

National Disability Services Submission
NDIS Review
What We Have Heard Report

September 2023

About National Disability Services

National Disability Services (NDS) is Australia's peak body for non-government disability service organisations, representing more than 1100 non-government service providers. Collectively, NDS members operate several thousand services for Australians with all types of disability. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Commonwealth governments. We have a diverse and vibrant membership, comprised of small, medium and larger service providers, supporting thousands of people with disability. Our members collectively provide a full range of disability services, from supported independent living and specialist disability accommodation, respite and therapy, to community access and employment. NDS is committed to improving the disability service system to ensure it better supports people with disability, their families and carers, and contributes to building a more inclusive community.

About this submission

NDS welcomes the opportunity to provide input into the Independent Review of the NDIS (NDIS Review).

This submission aims to bring together the range of recommendations that we have made across other submissions to the NDIS Review (listed at Appendix A) and will draw on the vast expertise and ideas of our members and the provider sector. These views have been garnered through many consultations across our national and state and territory networks and through our daily contact with providers, small and large, operating in remote and regional locations and in our cities.

We agree with the NDIS Review that it is time to look for solutions to what are well known and long-standing issues. Our submission aims to be a solution focussed response to the five challenges outlined by the NDIS Review [What We Have Heard report](#) (the report).

1.0 Executive Summary

National Disability Services' (NDS) vision is for an inclusive Australia where all people with disability live safely and equitably. To achieve this people with disability need to access the right supports, at the right time, from the right people, services and systems.

The introduction of the National Disability Insurance Scheme (NDIS, the Scheme) transformed and continues to transform the lives of many people with disability in Australia. It is a landmark. One of the “most important global innovations in disability rights of the past few decades,”¹ the NDIS has seen issues related to people with disability become part of the national discourse.

Any Scheme as ambitious as the NDIS will face challenges in design and implementation.

To date, many of these challenges have been met with solutions that either ‘tinker around the edges’ or that have been implemented poorly or not as intended. This has resulted in a sector that is excited by the opportunity presented by the Independent Review of the NDIS (the NDIS Review) for foundational reform and improvements. But the sector is also anxious about more design flaws and exhausted by 10 years of ongoing and constant change.

NDS flagged this in our 2022 State of the Disability Sector Report suggesting “The sector wants reform but is fatigued by change. Policy makers should ensure that solutions simplify the processes for providers, who have limited resources to engage with the review and contribute their practical expertise. Reforms will need to be progressively implemented to maintain momentum.”²

Our solution to this, to harness the excitement and promise of real change and reform, is to keep it simple, and focus on participant, provider and sector-led implementation.

Holding true to these principles, we suggest just 10 priorities for NDIS reform:

Priority One: Co-designed sector led implementation and transformation

The issue: After years of tinkering around the edges of the NDIS the sector has been stretched to its limits. Some fundamental changes are required. However, achieving long term improvements to the NDIS will rely on sector capacity and capability. Co-designing the implementation roadmap is critical.

The opportunity: Reform design and implementation should be driven by a sector led NDIS Reform Implementation Taskforce supported by funding to establish the taskforce and a Industry Transformation Fund.

¹ Duffy S & Brown M (2023) Redesigning the NDIS: An international perspective on an Australian disability support system. Sheffield: Citizen Network Research pg 7 accessed 29 August 2023 <https://citizen-network.org/library/redesigning-the-ndis.html> .

² National Disability Services (2022) Victoria, State of the Disability Sector 2022, pg 5 accessed 16 August 2023, <https://www.nds.org.au/about/state-of-the-disability-sector-report>

Priority Two: Adopt a best practice approach to pricing

The issue: Viability is a major concern for the sector. Recent pricing approaches failed to recognise the increasing non staff related costs of operating. At the same time Scheme sustainability is under threat.

The opportunity: Adopt a best practice approach to pricing that identifies opportunities to increase value for money, ensure security and continuity of supports and incentivises quality and links to the objectives of the NDIS. This approach should be implemented by an independent pricing mechanism such as an Independent Pricing Authority.

Priority Three: Funding for strategic workforce development and retention

The issue: Attracting and retaining disability sector workers with the right values and skills remains an issue. The demand across the care and support sectors will only increase, while wages and conditions reflect the low value that the community places on these careers. Current NDIS pricing does not support investment in training, support and supervision.

The opportunity: Leverage work being undertaken to develop the National Care and Support Economy Strategy to co-design, fund and implement a disability workforce strategy. This strategy should consider mechanisms to fund training and worker support that is responsive to individual participant and worker needs, the provider context and the place where support is being delivered.

Priority Four: Targeted payment reform initiatives

The issue: Current pricing and payment mechanisms have resulted in a transactional approach to service delivery and are not driving quality or supporting outcomes. Incentives across all stakeholders are not aligned.

The opportunity: Pilot targeted, blended approaches to payment reform in those areas (for example early childhood supports) where there is greater potential for innovation and improved outcomes. Payment approaches that include performance metrics focused on service navigation and support coordination functions could be considered in the medium term.

Priority Five: Provider and worker regulatory reform

The issue: Current market entry settings need resetting to drive quality and ensure that providers are accountable to participants, governments and the community for the supports that they are delivering. However, a significant proportion of the sector is subject to minimal oversight.

