

Executive summary

Transition to the full National Disability Insurance Scheme is expected to be completed by 2020. The Scheme is phasing in rapidly around Australia and is now fully operational in all regions of NSW, SA and ACT. By 2020, it is estimated that 460 000 participants will have entered the Scheme.

Market stewardship

The challenges for both participants and service providers to transition to a market-led service delivery model cannot be underestimated. Creating a participant enabling environment and developing a competitive marketplace is vital to the success of the Scheme. However, during the course of this inquiry, the committee heard that the NDIA, as the lead market steward, has often failed to put in place in a timely manner the appropriate measures and initiatives to support the development and growth of the disability support marketplace to meet demand.

The roles, responsibilities and activities of all those responsible for market stewardship are unclear. This is impeding the development of strategies to address key emerging issues in the development of the market.

Participant readiness

Throughout the inquiry the committee heard that most participants are not ready to confidently engage and navigate the market. Of concern is that submitters continue to raise issues around adequacy of plans and ability of participants to activate and manage plans. It appears that the resources and supports put in place by the NDIA to help participants activating and implementing their plans are not reaching all participants and their families.

Workforce readiness

There is currently no clear national strategy to grow the workforce despite the need for an additional 70 000 disability workers by 2020. The committee received evidence that there are currently virtually no incentives to choose a career in the disability support sector. Indeed, submitters reported that the disability sector is experiencing a rise in underemployment and insecure work arrangements, inadequate wages with little or no prospect of professional development opportunities.

Service provider readiness

The committee consistently heard that service providers are struggling to make the necessary changes to operate under the NDIS. Many service providers critically lack the capacity, expertise, cash reserves and infrastructure to make a successful transition and operate in the new NDIS environment. To date, it appears that the growth in new providers is far too slow and patchy to mitigate current and projected supply gaps. The committee heard that the NDIA as a market steward has lacked forward planning and not adequately facilitated access to support and assistance for existing and prospective service providers to operate in the NDIS environment.

Pricing

The committee was troubled to hear that many service providers were unable to operate even moderately profitably under NDIS pricing. The committee continued to hear that NDIS pricing is hindering market development and growth. More concerning is that, in some instances, pricing has led to service providers discontinuing services to NDIS participants. The committee heard that some service providers are 'cherry picking' clients and potentially leaving some of the most vulnerable NDIS participants with no access to adequate services.

Thin markets and Provider of Last Resort

The committee is concerned with the lack of progress on addressing the issue of thin markets experienced by some groups. The thin markets identified are not new; it is now urgent that the NDIA intervene beyond making small adjustments to pricing. The committee is concerned that the policy on future Provider of Last Resort arrangements has not been released and remains unclear.

Specialist Disability Accommodation (SDA)

The committee received evidence that the lack of data on SDA demand, restricted choices of living arrangements for participants, the lack of clear and consistent information available to investors and the pricing review cycle are impeding development of new SDA dwellings.

Conclusion

The committee received a wealth of information and evidence throughout the inquiry and thanks all those who participated. As a result, the committee has made 29 recommendations, which aim to ensure that appropriate strategies and responses are swiftly implemented to stimulate the growth of the marketplace and ensure that all NDIS participants have access in a timely manner to the necessary and reasonable supports they are entitled to.