National Disability Services

Victorian Disability Services Transition Plan

The Transition Plan

National Disability Services Victoria

2012-2016

Final Draft

Promoting the development of quality services and life opportunities for Australians with disability

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The Transition Plan

National Disability Services

National Disability Services (NDS) is the national industry association for disability services, representing over 700 members nationally and approximately 170 members in Victoria. Collectively, NDS members operate several thousand services for Australians with all types of disability. NDS member organisations range in size from small support organisations to large multi-purpose services and are located in every State and Territory in Australia.

NDS' purpose is twofold:

- To increase the capacity of its members to operate efficient and effective services – and assist members to meet relevant industry and government standards – through the provision of information and advice, networking opportunities and access to corporate support; and
- To influence governments at both state/territory and federal levels to provide a policy environment that is responsive to the needs of people with disability and their service providers.

As a result of this unique positioning and track record of high achievement, NDS is ideally placed to lead disability services in their transition to a National Disability Insurance Scheme (NDIS).

Background context

Disability services are at a critical juncture. Work has commenced through COAG towards introduction of a National Disability Insurance Scheme (NDIS), a new national entitlement based scheme of disability funding. This initiative is strongly welcomed by NDS. It will see choice and control in the hands of people with disability and their caring families and supporters, and an anticipated doubling of resources to address the needs of those with severe and profound disability. It however involves a transformation of disability services, with introduction of an entitlement based national system, use of individualised packages, development of a more competitive market for disability services, and strengthened outcome monitoring.

An NDIS represents sound economic investment in the future of people with disability. Demand for specialist disability services is increasing by 7.5 per cent a year, at a minimum[1]. Yet the current disability system is broken. In the words of the Productivity Commission, the system is: "underfunded, unfair, fragmented, and inefficient, and gives people with a disability little choice and no certainty of access to appropriate supports. The stresses on the system are growing, with rising costs for all governments"[2].

[1] FaHCSIA, 2009, The Way Forward, Canberra
[2] Productivity Commission 2011, Disability Care and Support, Canberra

The NDIS provides Victoria with a remarkable opportunity and challenge. Arguably we are better placed than other Australian states to smoothly transition to an NDIS, given our track record with individualised funding and self-directed approaches. However in order to capitalise on this opportunity, investment now in preparing for the new environment is essential.

The implications of this change

Transition to a new market model of individualised funding for disability services will lead to increased complexity and competition for service providers from two sources: consumers utilising the portability of their funding to exercise choice among providers; and the entrance of new service providers from allied sectors such as health and aged care. Some of these new providers will be for profits.

The extent and significance of this transition challenge for the sector need to be acknowledged. This change imposes numerous challenges, new pressures and new priorities for disability services with new requirements and obligations. It also necessitates new business and service models, changed organisation cultures and practices, new financing and budgeting arrangements, and many others. There will be even further work required on the part of disability service providers to ensure that disruption is minimised and that plans are in place to ensure continuity of care when organisations or services are restructured to suit a more marketised environment.

We recognise this sector has a big task ahead to respond to this change, in the current heavily rationed sector, service providers tend to grasp whatever growth opportunities arise. Under an NDIS, service providers will need to make strategic choices among numerous business and growth opportunities. They will need to know their comparative advantage. They may need to decide whether to become a broad-based generalist service or a 'boutique' service. Some will form new partnerships, such as sharing back office functions; some may need to transfer services to other providers, through a lack of capacity; and others will consider mergers. It is likely that some services will have significant capacity to market themselves to consumers and will thrive, whilst others may struggle to cope and may potentially fail, with implications for their clients and communities.

Achieving change demands integrated, holistic and resourced responses. This Plan is a set of key priorities to drive a good outcome for people with disability and achieve effective transition for Victorian the disability services system. The approach taken identifies the suite of strategies and initiatives required to address transition issues across the service system, at a broad level, and in more detail for not for profit disability services.

Not all of the initiatives are within the purview of NDS Victoria and a number will be most effectively coordinated at a national level with appropriate relationships to state based activity. One key example of this which is not clear from the PC report is the

interaction between Tiers 2 and 3 and the impact for people with disability, and services, navigating between the two. It is noted that implementation of the National Disability Strategy is particularly pertinent to achieving economic participation and social inclusion for those who fall within Tiers 1 and 2 of the proposed model.

People with disability may access services across the tiers at anyone time to achieve full social inclusion and will need to be able to access information about the options available, be able to easily navigate the system, and be able to exercise choice about the services they are seeking to achieve their desired outcomes. This mix of state and federal funding also poses complexity to services providers who may provide both Tier 2 and 3 services and therefore need to meet both state and federal implementation and accountability requirements.