The opportunity: Develop a new quality and safeguarding framework that embeds minimum standards for all supports and greater oversight for supports where there is a greater risk to participant safeguarding. The new framework should be supported by pricing, payment and other measures that recognise providers who are committed and taking action to continuously improve their services.

Priority Six: Improve planning and support pathways

The issue: Participant plans often do not meet participant needs, adequately account for complexity or use evidence of best practice supports as a basis for decision making.

The opportunity: Develop holistic and targeted planning and support pathways to increase decision making transparency and provide guidance to planners, participants, intermediaries and providers. These pathways should increase understanding of evidence-based and good practice and drive better information and access to services in line with participant, goals, preferences, individual and Scheme outcomes.

Priority Seven: Commit to a joined up ecosystem of support

The issue: 93 per cent of disability support is funded via the NDIS, yet of the 4.4 million people with a disability in Australia, only a small proportion will receive funding support through the NDIS. Supports and services outside the NDIS do not meet the needs of many people with disability. This has resulted in inequity and the NDIS as being seen as the only option available.

The opportunity: Develop an intergovernmental strategy that supports seamless transitions across support systems. This strategy should clarify responsibilities and enable shared funding mechanisms so that participants and providers are not in the position of having to navigate who pays for what.

Priority Eight: A pathway to better home and living supports

The issue: NDIS participants require housing options that are affordable and accessible. Some participants also require support to live independently. Home and living supports are not meeting many participants needs: existing housing stock is ageing, non-specialist disability accommodation options are limited, and groups of participants are seeking different models of support. Providers want to work with participants to co-design responsive support models, but this takes time and resources.

The opportunity: Undertake a project co-designed with participants and providers to develop a 5–15-year pathway to better home and living supports. The pathway needs to address current issues, develop a strategy to manage and redevelop ageing stock and support participants explore, navigate and transition to home and living environments that meet their needs.

Priority Nine: System wide structures that focus on employment outcomes

The issue: Poor employment outcomes continue for many people with disability. Employment is not prioritised in participant plans and some participants need support to identify, explore and try a range of employment options.

The opportunity: Work with all stakeholders to develop a cohesive vision for employment that brings together the range of existing supports available, improves how they work together, identifies gaps, develops strategies to address

these gaps and supports a range of employment options for all people with disability.

Priority 10: A redesigned NDIS for children, young people and families

The issue: The current system is not providing good outcomes for children and their families. There has been a move away from models that support children and families in ways that build their capacity. As a result, the NDIS has become the only option available.

The opportunity: Redesign access, planning and pricing to engage children and families early, promote best practice early childhood support and help all families know what they need and how to find it. This redesign must also provide seamless wrap-around support and integrate with critical systems such as education.

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2.0 Five pressing challenges

The report identifies five issues that are fundamental to the success of the NDIS.

Why is the NDIS an oasis in a desert?

The NDIS has been described as an oasis in the desert or the only lifeboat in the ocean. In reality it is the only option for many people with disability to get the support that they need.

The NDIS was designed to be complemented by the range of universal services available to all people in the community. The [Applied Principles and Tables of Support](#) articulates the responsibilities of these systems. Each of these systems have obligations to consider the whole person, to respond to the presenting needs of people with disability. For example, the education system needs to tailor learning strategies for each child, for students with disability it also needs to be able to respond to disability related support needs such as accessibility. Attempts have been made to clarify these responsibilities through redeveloped [Operational Guidelines](#) and [Would we Fund It?](#) guides, however all too often people with disability, NDIS participants and providers are caught in the middle of a funding tug of war where they are not the winner.

It was also envisaged that a range of services would be available in the community that build on these universal obligations. These services would be available to all people with a disability and would provide more disability specific support when required. This includes information, referral and peer support services and supports that connect and help people engage with community, mainstream and other supports. It also includes other supports such as assistance with daily tasks to remain living at home. For some people with disability getting this right may mean that they do not need an individualised support package under the NDIS. For others it may mean that they approach the NDIS with a range of supports already in place and as such the supports that they require funded by the NDIS are less.

The [Australian Disability Strategy](#) provides an overview of the commitment of all Australian governments to make the community more inclusive and accessible.

NDS agrees that people don't live their lives in tiers or inside or outside the NDIS – they just live their lives.

What does reasonable and necessary mean?

The NDIS was developed to respond to the individual needs, goals and aspirations of participants. It signalled a move away from previous state and territory-based programs that rationed the level of supports available. These programs often saw some people receive more funding than they may require while others missed out.

In an unrationed Scheme, the concept of reasonable and necessary has been developed as a way of guiding decisions about the types of support that it is reasonable for the NDIS to provide (as opposed to some of the other systems

outlined above) and what is necessary to support NDIS participants fully participate and contribute to the social and economic fabric of the community.

S34 of the [NDIS Act \(2013\)](#) defines reasonable and necessary supports and the NDIA has developed Operational Guidelines for participants that outline how this applies. However, the broad and opaque definition of reasonable and necessary has not always achieved its goal of delivering individually tailored supports. Rather there are many examples of where participants and providers struggle to understand how reasonable and necessary criteria have been applied and at times decisions appear to be inequitable.

