable:

Certainly in Victoria, it feels very much like there's an assumption that the public providers will fill that gap. Ideologically, they will do that. They will not turn people away. But it's not what the design intention was. It's certainly not in line with the principles of the NDIS, and eventually the state government will probably say 'we're not funding this anymore' and it will be providers in our membership that end up being the bad guys saying 'we don't have enough money to provide that for you, and we know nobody else who will'.¹⁴³

2.171 At the roundtable on mental health services, Mr Glen Tobias, Acting Chief Executive Officer of Neami National told the committee that 'the provider of last resort is actually the emergency department'.¹⁴⁴

139 See for example: Mr Patrick McGee, National Manager, Policy Advocacy Research, Australian Federation of Disability Organisations, *Committee Hansard*, 26 February 2019, p. 38; Mr Tom Symondson, Chief Executive Officer, Victorian Healthcare Association, *Committee Hansard*, 26 February 2019, p. 41.

140 Victoria Legal Aid, *Submission 96*, p. 3.

141 Mr Tom Symondson, Chief Executive Officer, Victorian Healthcare Association, *Committee Hansard*, 26 February 2019, p. 41.

142 Mr Tom Symondson, Chief Executive Officer, Victorian Healthcare Association, *Committee Hansard*, 26 February 2019, p. 38.

143 Mr Tom Symondson, Chief Executive Officer, Victorian Healthcare Association, *Committee Hansard*, 26 February 2019, p. 38.

144 Mr Glen Tobias, Acting Chief Executive Office, Neami National, *Committee Hansard*, 26 February 2019, p. 20.

Crisis situations

2.172 As previously discussed in the *Transitional arrangements for the NDIS* and the *Market readiness for provision of services under the NDIS* reports, there are grave concerns that existing state and territory government processes for emergencies will cease despite the absence of new formal arrangements under the NDIS.¹⁴⁵

2.173 For example, at present, in Victoria, the Department of Health and Human Services has an intensive support unit, which deals with extreme and urgent cases. As described by Mr David Moody, Acting CEO of National Disability Services, this unit has enabled a number of crises to be averted. However, this service is due to close at the end of June 2019.¹⁴⁶

2.174 Mr Patrick McGee, from the Australian Federation of Disability Organisations, warned the committee that without a service that can respond to emergency situations and linking people to providers and services, there will be disastrous consequences for people with very complex needs:

They'll all go to jail, they'll go to hospital, they'll stay in their homes, they'll be cared by their elderly parents, they'll commit crimes, they'll get into trouble, they'll get given the wrong medication – all those things are going to happen.¹⁴⁷

2.175 Similarly, Prader-Willi Syndrome Australia is of the view that, without appropriate arrangements in place in case of crisis, people with Prader-Willi Syndrome who have very complex needs and challenging behaviours 'may be forced into homelessness, dangerous accommodation or being held unnecessarily in a prison or mental health facility'.¹⁴⁸

2.176 According to Ms Kirsten Deane from National Disability and Carer Alliance the NDIA has still not the systems in place to deal with urgent complex situations:

[...] the NDIA has not developed triage systems to prioritise people who need more urgent assistance.¹⁴⁹

2.177 Ms Philippa Angley, from National Disability Services, also expressed doubts that the current NDIS system would be able to respond to emergency situations in the same way as state services used to, because of its funding structure, and concluded:

There is a need to create a response for emergencies where the negotiation happens afterwards.¹⁵⁰

145 Joint Standing Committee on the NDIS, *Market readiness for provision of services under the NDIS*, September 2018, p. 75.

146 Mr David Moody, Acting Chief Executive Officer, National Disability Services, *Committee Hansard*, 26 February 2019, p. 43.

147 Mr Patrick McGee, National Manager, Policy Advocacy Research, Australian Federation of Disability Organisations, *Committee Hansard*, 26 February 2019, p. 43.

148 Prader-Willi Syndrome Australia, *Submission 82*, p. 4.

149 Ms Kirsten Deane, Executive Director, National Disability and Carer Alliance, *Committee Hansard*, 26 February 2019, p. 43.