Given the history of not for profit disability services, they are already well placed to identify gaps, cracks and overlaps in the service system, and should be engaged in identifying solutions under this new system.

The strategies in this Plan address foundation initiatives critical in this transition. The next steps will require an implementation plan and government investment and engagement. It is proposed that a detailed implementation plan will be developed early in 2012, in consultation with government and other stakeholders, and with reference to the respective strengths and activities underway in other jurisdictions and nationally.

The following Vision diagram articulates the desired outcomes of the transition of the disability system in Victoria to individualised approaches, and provides a framework for achieving this. Using this Vision, and the findings of the projects undertaken as part of the Transition Plan development, recommendations have been synthesized into critical foundation initiatives required to progress the transition process.

It is recognised that substantial work is already being undertaken in preparation for an NDIS, at both the state and national levels. With a change of this magnitude there is a strong need for central control and guidance to ensure a coordinated effort with a transparent framework for communications and initiatives. NDS suggest that the early implementation of the NDIA is imperative in establishing this transparent framework and that the NDIA would take carriage of a number of strategies identified in the below table. This Transition Plan seeks to complement, augment and inform such work and NDS, with its cross-jurisdictional engagement, is strategically placed to do so.

This Plan is supported by a full Transition Plan Report (‘The Report’) which details the opportunities and risks relating to an NDIS, the current state of Victorian not for profit disability services, and the findings and recommendations from the range of projects undertaken as part of development of the Plan.

Vision for Victorian Disability Services

Vision	Objectives	Strategies and Partnership Commitments
Victoria is an inclusive state where people with disability, their families and supporters have the same opportunity to participate and contribute as other citizens. People with disability and their families have access to resources to make informed choices. There is a strong focus on social and economic participation and inclusion of people with disability in the community. A range of services that are outcomes based, responsive, innovative, high quality, financially sustainable and cost effective are available. Genuine alignment exists between governments, non-government organisations, the community, and people with disability, their families and carers.	People with disability, their caring families and supporters at the centre of service delivery	People with disabilities their caring families and supporters being enabled to make informed choices, with access to quality, outcomes based services which support community inclusion.
	Achieving a sustainable, integrated and equally regulated disability service system	Responsive services with appropriate supports are at the right price in the right location to meet the needs of people with disabilities, within the context of an efficient, equally regulated and integrated service system.
	High performing organisations achieving real outcomes for people with disability	Capability uplift and transformation of disability services to adapt to a competitive market environment, with enhanced quality, efficiency, workforce and community connections.

To achieve this vision it will require an effective transition process with focus on a governance framework for cross system coordination and communications and engagement with all stakeholders.

Transition Plan Priorities

Achieving the scale of change required by the NDIS will demand integrated, holistic and appropriately resourced responses. The following table of early implementation initiatives presents an opportunity for the Victorian government to lead the way toward NDIS readiness (however the scheme is ultimately constructed) in partnership with NDS and other relevant peak bodies. Government investment in the foundations for industry transition, as identified in this Plan is crucial to ensure a coordinated transformation strategy in moving to an effectively facilitated marketised system. Without this we may run the risk of major disruption to services, loss of social capital and workforce expertise, with widespread ramifications for service users and their families and carers.

The government has funded and coordinated a range of initiatives, policies and measures to support the transition to self-directed approaches and sector capacity building in disability service provision. Most recently, government funding of $3m pa over 5 years (2008-2013), has been provided for the Enhancing Sector Capacity Initiative aimed at supporting the transition to self-directed approaches in day services, and other industry reforms. The results of these initiatives however have not been shared across the sector. With the transition to an NDIS, NDS proposes that the remainder of this funding be used towards the Transition Plan early implementation initiatives to enable coordinated and systemic change. In fact, the funding of this Transition Plan will lead to sector and system improvements which will endure, whether or not an NDIS is ultimately established.

NDS envisions establishment of a Transition Investment Fund to support NDIS readiness with a year one total of $4 million and continued over the forward estimates period. All initiatives will require development and refinement to establish final costs, both for year one, and subsequent years of the Fund. It is expected that targeted activity will also be directed to the Victorian NDIS launch site location/s, once announced.