As noted in the report, a lot relies on who in the National Disability Insurance Agency (NDIA) is making the decision. In our Pulse Survey to identify what is working and not working with the NDIS,³ providers told us that information (such as reports provided by practitioners with a deep knowledge of and long-standing relationship with the person) that could assist decision makers better understand the support needs of participants appears to be ignored. We also gave examples where levels of supports in home and living environments that were deemed reasonable and necessary one day were unilaterally decided not to be required the next. Where evidence of good practice is available it not clear how this is used to inform decisions.

The intersection between individual funding decisions and where it has been deemed reasonable and necessary that participants should share their supports with others is not well managed or understood. This plays out across a range of different scenarios but is most acute where participants are sharing living supports with others. For example, a participant might have been assessed as needing 'awake at night' but because they're in a three-person house, their package is only supported for a third of that overnight awake cost. If the other two participants in that house also have a waking night, everything runs smoothly. But if their plan is changed and they no longer need support overnight, then the provider is left having to provide support overnight for the two participants who still need that, with only two-thirds of the funding.

In these scenarios, it is impossible for a provider to roster responsively without incurring unfunded costs.

Why are there many more children in the NDIS than expected?

In no other area are the consequences of the NDIS being the only option available as apparent then for children, young people and their families. For many children and families the NDIS has become the only option to receive support, this has resulted in more children entering the NDIS than originally anticipated. As noted in the report, other services and community supports are not available or accessible.

³ National Disability Services (2022), Submission NDIS Review: Have your say NDIS Independent Review Panel <https://www.nds.org.au/index.php/policy-library/nds-submission-ndis-review-have-your-say-ndis-independent-review-panel> accessed 20 August 2023

Where these did exist changes in funding structures meant that they are no longer able to provide supports to children with disability and emerging developmental concerns or are only now able to support children with NDIS packages.

Consultation with NDS's national Children, Young People and their Families Community of Practice highlights what has been lost through the implementation of the current early childhood pathway: service delivery has moved away from every day, natural settings; a medical model that prioritises individual therapy-based supports delivered in clinics has become the norm; and family centred supports that build the capacity of families are missing from the system.

Why aren't NDIS markets working?

NDS commissioned research in response to the NDIS Review's [Role of pricing and payments approaches in improving participant outcomes](#) paper (the pricing and payments paper). This research identified a range of challenges with the current approach to the NDIS that impact on market functioning. These can be summarised as:

- Issues with needs assessment and goal definition.
- Issues with and incentives for how funding is managed (plan management).
- Issues in role definition and incentives for service navigation and support coordination functions.
- Issues in pricing and payments including incentives for providers to charge maximum prices, lack of transparency in price setting and lack of mechanisms for measuring provider value or quality and incentives to innovate.

These issues are further detailed in Appendix Two.

Combined these issues have undermined the original premise on which the NDIS system and payments model was based: that markets were or would become fundamentally more competitive than they are, and that participants would act in ways that minimise prices for supports.

In practice there are several barriers that prevent the efficient functioning of the market and the actions of NDIS participants. Addressing these market barriers will require a combination of pricing and payments reform as well as investment in key enablers to improve market function. These include:

- Improved planning and goal definition.
- Better service navigation.
- Regulatory reforms.
- Better use and sharing of existing data and mechanisms to address gaps in data collection.
- Workforce training and support.

The NDIS Review have called for government to play a more active role in shaping the NDIS market. However, efforts to date have not always achieved desired results.

As noted in the Draft National Care and Support Economy Strategy good government market stewardship might include strategies to:

- optimise the entry of high-quality providers.
- ensure that service users are heard and listened to by both providers and market stewards.
- monitor and adjust funding models to ensure they drive the desired behaviour and outcomes.
- promote transparency.
- develop tailored solutions where the national model is not appropriate, for example to meet users' needs in local or regional areas.
- to minimise adverse flow on effects to other sectors. This will require cross government and sector collaboration.⁴

How do we ensure that the NDIS is sustainable?

The sustainability of the NDIS has come under increasing scrutiny in recent years with concerns about its long-term future increasing. The NDIS is supporting more people than originally anticipated and in line with the broad care and support sector generally demand will grow. 'Future proofing' the NDIS is a responsibility shared by participants, providers, governments and the community.

It is imperative that we find the right balance to ensure people continue to receive the supports that they need, whilst managing the sustainability of the scheme and a vibrant disability sector.

Scheme growth also needs to be seen in the context of the more than \$50 billion in economic contribution that the NDIS makes to the Australian community and the overall economy.

Better measures of the economic and social benefit of the NDIS are required. We know that the NDIS is contributing to the economic wellbeing of Australia. Recent research identified that more than 250,000 jobs have been created and for every dollar invested in the scheme \$2.25 flows back into the Australian economy.⁵ Similarly a report commissioned by the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Disability Royal Commission) quantified the costs of interpersonal violence, abuse, neglect and exploitation and the impact of systemic maltreatment or neglect including not investing in those systems and support that promote community inclusion. Conservatively the researchers estimate the annual cost to be 46 billion dollars. If the cost of the additional gaps in outcomes for people with disability is included the figure rises to

⁴ Australian Government, Department of the Prime Minister and Cabinet (2023), Draft National Care and Support Economy Strategy 2023 pg 45 <https://www.pmc.gov.au/sites/default/files/resource/download/draft-national-care-and-support-economy-strategy-2023.pdf> accessed 21 August 2023

⁵ Per Capita (2021). False Economy: The economic benefits of the National Disability Insurance Scheme and the consequences of government cost-cutting. Teamwork Works campaign. Accessed 20 December 2022.