2.178 Mr David Moody, of National Disability Services, acknowledged the current pilot of the Complex Needs pathway in Victoria but clarified to the committee that 'it does not make provision for a provider of last resort'.¹⁵¹

Committee view

Interface with mainstream services

2.179 The committee acknowledges that the issue of the interface between the NDIS and mainstream services is complex. The committee is aware that working groups reporting to the DRC have been established to work on clearly defining the roles and responsibilities of the NDIA and mainstream services. However, the committee noted that this work is progressing very slowly. At the same time, there is growing evidence that NDIS participants are being denied services and care because of funding disputes between the NDIA and other government services. In extreme cases, this is resulting in people being unable to leave hospitals for months. This situation is untenable and requires immediate action, regardless of the state of progress of discussions with state and territory governments and ad-hoc arrangements to delineate the roles and responsibilities of the NDIA and mainstream services. There should be an immediate introduction of a formal mechanism to ensure that a person-first approach is taken in the delivery of services in the event of funding disputes. Such a mechanism would see the party of first contact providing the services without delay or disruption. The party of first contact would then refer the matter to a jurisdictional dispute mechanism, where costs incurred by the party of first contact can be, if deemed appropriate, be reimbursed through budget transfers, or direct invoicing.

Recommendation 10

2.180 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.

Thin markets

2.181 The issue of thin markets is not new and has been discussed at length in previous committee reports.¹⁵² The committee is frustrated by the NDIA's ongoing reluctance to consider alternatives to a fee-for-service model to address thin markets. As previously identified by the committee, other service delivery models that could be considered include the introduction of direct commissioning, block funding, seed

150 Ms Philippa Angley, Head of Policy, National Disability Services, *Committee Hansard*, 26 February 2019, p. 42.

151 Mr David Moody, Acting Chief Executive Officer, National Disability Services, *Committee Hansard*, 26 February 2019, p. 42.

152 Joint Standing Committee on the NDIS, *Transitional arrangements for the NDIS*, February 2018 and *Market readiness for provision of services under the NDIS*, September 2018.

funding or developing a multipurpose service model similar to the one used in the aged care sector.¹⁵³

2.182 The committee is of the view that the NDIA must work with government and non-government service providers operating in rural and remote areas to trial alternative service delivery models.

Recommendation 11

2.183 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.

Provider of Last Resort arrangements

2.184 As discussed in previous reports by this committee, the NDIA is responsible for the Provider of Last Resort (PLR) arrangements but is yet to publicly release its policy and operational plan on the matter. On several occasions, the committee has recommended the NDIA accelerate its work to progress future PLR arrangements and publicly release its PLR policy as a matter of urgency.

2.185 The committee agrees with the Victorian Healthcare Association that within the PLR conversation there were two issues conflated: one around putting a provider in place when there is an absence of services because of market failure and the other around how to respond to crisis and emergency situations.¹⁵⁴ As the market steward, the NDIA has responsibility to develop a funding model for continued provision of disability services in areas of thin markets, including in rural and remote areas.

Recommendation 12

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

Crisis situation

2.187 The committee has repeatedly expressed its deep concerns about the lack of progress in relation to Provider of Last Resort arrangements in the event of a crisis, especially when it involves crisis accommodation. The committee understands that the Maintaining Critical Supports project will define policies and processes for such situations. The Maintaining Critical Supports policy must commit to provide services according to participant needs, including for crisis and respite accommodation.

2.188 The committee understands the NDIA is piloting after-hours crisis response arrangements but lacks information to comment on the effectiveness of the approach. Importantly, it is a pilot, not a systemic response. The committee is of the view that the NDIA should establish within the Complex Needs pathway a unit in each jurisdiction, which would be responsible for coordinating crisis service provision,

153 Joint Standing Committee on the NDIS, *Market readiness for provision of services under the NDIS*, September 2018, pp.72–74.