First steps

In submission of this Plan, NDS is seeking three commitments:

1. That the government **endorse the draft Transition Plan** and actively support implementation of its strategies.
2. That the government **endorse and resource NDS**, as the peak industry body, to lead not for profit disability services in this transition, and participate actively within the wider disability system in the transformation.
3. That the government commit industry transition funds in the 2012-13 budget to the establishment of a **Transition Investment Fund,** of a scale commensurate with the opportunities, challenges and efficiencies essential to

leading the way toward NDIS readiness; and that the government commit further resources to the Fund over the forward estimates period.

Each of these commitments is discussed below.

1. *That the government endorse the draft Transition Plan and actively support implementation of its strategies.*

It is recognised that non government and government disability services, people with disabilities, their caring families and supporters, and other stakeholders, will all need to be brought along the journey for successful transformation, and included in the engagement strategy. Initiatives directed to capability and competency uplift will focus on existing disability services, but will also address the needs of others in the system.

NDS has identified a range of strategies and initiatives to achieve successful transition of disability services. It is proposed that further refinement and prioritisation of these strategies will occur in early 2012 in consultation with government.

NDS identifies that the first step in readiness for an NDIS is the development and implementation of an Engagement and Communications Strategy across the disability system and all relevant stakeholders. It is understood that this may fall in the purview of the NDIS Taskforce. NDS seeks active engagement in the development of such a strategy and carriage of the elements relevant to not for profit service provision.

2. *That the government endorse and resource NDS, as the peak industry body, to lead disability services in this transition, and participate actively within the wider disability system in the transformation.*

NDS plays an established and crucial role in the sector. We are uniquely positioned in representing over 700 disability service providers nationally (approximately 170 in Victoria) and have demonstrated excellence in leading best-practice industry development initiatives including: workforce recruitment and development; corporate governance; quality management; OHS; individualised approaches; and access and equity for marginalised communities. NDS continually engages and consults with service providers and maintains strong connections with a broad range of other stakeholders to ensure we comprehensively represent our members and provide high level expertise and input at the cutting edge of government policy development.

NDS is currently working in partnership with government in several states and territories and nationally, leading the transition of disability services toward NDIS readiness. In 2010 NDS established a National Policy Research Unit and a national industry development function to co-ordinate and support NDS state offices. NDS in Victoria is leading industry development initiatives: Good Governance; Risk Management; Strategic Business and Financial Planning; OHS; and Human Rights in Disability Services. Such initiatives have all contributed to our proven track record of delivering

project excellence with constrained resources. These programs and resources provide Victoria with a strong foundation to build on in preparing for an NDIS environment.

3. ***That the government commit industry transition funds in the 2012-13 budget to the establishment of a Transition Investment Fund, of a scale commensurate with the opportunities, challenges and efficiencies essential to leading the way toward NDIS readiness; and that the government commit further resources to the Fund over the forward estimates period.***

The introduction of the NDIS will change the market within which the disability sector operates. It is in the interests of governments and people with disability and their families that the not for profit sector is well prepared to operate in the new environment and continues to 'value-add' social capital, such as advocacy, empowerment, and community development, to the services it provides.

NDS acknowledges that the funding for a future NDIS is a complicated and as yet unresolved matter that will likely impact Victoria's budget, but in ways that cannot yet be determined, and at a time when Victoria is facing major fiscal challenges. Any allocation of funds will lead to sector and system improvements that will endure, even in the unlikely event that an NDIS is not established or is established in a different form from that recommended by the PC.

There are significant gaps in the sector's preparedness for the new world[3]. As outlined in the supporting Transition Plan report. Immediate investment in industry transition initiatives for the sector is critical to maintain robust and responsive service options for people with a disability.

We are seeking a four year Transition Investment Fund as an essential priority to support NDIS readiness. This Fund will enable co-ordinated engagement through NDS with the system wide change process and be managed in partnership with government. It will: resource a range of coordinated, capability development initiatives; support organisations to explore their place in the market; and incentivise structural change, including mergers and formal collaborations. The word 'Investment' is used to denote a genuine return of gains and efficiencies for funds committed.

The following table contains initiatives that will build on past experience; take account of existing resources and expertise; be well integrated with local developments and structures; enable the system to learn iteratively; and strengthen Victoria's position to lead the way nationally towards an NDIS.

[3] National Disability Services, 2012, Preparing the Disability Sector for the New World. This paper clearly articulates the changes necessary for not for profit disability services to transition to the new world under an NDIS.