74.8 billion in 2020-2021, with the lifetime economic impact rising to 791.7 billion dollars.⁶ This far outweighs the investment in the NDIS.

Some of the biggest threats to the sustainability of the Scheme lie in resolving the questions identified above. National Cabinet have committed to an 8 per cent growth target for the NDIS.⁷ Setting an annual growth target, which doesn't change the demand-driven nature of the scheme, cut participant supports, or impact access to quality and safe services, can be seen as a call to action answer these questions and drive improvements in how the NDIS operates.

3.0 Implementation leadership and codesign – the sixth challenge

In recent presentations to participants and providers outlining the findings and next steps of the NDIS Review, co-chair, Professor Bruce Bonyhady (AM) noted that “Careful and effective implementation and monitoring which centres the voices of people with disability and their families will be essential.”⁸

For the NDIS to deliver on its promise to current and future generations the combined effort of all stakeholders will be required. We agree and suggest this is the sixth pressing question or challenge that needs to be addressed to give us the best chance of getting the NDIS that people with disability deserve and that the community want.

The disability sector is resilient, characterised by a ‘bring it on’ approach. However, participants, families, carers and providers alike have been buffeted by a range of system and process changes, particularly over the past 10 years. The NDIS is a once in a lifetime reform without easy comparisons to guide its development. As such, change is inevitable and welcome. However, as our State of the Disability Sector survey shows, adjusting to constantly evolving and changing policy settings, processes and systems comes at a cost. 74 per cent of respondents either agreed or strongly agreed that their leadership teams were spending too much time dealing with changes to the NDIS.⁹

The sector wants change but to ensure that adverse outcomes are avoided through this process, we **will** need ‘careful and effective implementation’ putting people with

⁶ Vincent, J., McCarthy, D., Miller, H., Armstrong, K., Lacey, S., Lian, G., Qi, D., Richards, N., Berry, T. (2022). Research Report - The economic cost of violence, abuse, neglect and exploitation of people with disability. Taylor Fry <https://disability.royalcommission.gov.au/system/files/2023-05/Research%20Report%20-%20Economic%20cost%20of%20violence%2C%20abuse%2C%20neglect%20and%20exploitation%20of%20people%20with%20disability.pdf>, accessed 20 August 2023.

⁷ National Cabinet commits to a sustainable NDIS (2023) <https://ministers.dss.gov.au/media-releases/11011>, accessed 28 April 2023.

⁸ Professor Bruce Bonyhady AM (2023) A ‘Magic Pudding’ dilemma – Speech Participant Webinar, 22 August, Newcastle, <https://www.ndisreview.gov.au/news/future-ndis-and-where-we-are-heading>, accessed 23 August 2023.

⁹ National Disability Services (2022) Victoria, State of the Disability Sector 2022, <https://www.nds.org.au/about/state-of-the-disability-sector-report> accessed 1 August 2023.

disability, their families and carers at the forefront. We will also need as many ‘smart people in the room’ as we can get. A joint and a joined-up effort is required.

Disability service providers are an important part of the solution. A skilled, capable, diverse and viable provider landscape is a desirable outcome for participants, supports quality and greater choice and control. It is also a desirable outcome for governments and for the community generally.

The solution to getting to lasting reform and change rests in key stakeholders such as participants, providers, the NDIS Quality and Safeguards Commission (NDIS Commission), the NDIA and governments coming together as partners to promote inclusive design, collaboration and shared decision making and reform implementation and evaluation.

4.0 A way forward – 10 priorities for reform

In response to these six challenges we propose 10 priorities for reform.

Our first and fundamental priority is in response to the challenge of implementation. How do we ensure that the much-needed reforms identified by the NDIS Review are implemented effectively? How do we avoid the design flaws that have characterised past iterations of the NDIS and other initiatives?

Priority One: Co-designed, sector led implementation and transformation

Major system reform takes time and teams to implement for success. A robust process is needed that brings together stakeholders from across the system. Australian Governments have a long history of commissioning external experts and formalising sector-led advice to government on critical policy settings needed to support sector transformation. Governments also have a long history of making major funding commitments to support restructuring on the basis of that advice, particularly when that sector plays a significant role in the broader Australian economy. Major examples of national leadership and implementation bodies include:

- Aged Care Taskforce
- MBS Taskforce
- A range of taskforce and advisory bodies involving the sector and focused on major industry transformation agendas, such as the Pharmaceutical Industry Strategy Group, the Review of Australia’s Automotive Industry, the Prime Minister’s Manufacturing Taskforce.

The disability sector remains one of the fastest growing sectors in Australia. As part of the health and social services sector, it is the largest employer of Australians,

including women and when combined with the broader services sector accounts for approximately 70 per cent of Australia's economic output.¹⁰

As identified in the 2023 Intergenerational Report the care and support economy of which disability is a key element is one of three sectors predicted to undergo significant change.¹¹

There is a compelling need to coordinate across multiple reform agendas, including (but not limited to) the NDIS Review and the Disability Royal Commission. However given current economic and workforce pressures being experienced across the provider sector their capacity to respond and embed reform recommendations is limited.