154 Mr Tom Symondson, Chief Executive Officer, Victorian Healthcare Association, *Committee Hansard*, 26 February 2019, p. 44.

including crisis and respite accommodation. In situations involving boundary issues with mainstream services, the person-first principle outlined in Recommendation 5 of this report should apply.

Recommendation 13

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

Provision of hearing services under the NDIS

2.190 Between November 2016 and June 2018, the committee commenced an inquiry into the provision of hearing services under the NDIS.

At the time of the inquiry, the key issues identified were:

- a lack of guided pathways for children;
- considerable delays in accessing services;
- shortfalls in funding; and
- the lack of a child-first approach.

2.191 The committee made six recommendations in its interim report tabled September 2017, which were all supported, or partially supported, by the Government. In its final report tabled June 2018, the committee made three recommendations, which were all partially supported by the Government.

2.192 The ECEI roundtable held on 26 February 2019 provided an opportunity to gauge progress since the release of the final report.

Referral pathway for children

2.193 The committee expressed, in both its interim and final reports, its concern that the transition to the NDIS has disrupted a world class system that had worked very well. Guided pathways were previously available, but have been lost with the move to the NDIS. This has resulted in considerable delays in the start of funded therapies, which are critical, though early interventions, to ensuring that children can be taught to communicate as well as any other child and become active participants in the social and economic life of their communities.¹⁵⁵

2.194 In September 2017, the committee sought to address these issues by recommending that Australian Hearing be formally appointed as the independent referral pathway for access to early intervention services under the NDIS.¹⁵⁶

155 Joint Standing Committee on the NDIS, *Provision of hearing services under the NDIS*, Interim report, September 2017, pp. vii–viii.

156 Joint Standing Committee on the NDIS, *Provision of hearing services under the NDIS*, Interim report, September 2017, p. 42.

2.195 For a long time, the NDIA was reluctant to carve a preferred pathway for families of deaf and hard of hearing children. It took the NDIA until August 2018 to finally establish a hearing service stream for newly diagnosed children.¹⁵⁷

2.196 This pathway is for children aged nought to six years who have just been diagnosed with a hearing loss. The new pathway involves Australian Hearing initiating access to the NDIS for eligible applicants. This ensures that NDIS funding is received faster, and access to early intervention supports can occur quickly. Australian Hearing also links the family to an Early Childhood Partner, to support implementation of the plan.¹⁵⁸

2.197 According to the hearing services sector, this new, rapid, referral pathway for children is generally working well, and resulting in a first plan for the child within the next three weeks or up to six weeks.¹⁵⁹

2.198 At the February 2019 roundtable, Dr Jim Hungerford, Chief Executive Officer of The Shepherd Centre described the establishment of the new rapid referral pathway as a 'mammoth improvement', and pointed out that it has significantly reduced delays.¹⁶⁰

2.199 However, First Voice pointed out that this new system only applies to children aged nought to six years who attend Australian Hearing for the first time. As a result, according to First Voice, a significant proportion of children who have already been engaged with Australian Hearing prior the implementation of this new system still do not have a plan despite eligibility to the Scheme. Furthermore, this process does not apply to children aged seven or more.¹⁶¹

2.200 As the a result, First Voice recommended that the NDIA commission Australian Hearing to check, and if required, initiate the NDIS process for these children.¹⁶²

Uncertain future of Australian Hearing

2.201 On 21 June 2018, the Minister for Social Services announced that Australian Hearing's in-kind support would be extended until 30 June 2020.¹⁶³

157 NDIS, *Pathway reform*, <https://www.ndis.gov.au/about-us/ndis-pathway-reform/pathway-reform-whats-happening-2019#hearing-service-stream> (accessed 27 February 2019).

158 NDIS, *Newly diagnosed hearing loss*, <https://www.ndis.gov.au/understanding/families-and-carers/get-support-your-child/newly-diagnosed-hearing-loss> (accessed 27 February 2019).