Foundation Initiatives for NDS Commencement in 2012-13

Strategies	Action	Time line
Engagement and Communication		
Communication and Engagement Strategy across the disability system and with input from all relevant stakeholders. This will require coordination of work being undertaken by NDS with disability services, with government and with Advocacy groups.	NDS to develop and implement an iterative engagement and communication strategy targeted to Victorian disability services; including a program of regional workshops, consultations with diverse representatives, resource development, and topical speaker series to be refined based on ongoing feedback.	March 2012-June 2016
Workforce		
Commence Implementation of the Transition Plan Workforce Strategy.	NDS to commence planning and implementation of Workforce strategies relating to: the carecareers initiative; service collaboration around workforce issues; review of the disability support worker role; retention and effective utilisation of workforce; support for regional networks to respond to workforce issues; and the role of volunteers in disability services. Activity to be aligned with DHS Workforce activity.	March 2012-June 2016
Strengthening the sector via efficiencies, strategic leadership, positioning and structural change		
Work with NFP boards and CEOs to equip them to assess their organisations' mission, market place position and options approaching an NDIS; and review and strengthen their organisational capability and leadership in readiness for an NDIS.	NDS to develop and implement range of key capacity building initiatives, which build on previous activities including: - Workshops and resources targeted to Boards and CEOs on NDIS readiness - Identify and promote tools and resources to support consideration of restructuring, such as workshops, financial incentives, case studies, confidential mentoring - Provide training and support in organisational cultural change, marketing and relationship management, ICT and financial literacy. - Implement financial literacy workshops and resource	March 2012-June 2016

Strategies	Action	Time line
	development including a focus on managing and sourcing capital and assets. - Identify and promote tools and resources to support services to navigate ICT decisions in the current individualised funding environment and uncertainty re ICT demands of an NDIS.	
Sharing best practice		
Harness the collaborative capacity of disability organisations and their Peak bodies to share innovative and good practice in an environment of changing legislation and regulation	NDS to develop and implement a knowledge management resource including an online clearing house: - Enable sharing of good practice across disability services; provide online tools and resources that are supported by workshops, showcases and regional networks. There should be a specific focus on increasing access of Aboriginal and CALD communities to services. Increased resourcing for disability Peak and Advocacy organisations to coordinate cross sector development to address NDIS readiness: - Increased investment in NDS to enable effective leadership, co-ordination and cross sector development. Review and compile successful models for supporting not for profit community development initiatives: - NDS to undertake a project to identify successful models for supporting not for profit community development initiatives within a context of individualised funding.	May 2012-June 2016
Pricing and market sustainability		
Assist organisations to map and benchmark financial information including capital costs; further identify costs associated with individualised funding and community based service provision, building on from the small scale	NDS to support organisations to map and benchmark financial information including capital costs; and further identify costs associated with individualised funding and community based service provision.	May 2012-June 2016

Strategies	Action	Time line
Day Service Costing project. This will have a focus on informing government in order to address the underfunding of services within the context of NDIS preparation		
Detailed analysis of potential market efficiency in Victoria, including identification of potential thin markets, areas of potential market failure, and a strategic investment strategy.	NDS and/or government to analyse market efficiency in Victoria, and determine strategies to address issues of inadequate and thin markets.	
Identify and promote accessible tools and resources for measurement of social capital, possibly using the Social Return on Investment framework.	NDS to identify and promote accessible tools and resources for measurement of social capital, to enable not for profits to measure and promote their social contribution within a marketised environment.	
Transition costs		
Incentivise and support organisations to explore and undertake mergers and formal collaborations.	NDS and government to jointly administer specific resourcing to assist not for profit services to explore their potential place within the market, and undertake restructuring, formal collaboration and/or mergers.	July 2012-June 2016

Summary of Strategies

The results and findings of the project undertaken in the development of this plan identified issues, risks and opportunities for the system. NDS has responded to these issues, risks and opportunities by developing corresponding strategies and initiatives for phased implementation to be lead by NDS or appropriate government and non-government bodies. The strategies in this summary table seek to complement, augment and inform such work.

This summary table is structured to follow the key themes that were used to guide the research conducted to inform this Transition Plan:

1. People with disabilities, their caring families and supporters at the centre of service delivery
2. Achieving a sustainable, integrated and equally regulated disability service system
3. High performing organisations achieving real outcomes for people with disability

It is recognised that substantial work is already being undertaken in preparation for an NDIS, at both the state and national levels. With a change of this magnitude there is a strong need for central control and guidance to ensure a coordinated effort with a transparent framework for communications and initiatives. NDS suggests that the early implementation of the NDIA is imperative in establishing this transparent framework and that the NDIA would take carriage of a number of strategies identified in the below table.