Disability providers need a seat-at-the-table to advise government on how reforms in the sector can be safely and practically implemented, alongside appropriate funding from government to support transformation.

Establish a NDIS Reform Implementation Taskforce

We propose establishing a NDIS Reform Implementation Taskforce. The Taskforce would be comprised of people with disability, disability representative/advocacy organisations, unions representing NDIS workers, NDIS service providers/peak bodies, and other experts supported by government.

The Taskforce would receive recommendations of the NDIS Review and the Disability Royal Commission, identify opportunities and challenges in implementing NDIS reform, and oversee a NDIS reform implementation timetable to ensure lasting change is achieved.

The Taskforce would collaboratively with the support of government to develop a NDIS Industry Transformation Roadmap, oversee and report on its progress.

Establish an Industry Transformation Fund

To make the type of lasting change desired by the Review, participants and the sector, transformative change will be required. As noted in the report the challenges identified by the NDIS Review are significant, but they are not new. This would suggest that if 'easy fixes' existed then they would have been implemented by now.

Both the NDIS Review and the Disability Royal Commission will make recommendations that will require new business models, structures and in some cases new infrastructure. At the same time other forces are at play across the care and support economy including suggestions that increased productivity is critical to meeting demand.

Increasing productivity in the human services sector predominantly relies on supporting and developing the capabilities of the people working in the sector. This is

¹⁰ Wood, D. (2022), Think big: a new mission statement for Australia. Grattan Institute. Accessed 20 December 2022.

¹¹ Commonwealth of Australia (2023), Intergenerational Report 2023 Australia's future to 2063, page 13 <https://treasury.gov.au/sites/default/files/2023-08/p2023-435150.pdf> accessed 25 August 2023.

not to say however that supporting the disability sector to engage with and implement technological innovations or improve their use of digital solutions and strategies have no role in increasing productivity or improving services.¹² However funding and policy will be required to support this.¹³

We believe that to ‘future proof’ the NDIS or to “bring the NDIS back into balance”,¹⁴ organisations delivering NDIS supports will be required to transform the ways that they operate. This will go beyond the changes required as part of transitioning to a new individualised model of funding and regulatory system but will require business and sector transformation on a par with those experienced by the automotive and manufacturing industries and that are currently being experienced across the energy sector. For example:

- Workforce - adjusting to portable entitlements, the possible introduction of mandatory qualifications, developing appropriate HR systems and cultures to increase employment of people with disability in all roles across an organisation, including responding to any established quotas or targets, delivering trauma informed supports, responding to any recommendations to implement a national worker registration scheme, responding to workforce shortages and managing an increasing overseas born workforce.
- Investing in and divesting infrastructure including housing stock, existing centre-based assets and responding to changing models and modes of employment.
- Enhanced incident management, reporting, analysis using AI and other digital solutions and responding to increased government/community cyber security expectations.

The NDIS Implementation Taskforce should determine spending priorities for the NDIS Industry Transformation Fund in line with agreed priorities, as well as funding for the secretariat.

Our next four priorities focus on addressing challenges relating to markets and sustainability and the enablers required to support individual and long-term outcomes. How do we ensure that markets and their agents have the information that they need to make good decisions? How do we align incentives across the system and how do we ensure that market settings send appropriate signals to facilitate investment in workforce, quality, outcomes and innovation? What opportunities are there to change what has become a transactional approach to delivering what are relational services?

¹² Salesforce (2022), The Fifth Edition of the Nonprofit Trends Report

<https://www.salesforce.org/resources/report/nonprofit-trends-report-fifth-edition/> accessed 20 December 2022

¹³ Productivity Commission (2022), 5-year Productivity Inquiry: From learning to growth, Interim Report, Canberra, September ©Commonwealth of Australia 2022.

¹⁴ Professor Bruce Bonyhady (2023) A question of balance – Speech Provider Webinar, 22 August 2023, Newcastle <https://www.ndisreview.gov.au/news/future-ndis-and-where-we-are-heading>, accessed 23 August 2023.

Priority Two: Adopt a best practice approach to pricing

Our second priority aims to address issues relating to markets and scheme sustainability. Markets lack the information that they need to make good decisions. Prices set by an independent pricing authority underpinned by best practice pricing approaches and drawing on existing data and experience in like systems will send appropriate signals to facilitate investment in workforce, outcomes and innovation.

The NDIS Review pricing and payments paper identified a range of issues with current pricing and payment approaches. This paper outlines why we find ourselves with the poorly functioning market we have today and suggests that the market is not ready for deregulation or for price caps to be removed.

The financial sustainability of the NDIS is under threat. At the same time viability continues to be a major concern for the sector. Recent financial benchmarking reports have painted a sector that is struggling to make ends meet.¹⁵ However, NDIS pricing recommendations and approaches to date have not adequately responded to these signals.

The NDIS Review has also heard that participants cannot easily access information on quality and prices and participants, governments and the community are concerned by reports of price gouging and of providers over-charging or over-servicing.