159 First Voice, *Submission 75*, p. 2.

160 Dr Jim Hungerford, Chief Executive Officer, The Shepherd Centre, *Committee Hansard*, 26 February 2019, p. 22.

161 First Voice, *Situation following the recommendations of the Joint Standing Committee on the NDIS*, additional information received 27 February 2019, p. 1.

162 First Voice, *Situation following the recommendations of the Joint Standing Committee on the NDIS*, additional information received 27 February 2019, p. 1.

163 The Hon. Dan Tehan MP, Minister for Social Services, *Improved support for hearing impaired*, *Media release*, 21 June 2018.

2.202 The referral pathway relies on Australian Hearing being the sole provider of paediatric audiology services. Currently, this exclusive role is only secured until 30 June 2020.

2.203 As described by First Voice, the future of Australian Hearing beyond this time remains uncertain and, if the role of Australian Hearing changes, this new pathway will cease to function.¹⁶⁴

2.204 At the roundtable, Dr Jim Hungerford stressed the importance of urgently clarifying and securing the future of Australian Hearing:

We really implore the government [...] to resolve the situation for Australian Hearing, otherwise all of the advances could be destroyed.¹⁶⁵

Funding in plans

2.205 During the inquiry, the committee received compelling evidence from specialist service providers about shortfalls in funding between the costs of providing early intervention hearing services and the funding provided in plans.

2.206 First Voice reported significant improvements with the NDIA interim approach of two standard tiers to determine funding for children's first plans. This interim approach is now being replaced by a four-tier system, which is much more closely aligned to the service costs incurred by children that require, low, medium, high or intense support.¹⁶⁶

2.207 The new four-tier system for initial plans is expected to be implemented from 1 March 2019.¹⁶⁷

2.208 However, First Voice is concerned that the audiological diagnosis is the only factor considered for determining the appropriate funding for the initial plan. For example, it does not take into account other factors, such as diagnosed communication delay or a complex family context needing additional support to implement the therapies.¹⁶⁸

2.209 A reliance on audiological diagnosis alone can result in some cases in underfunding of plans:

An example of this is a particular case of a child aged 4 years 8 months who was granted a funding package through the rapid referral pathway. The child has moderate sensorineural hearing loss but this was only diagnosed at 3 ½ years of age which resulted in a severe language delay. The initial

164 First Voice, *Situation following the recommendations of the Joint Standing Committee on the NDIS*, additional information received 27 February 2019, p. 1.

165 Dr Jim Hungerford, Chief Executive Officer, The Shepherd Centre, *Committee Hansard*, 26 February 2019, p. 35.

166 First Voice, *Submission 75*, p. 3.

167 First Voice, *Submission 75*, p. 3.

168 First Voice, *Submission 75*, p. 3.

\$16,000 package is not sufficient for the intense specialised intervention for hearing required in preparation for commencing school in 2020.¹⁶⁹

Committee view

2.210 The committee acknowledges the significant work the NDIA has recently undertaken to develop referral and funding approaches that will appropriately support children with hearing loss, their families and carers.

Referral pathway

2.211 The establishment of the referral pathway through Australian Hearing for newly diagnosed children aged nought to six years is encouraging. However, the committee noted the concerns expressed by the sector around the limited remit of this referral pathway. The committee is of the view that Australian Hearing should be able to refer, at any time, a child to the NDIS, as it is best placed to provide expert advice on the needs of children who have hearing loss.

Recommendation 14

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

2.213 The committee is concerned that this referral pathway has an uncertain future and is, in essence, an interim measure. Indeed, the in-kind arrangements with Australian Hearing are only secured until 30 June 2020.

Recommendation 15

2.214 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.

Funding in plans

2.215 The committee is satisfied with the scaled funding model being introduced by the NDIA to fund hearing services supports. The committee notes the concerns expressed by the sector around the underfunding of plans for children with additional disabilities or more complex needs. The committee is of the view that it is the responsibility of the Early Childhood Partner to ensure that additional funding is factored in plans for other appropriate support needs that may be required for a child.

169 First Voice, *Situation following the recommendations of the Joint Standing Committee on the NDIS*, additional information received 27 February 2019, p. 2.