1. People with disabilities, their caring families and supporters at the centre of service delivery

Issues/Risks/Opportunities	Strategies and Partnership Commitments	Initiatives
Engagement and communication To achieve transition to a system that is person centred requires engagement and change on part of all participants. The disability system is complex, multifaceted and deeply interconnected.	**Engagement and communication** Work with government to implement a widespread engagement and communication strategy across the disability system; to engage people with disabilities, their caring families and supports (including but not limited to people from marginalised, diversity or specific need groups, e.g. ATSI, CALD, ABI clients, dual disability, Mental Health, Women etc.); service providers (including staff and managers/board members); and other stakeholders on the need for NDIS preparation and transition.	**Engagement and communication** Development of an engagement and communications strategy across the disability system with input from all relevant stakeholders. Implementation of the engagement and communication strategy across the system in a coordinated approach. NDS to work with Aboriginal organisations to improve the accessibility and appropriateness of disability services and supports.
Consumer education Service users will need to make informed choices about their preferred degree of self-directed funding under an NDIS; and be aware of and understand the services available (within disability services and mainstream service) and differentiating factors if they are to make greatest advantage of individualised funding. Safeguards will also need to be in place.	**Consumer education** Capacity building to assist service users to make informed choices.	**Consumer education** Create a consumer education/curriculum/website/workshop series (or similar) for all current and future service users with involvement of disability advocates. Investigate development of a Trip Advisor/Shop4support tool to equip service users to 'shop around' before making purchases.
Human rights development Embed Human Rights approaches in delivery of disability services.	**Human rights development** Development and delivery of Human Rights education to disability services.	**Human rights development** Continued implementation of the current project to roll out Human Rights education to disability services in partnership with Advocacy

Issues/Risks/Opportunities	Strategies and Partnership Commitments	Initiatives
		organisations. Encourage all disability services to sign on to the Human Rights in service delivery charter.
Social Inclusion Community and mainstream services have a key role in promoting the access, inclusion and opportunities of people with a disability. Many existing not for profit disability services have deep and extensive connections with local communities. This community positioning delivers real social capital benefits, but is at risk as being eroded as individually attached funding has the potential to negatively affect activity that cannot be individualised. Activating the community includes volunteer co-ordination, community engagement and capacity building, and is central to putting people at the centre. Not for profit providers are well placed to address the gaps, cracks and overlaps between mainstream, specialist and community organisations that will need to integrate services to deliver seamless, person centred supports to individuals.	**Social Inclusion** NDS will work in a coordinated approach with government and relevant peak bodies to achieve greater access and equity to non-disability primary services for people with disabilities. Identify opportunities for effective interface between the disability system and other service systems. Research and assess options on how best to fund services that cannot be individualised within not for profits, e.g. volunteer coordination, community engagement and capacity building.	**Social Inclusion** Continue implementation of initiatives which enhance social inclusion for people with disabilities; including attention to achieving affordable and accessible housing, education, employment, health care and other non-individualised services. Resource disability providers to measure and track their contribution to activating the community, e.g. through promotion and training of approaches such as Social Return on Investment. Advocate for ongoing funds to support the continuation of community development activities and non-individualised services within not for profits. Through review, identify successful models for supporting not for profit community development initiatives.
ICT opportunities Development and adoption of communication, technology, aids and equipment will potentially	**ICT opportunities** Identify and promote emerging communication, technology, aids and equipment opportunities	**ICT opportunities** In collaboration with appropriate bodies establish mechanisms for the appropriate

Issues/Risks/Opportunities	Strategies and Partnership Commitments	Initiatives
facilitate greater independence for people with disabilities, and may change demand patterns for specialist disability supports.	which facilitate greater independence for people with disabilities	distribution of aids and equipment including electronic devices.
Coordination role of Advocacy and Peaks Peaks and Advocacy bodies play a key role in coordinated sector transition and in education to support effective transition.	**Coordination role of Advocacy and Peaks** NDS will work in partnership with government; disability advocacy organisations; marginalised, diversity or special needs advocacy organisations (e.g. ATSI, CALD, ABI, dual disability, Mental Health, Women etc) and Carers Victoria to ensure that all parties are informed and skilled for their roles in an NDIS.	**Coordination role of Advocacy and Peaks** Communication and Engagement strategies, workshops, and further Industry Development that is person centred.