However we believe that core reforms to price regulation could align incentives through:

- Ensuring that pricing was appropriate and aligned with community and government objectives,
- Enhancing effectiveness in achieving improved outcomes for the community
- Supporting the efficiency and value for money today and overtime of the NDIS.

The dilemma of pricing human and social services is not unique to the NDIS. In fact there have been a range of reforms to sister systems such as aged care and health. We have an opportunity to learn from these reforms (and other Australian and international systems) and take a best practice approach.

Create an independent price regulator

Best practice governance principles for price regulation include independence, transparency, administrative efficiency, and harmonisation, as well as the promotion

¹⁵ See Disability Services Financial Benchmarking Survey Stewart Brown https://www.stewartbrown.com.au/images/documents/StewartBrown_FY22_Disability_Services_Financial_Benchmark_Report.pdf; Ability Roundtable Financial and Workforce Benchmarking Whitepaper <https://www.abilityroundtable.org/post/white-paper-telling-the-sector-s-story-financial-and-workforce-fy22>; NDS State of the Disability Sector Report (2022) <https://www.nds.org.au/about/state-of-the-disability-sector-report> and New data projects “unconscionable” closure of disability services <https://www.nds.org.au/news/new-data-projects-unconscionable-closure-of-disability-services>

of equitable access, quality, fairness (to account for unavoidable complexity), and consumer or person-centred services.

The creation of a price regulator independent of the NDIA and Department of Social Services (DSS) would bring NDIS price regulation in line with the approach adopted by the Independent Health and Aged Care Pricing Authority (IHACPA), essential services price regulators and international market leaders (such as the Dutch Health Care Authority).

Include a 'fixed cost' component in pricing

Process improvements to increase the transparency of pricing decisions should also be contemplated as part of pricing reforms, including enhanced transparency and pricing of administrative costs. Within residential aged care pricing, funding includes a fixed cost component based on a number of inputs (location, size of provider) and a variable cost component which captures the costs of meeting individual resident support needs. This provides a mechanism to cater for the costs of delivering shared supports and is also used in thin markets to ensure that providers are sustainable and are able to staff appropriately.

Improved pricing for complexity, compliance and workforce development

Consideration should also be given to improved stratification of participants and services by risk and complexity (enhanced service classification), which is again in line with best practice approaches in health and aged care pricing both in Australia and overseas.

Price ranges could be narrowed or eliminated for general services with low scope for innovation (such as window cleaning/lawn mowing). For highly specialised services, the pricing framework should better map to quality and safety regulatory standards as developed by the NDIS Commission with payments to meet regulatory obligations funded by the scheme.

Pricing for quality

Improved pricing for quality is another potential consideration for price regulation reform. Best practice has seen a shift to outcomes-based pricing and 'person-centredness' of pricing decisions. Pricing for quality is a core component of price regulation reform observed across health, aged care and social services.

Improved pricing for capital supports, consumables and assistive technology

There are plans underway to trial different payment and pricing options for assistive technology such as establishing a preferred provider panel. We also suggest that there are opportunities to consider how capital items are purchased where supports are shared for example in a shared residential setting.

Priority Three: Funding for strategic workforce development and retention

The disability sector workforce challenge is both well-known and immense. It remains one of the fastest growing workforces in Australia. Within the next three

years it is estimated that an additional 128,000 workers (or a 40 per cent increase in current workforce size) will be required to meet NDIS demand.¹⁶ This challenge is compounded by high turnover rates which see many workers leave the sector each year. It is anticipated that the disability sector will lose between 198,000 to 292,000 workers by 2025.¹⁷

NDS conducted its Workforce Census survey in March and April 2023, collecting workforce data for the 2022 calendar year. It is the most comprehensive and up to date dataset available reporting on issues and trends within the disability workforce.

The results of the NDS Workforce Census indicate that, although the worsening conditions of recent years have stabilised, the disability sector workforce remains precarious. There is continuing undersupply and higher turnover rates than the national average. Respondents describe difficulties hiring workers across all categories and recruitment and retention remain a major challenge.¹⁸

In our response to the NDIS Review [Building a more responsive and supportive workforce](#) early findings and proposals paper we have provided a number of recommendations to supplement those proposals outlined by the NDIS Review.

Strategies are needed to address supply and recruitment. However, it is equally important to identify opportunities to support retention and capability. While worker satisfaction in the disability sector is strong,¹⁹ pressures (such as wages and conditions, covering shifts, managing infection control, lack of supervision and training opportunities, etc.) impact on wellbeing, job satisfaction and retention. Severe and chronic workforce shortages lead many service providers to reluctantly turn to casual and/or agency staff. Casualisation contributes to lack of job security, reduced training and investment in workers, inconsistent wages and hours and high turnover rates.

At the same time issues with predictability of income, economic uncertainty and continuing and constant reform has made workforce planning challenging for disability service providers. Lack of workforce plans contribute to a reluctance to employ staff on a permanent basis, even in the face of growing retention issues.

Targeted initiatives are also required to address issues across allied health and rural and remote workforces.