2. Achieving a sustainable, integrated and equally regulated disability service system

Issues/Risks/Opportunities	Strategies and Partnership Commitments	Initiatives
Diverse and sufficient market There is a risk that significant failure of existing providers, whether large services spanning multiple areas, or single services in isolated geographic areas, would create major disruption for people with disabilities and their caring families; constrain real choice for service users; plus represent significant potential loss of community social capital. Opportunity for disability organisations to develop innovative service delivery that falls outside current delivery models that are restricted by current funding approaches. Opportunity to harness the current willingness of many not for profits to work collaboratively and share good practice designed to improve out comes for service users.	**Diverse and sufficient market** Undertake ongoing, independent market analysis (review of thinning or failing markets), stakeholder engagement, review and refinement of market settings. Development and implementation of strategies to ensure continued supply of essential services in the instances of significant provider failure or exits from the market. This strategy could include: - Alternative funding mechanisms may be required to support these markets during or post transition or whilst exiting the market. - Identification of "provider of last resort" to ensure continuation of services to service users. Development and implementation of strategies to address thin, failing markets and where the market fails to provide adequate diversity of supply. This may include: - Incentivising traditionally under-provided services that may be unattractive to suppliers (e.g. specialised services for clients with complex requirements – services that may be costly to provide and have relatively low demand). - Alternative funding arrangements, e.g.	**Diverse and sufficient market** Commence a detailed analysis of provision of disability services across Victoria to identify potential thin markets, taking account of potential and current for profit service provision, and the capacity for consumers to influence suppliers' decisions. DHS may choose to review the appropriateness of its direct services operating in a competitive market. An open and transparent submission process should be used to transfer services to the not for profit sector. Develop and implement an innovation and good practice hub to facilitate sharing of innovative service delivery approaches. This online tool to be supported by ongoing workshops, showcases and regional networks.

Issues/Risks/Opportunities	Strategies and Partnership Commitments	Initiatives
	direct grant funding in thin or failing markets. Create and promote an accessible hub for collaboratively sharing innovative and evidence based good practice across disability services.	
Effective reporting and regulatory framework A reporting and regulatory framework is required that supports a diverse range of high performing organisations and avoids the creation of different cost burdens between registered and non registered providers. It is necessary to ensure that increased individualised funding does not undermine the role of the standards/quality framework in promoting good outcomes from the sector. There is an opportunity to further develop robust outcome measures for disability services.	**Effective reporting and regulatory framework** Ensure that the impact of regulatory compliance requirements applies equally to all providers of disability services and supports. Identify potential barriers to market entry and excessive regulatory burden, including reference to the Disability Act 2006 requirements for registered service providers in comparison for requirements of non registered service providers. Ensure that all providers are required to meet minimum common standards for service delivery. Work in partnership with Victorian government to contribute to national work to identify outcomes based best practice, and develop tools and resources, for robust measurement of outcomes for people with disabilities.	**Effective reporting and regulatory framework** Analysis of current regulatory requirements that create an inconsistent regulation between not for profit, for profit and government service providers. DHS may consider appropriate separation of its role as provider and regulator to promote transparency and prevent a perceived conflict of interest. Further development of current work on robust outcome measures for disability services.
Fair pricing principles It is necessary to develop a set of pricing principles that supports an effective and dynamic interface between supply and demand,	**Fair pricing principles** Contribute to work that will enable the regulator and disability services to have access to timely, relevant and accessible data on disability	**Fair pricing principles** Undertake a project to further identify costs associated with individualised funding and community based service provision; building on

Issues/Risks/Opportunities	Strategies and Partnership Commitments	Initiatives
whilst assuring that an efficient price reflects the 'real' costs of service provision.	service cost structures in relation to market norms (likely to be in scope for the NDIA).	the small scale Day Services Costing project (Aug 11-Nov11). Survey the sector from a financial perspective to identify its capacity to properly measure the costs of services including capital costs. Identify a "standard charter of accounts" for the sector. Conceptually develop mechanisms to report costs to the proposed regulator in a manner that respects commercial confidentiality. Undertake Victorian work to inform national policy work regarding pricing principles including: - A measure to vary prices in situations of peak load capacity or excess capacity; - Agreement on reporting of cost information to the regulator and the consumer; and - Disclosure rules for price changes, and an interpretative set of guideline as to what an "efficient price is". These guidelines would need to consider how to price services taking into account: - Services are capital intensive and marginal cost price may lead to underinvestment - contain sunk costs - involve subsidised labour (through tax

Issues/Risks/Opportunities	Strategies and Partnership Commitments	Initiatives
		concessions) - where markets are thin or missing - services were in receipt of block government funding - where the significant informational asymmetries between provider and client. The price principles should be compared to pricing principles supervised by the ACCC and other national regulators, while recognising that the principles will reflect the particular aspects of the market for disability services.
There is a risk that choice expands for some but not for all; some providers may 'cherry pick' the more profitable clients, leaving those 'less profitable' clients without access to choice or possibly even sufficient appropriate services. This could create a 'race to the bottom' in terms of diversity and quality of services and support.	Government to monitor effectiveness of services with continued review and refinement and develop a set of strategies to respond to instances of market failure.	Organisations assisted to map financial information, benchmark it against others and identify improvements. DHS may choose to consider what to do with services that are socially needed but not attractive to suppliers. There may need to be a direct top up subsidy to the NDIS voucher for the consumer to lure greater service provision. DHS might have to consider some directed block funding of capital costs in these circumstances or a process such as direct tendering of services.
Workforce **Workforce Regression:** Insufficient numbers of employees could	**Workforce** Implement the Victorian Workforce Strategy developed for this Transition Plan	**Workforce** Implement, with government funding, the carecareers initiative in Victoria to attract new

Issues/Risks/Opportunities	Strategies and Partnership Commitments	Initiatives
significantly constrain the potential of NDIS to improve disability services, and constrain sector expansion. Workforce availability directly impacts on availability of supports for people with disabilities. **Casualisation** Demand for a flexible responsive workforce needs to be balanced against the need for ongoing, full time, meaningful and properly remunerated jobs. Without significant development of 'good' jobs the sector will face greater recruitment and retention challenges. **Deprofessionalisation** The increasingly transient nature of the workforce, many of whom work for multiple service providers, poses challenges in terms of attracting workers; establishing strong workplace culture and value-driven services; and developing a skilled capable workforce skills. **Restricted supply increases costs** Workforce supply and skill shortages, especially at the higher end drive up costs and drive down		recruits into the disability workforce. Facilitate services to collaborate in providing stable, full time jobs while maintaining client choice. Review the Disability Support Worker role, including distinction between general support and more specialised skill levels; map career pathways; and identify implications for pricing models, industrial provision and competency standards. Identify and apply tailored solutions to address workforce retention. Promote innovation in structuring services, training, work packages and job design. Explore options to more effectively utilise the available workforce. Support existing regional networks to explore disability workforce issues and disseminate leading edge practice. Advocate for NDIS to include funding/subsidy for formal skills development (traineeships etc) for both the paid and informal workforce.

Issues/Risks/Opportunities	Strategies and Partnership Commitments	Initiatives
the skilled end of service delivery. Lack of skills inhibits service responsiveness. **Training** A personalized agenda with greater choice in service provision requires service providers and workers within the system to have a greater understanding of how to support their clients and address gaps not covered through formal accreditation. **Employment of people with disabilities** Identifying opportunities and providing appropriate support and training for people with disabilities to enter, stay and progress through employment within the sector. **Informal Supports** Market dynamics which emphasise professionalism and increase regulatory burdens can reduce the contribution that volunteers are able to make.	Work with government to increase the employment of people with disabilities in disability organisations where appropriate	Consider the role of volunteers in the disability services sector and how they can be trained, supported and encouraged as necessary in a quality work environment.
Assessment tools Opportunity to develop strengths based approach to assessment that takes account of the considerable evidence bases in the field of disability, human rights and community inclusion.	**Assessment tools** Work with Victoria government to actively participate in the National development of strengths based approaches to assessment.	**Assessment tools**

3. High performing organisations achieving real outcomes for people with disability.

This objective relates specifically to not for profit service providers

Issues/Risks/Opportunities	Strategies and Partnership Commitments	NDS Victoria Early Initiatives
Strengthening the sector via efficiencies, strategic leadership, positioning and structural change Many disability organisations do not have a sufficient understanding of the impact of an NDIS and require significant support to assess business viability, strategy and including people with disability in decision making processes. The proposed Productivity Commission separation of Disability Support Organisations (DSO) from service delivery poses real challenges for many existing service providers. Forming consortiums (joint ventures, strategic partnerships, etc) can have multiple advantages for some providers including better demand management and reduced costs. Opportunity to achieve efficiencies in business infrastructure and service provision.	**Strengthening the sector via efficiencies, strategic positioning and structural change** A multi faceted strategy targeted to boards, CEO's and senior managers addressing: strategic planning; cultural and change management; and service and structural options including mergers and exits from the market. Appropriate tools and expertise to assist leaders to make robust decisions regarding longer term direction, focus and structure of their organisation. Develop a business and professional training and development strategy for CEOs, senior managers and Board members including succession planning by supporting future leaders from within the sector. Develop strategies to facilitate industry restructuring: including options to support CSOs to explore opportunities for formal collaborations. Support organisations to reshape and reposition themselves to meet requirements of NDIS	**Strengthening the sector via efficiencies, strategic positioning and structural change** Development of a multi faceted strategy (initially focused on Boards and CEOs) to equip them to access their organisation's mission, position and options approaching an NDIS. Leadership training for people with disability to work actively with Boards and Management in decision making processes. Provide training and support in organisational cultural change, marketing and relationship management, ICT and financial literacy. Identify and promote tools and resources to support consideration of restructuring such as workshops and speakers, financial incentives, case studies and confidential mentoring support with appropriate experts. Monitor national developments. Extend the successful 'Affordable Client Transport' project to achieve transport cost