Leverage cross sector opportunities

With the increasing focus on the care and support economy and sector we have the chance to engage all levels of government in developing a disability workforce strategy that leverages opportunities across the sector. This includes:

¹⁶ NDIS Review (2023), Building a more responsive and supportive workforce. Accessed 3 June 2023. <https://www.ndisreview.gov.au/resources/paper/building-more-responsive-and-supportive-workforce>

¹⁷ Ibid

¹⁸ National Disability Services (2023). NDS Workforce Census Report 2023. Accessed 20 June 2023. <https://www.nds.org.au/resources/all-resources/nds-workforce-census-key-findings-report>

¹⁹ Seek (2022). Disability Support Worker profile. Job satisfaction rating of 4.3 (out of 5). Accessed 6 January 2023.

- Design and trial initiatives across the care and support sector to better understand what works. Initiatives such as portable training and leave entitlements which have been canvassed by the NDIS Review may hold merit however require close consultation with care and support workers, employers and participants.
- Develop targeted and flexible migration pathways for care and support workers. Mechanisms such as an industry labour agreement targeted at workers who would not otherwise qualify for skilled migration should be developed in collaboration with industry and relevant employer associations and unions.

Continue work underway to develop a Disability Workforce Strategy

NDS is strongly in support of an integrated approach to develop the workforce of the care and support economy, using sector-specific strategies for guidance and to add nuance to this. Although the aged care and early childhood sectors have well established workforce strategies supported by government, the disability sector is at the start of the journey to developing a NDIS Workforce Strategy.

NDS is currently consulting our members as part of providing input into a NDIS Workforce strategy however at this stage we suggest the following practical actions to address key areas of concern:

Worker attraction and supply

- Establish disability workforce connectors to leverage investment in employment and training programs to engage underutilised workforce cohorts (such as people with disability, people from culturally diverse backgrounds and who are long term unemployed) to work in disability careers.
- Efficient processing of NDIS checks and requirement for all workers delivering NDIS services.
- Campaigns to promote careers in disability/awareness of career pathways.

Allied Health

- More places in regional universities for Allied Health (AH) professionals.
- Include disability related units and 'Supervision of AH Assistants (AHAs) as part of AH training.
- Recognise and support AHAs as a skilled and valuable part of the disability workforce.
- Facilitate and resource placements for 3rd year/final year AH students in disability organisations.
- Professional formation for early career AHP workers to build experience and networks across care sectors (disability, health and aged care).

Retention and capability

- Support adequate supervision and training through funding that is provided outside of a participant's plan. Training budgets should support training beyond compliance

and include leadership, culture building, courageous conversations and wellbeing. Costs of paying workers to attend training and backfill need to be recognised.

- Provide visible career paths for disability workers.
- Reversal of decision to make Cert III Individual Support the prerequisite for Cert IV in Disability.

Rural and remote

- NDIS Remote Worker Housing Strategy. In locations where there is a lack of suitable, affordable worker accommodation, disability funding models must include capability to cover the costs of worker travel to those locations.
- Key worker schemes for housing (making sure disability workers are part of those schemes - like rent to buy or owning a percentage with government)
- Supports for Allied Health roles in regional and remote areas (through regional universities, housing, use of AHAs and incentives).

Priority Four: Targeted payment reform initiatives

The NDIS Review has identified that the current approach to pricing and payments is not working as originally imagined. Issues with the market system include:

- Failure to drive inclusion, develop, build and maintain family of community connections or friendships.
- Failure to provide visibility of whether supports provided are achieving outcomes.
- Few signals of quality available to participants and intermediaries.
- Failure to improve access to and availability of services for many participants particularly those in remote areas.

Ultimately “these failings are undermining outcomes for participants and contributing to increasing Scheme costs.”²⁰

A combination of market barriers and issues in the NDIS system design have frustrated objectives for quality, innovation, diversity and value for money in the delivery of disability supports. In particular, incentives for stakeholders and barriers to competition have not been well understood.

As we identified in our response to the pricing and payments paper there are several issues in the current fee for service model.

- There are few incentives for providers and intermediaries to compete on quality or value for money.
- Support coordinators and providers receive the same payment regardless of participant or scheme outcomes.

²⁰ NDIS Review (2023) What we have heard: Moving from defining problems to designing solutions to build a better NDIS, pg. 4 <https://www.ndisreview.gov.au/sites/default/files/resource/download/what-we-have-heard-report.pdf>, accessed 01 August 2023.

- Incomplete and asymmetric information with respect to provider value increases search costs and weakens participant bargaining power. This makes the costs to switch providers high, even as the number of providers in many regions and markets has increased.
- Due in part to very high complexity and other supports being poorly priced within the system today and in part because providers cannot compete on quality or value to win additional volumes to maximise their payoff or cover their costs providers have an incentive to price up to the upper bound.

Experience in other health and social insurance systems indicate that reform to payments systems can deliver improvements in the performance of these systems. Building on lessons from both national and international case studies, our submission to the NDIS Review on pricing and payments, provided a detailed balanced score card assessment of 9 different payment models that have been used in other systems with a description of how they could work in the context of the NDIS.

As to be expected there is no silver bullet payment reform that will address all issues in the system. Tradeoffs are inherent to all funding models, with no one single reform likely to meet all reform objectives. Reform is iterative and critically must be enabled by stakeholder engagement and systems.