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In a competitive market the open sharing of strategies and best practice may be diminished due to the need for services to develop their unique competitive edge. Avenues for some sharing within the sector in the early stage of transition can support services to determine their role (or not) in the market.	funding in relation to DSOs and service delivery. Sharing of back office activities; short term support through targeted grants to assist providers through the transition phase, incentivise CEO's or fund due diligence, legal and other associated costs. Identify and build on good practice initiatives that have achieved results in improved efficiencies whilst maintaining quality of services. Extend opportunities for sharing of good practice. Communities of practice represent an opportunity for the discussion of specific 'hot topics' in the market transition to an NDIS. Could lead to the fostering of collaborative relationships and strategic partnerships.	savings. Initiative project to promote more efficient rostering practice. Develop and implement an innovation and good practice hub to facilitate sharing of innovative service delivery approaches. This online tool to be supported by ongoing workshops, showcases, regional networks and communities of practice.
Transition cost The introduction of an NDIS imposes a significant cost on the sector. Many existing not for profit disability services may have insufficient capital reserves to fund large business transition costs. Investment will be required for staff training, cultural change, business and ICT system, strategic planning and possible redesign of services and structures.	**Transition cost** Develop a program of subsidies to support existing not for profits to undertake transition activities to become NDIS ready (allocated to individual organisations or to support collaboration). - Incentives for strategic partnerships, alliances or mergers within the disability sector. - Tools and resources to support service	**Transition cost** Undertake further data collection and analysis of costs in relation to individualised funding and provision of supports in community settings. Assess the criteria for investing into financial sustainability. Establish fund to assist services with transition costs. Work currently occurring at NDS National level

Issues/Risks/Opportunities	Strategies and Partnership Commitments	NDS Victoria Early Initiatives
The large transition costs and history and legacy of organizations may make transition for not for profits difficult.	providers considering structural change options with a focus on enriching the market.	but investment also required at state level.
Capital The opportunity to address significant capital limitations facing not for profits to fund innovation and structural change and to better utilise existing capital reserves and assets.	**Capital** Source and promote not for profit capital raising options and providers, e.g., Community Development Finance Investments, Social Bonds...	**Capital** Implement financial literacy workshops and resource development including a focus on managing and sourcing capital and assets.
Social capital Opportunity for not for profits to identify measure and promote their social capital and use this as an advantage in a competitive environment.	**Social capital** Equip not for profits to effectively measure, record and promote their social capital	**Social capital** Identify and promote accessible tools and resources for measurement of social capital, possibly using the Social Return on Investment framework.

Issues/Risks/Opportunities	Strategies and Partnership Commitments	NDS Victoria Early Initiatives
Efficient and reliable business and ICT systems Self-directed approaches require services to have sophisticated ICT (case management, business and financial systems etc) capable of tracking individualised needs and costs, appropriate interfacing with client management, payroll, rostering, HR and data systems and ensuring appropriate privacy of sensitive data. Services need to balance investment in business and ICT systems now to meet current demands of Victorian individualised funding and policy directions with the uncertainty of specific ICT systems and data requirements under an NDIS.	**Efficient and reliable business and ICT systems** Facilitate sector knowledge of the current and (where possible) potential future ICT and data requirements. Provide resources to assist decision making. Develop a program of subsidies to support existing not for profits to move from paper based systems to efficient ICT systems in readiness for an NDIS (allocated to individual organisations or to support collaboration).	**Efficient and reliable business and ICT systems** Identify the software solutions available in the industry and document their capabilities. Program of support to disability services re ICT solutions; through development of guidelines, templates and case studies; development of a website that allows CSOs to share and rate the quality of their ICT systems and providers; further ICT forums, and educate the vendor community as to what the sector requires Support CSOs to partner together and improve the value from ICT by negotiating for volume discounts and exploring shared services opportunities.