However, there are opportunities to better align incentives and implement best practice approaches. Targeted, blended approaches to payment reform focused on those areas where there is greater potential for innovation and improved outcomes would reshape the market. For example:

- Bundled models of support utilising a key worker approach to support early childhood outcomes.
- Blended payment models which include fee for service, payments linked to performance metrics (for example investment in training; compliance and quality assurance activities), alternative commissioning and/or tendering.
- Preferred provider panels for capital supports.
- Investing in a support coordination function with incentives for agreed performance holds promise for improving market function.

[Design, trial and evaluate different ways of paying for NDIS supports.](#)

We propose designing and trialling some of these approaches in specific markets, across support types or for participant cohorts. We welcomed the [blended payment trials](#) announced as part of the Federal budget. These trials which will be led by DSS and focus on school leaver employment supports and supports to assist young people in residential aged care explore and transition to alternative housing and support options, along with other initiatives such as the payment by outcomes trials currently underway should provide valuable insights.

Develop a performance framework

Any payment model that seeks to recognise or reward performance or quality and increase incentives for quality, innovation and value for money will require performance measures that go beyond the current quality framework.

In the context of the NDIS, a performance framework needs to be developed that reflects evidence-based best practice for participants based on their specific needs and complexity. The performance framework could be developed to reward the achievement of participant capacity maintenance outcomes (especially when a person is likely to be a long-term NDIS participant) and capacity building outcomes (where appropriate, such as early childhood participants). The performance framework could bring together:

- Intermediate performance metric data, such as (potentially) plan utilisation rates, adherence to optimal support recommendations, rates of complaints, and rates of goal achievement (capacity maintenance or capacity building depending on participant disability and complexity).
- Participant Reported Outcome Measures – Participant assessments of the extent to which goals have been realised, such as quality of life or inclusiveness.
- Participant Reported Experience Measures – Participant assessments of experience with a particular provider.

Better use of existing data

Unlocking the opportunities from such an approach would also depend on the introduction of performance data at a provider level to support decision making by participants in partnership with improved support coordinators. Key provider data would include operational data, such as the volume of supports delivered, as well as participant experience data and intermediate outcome data (where appropriate). Significant volumes of data and metrics are already defined and collected by the NDIA – government should leverage this work but report at a provider rather than a population or Scheme level to turn these data into useable information for the market, to support market activation.

Making data more readily available through streamlined systems for service navigation and fund management will further assist in the realisation of NDIS goals.

Enhance market stewardship for remote and very remote and other thin markets

Alternative commissioning approaches for certain 'submarkets' has been suggested and trialled – particularly in remote communities. Mechanisms that support local service delivery particularly of core supports, that are place based, community led and responsive to the community context all hold promise. These approaches need to be nuanced and support the sustainability of ongoing support provision rather than a one-off, short-term intervention that solves an immediate issue but does not create longer term outcomes.

Where these approaches are aimed at supporting remote communities, the approach needs to be co-designed with the community and the impact of any commissioning process on the community 'support ecosystem' considered. It is clear that the current approach to these markets is not delivering on individual and scheme outcomes and there is a need to strengthen the accountability and take a more planned approach to supporting these markets. This could be achieved through appointing a senior role within the NDIA with overall responsibility for remote and very remote service delivery and markets.

Our fifth priority goes to the issues of outcomes, safeguarding and markets.

How do we make it easy for providers committed to safety and quality enter the NDIS market? What information would support participants to identify what a provider delivers and how well they deliver it? What minimum standards should we expect to provide acceptable participant safeguards?

Priority Five: Worker and provider regulatory reform

The NDIS Review has identified that over 140,000 provider and workers are “flying under the radar” whilst at the same time noting that some of the most innovative and responsive supports are being delivered from this part of the sector.²¹

We provided comprehensive responses to inform the NDIS Review’s review of the NDIS Quality and Safeguards Framework and proposals to support participant safeguarding. Fundamentally we think that current market entry settings need resetting to provide better accountability and drive quality.

It is not good enough that market health is assessed on numbers alone. The NDIA has historically used growth in the number of providers entering the sector and limited number of providers ceasing to offer services as signals that the market is functioning well.²² Access to quality supports is critical. It is important that strategies to increase supply also include an equal focus on strategies that aim to ensure that these supports are safe, culturally appropriate and trauma informed.

All providers are not created equal and there is little visibility or assessment of whether the ‘right’ providers are entering the market in the right areas. Similarly there is little discussion on the benefits of supporting high quality providers with a long history of operating in their community and of investing in the systems needed to drive quality improvements.

We believe a new approach is required, that:

²¹ Professor Bruce Bonyhady (2023) A question of balance – Speech Provider Webinar, 22 August 2023, Newcastle <https://www.ndisreview.gov.au/news/future-ndis-and-where-we-are-heading>, accessed 23 August 2023.

²² NDIA (2023) 2022-23 Annual Pricing Review Report, <https://www.ndis.gov.au/media/6051/download?attachment> © National Disability Insurance Agency 2023, accessed 30 June 2023.

- Embeds minimum standards with greater oversight and compliance requirements for more specialised support where there is a greater potential risk.
- Better aligns state and territory and other regulatory systems and safeguarding measures. This is critical to reducing administrative burden and red tape.
- Addresses the current uneven playing field and developing a tiered system for registration
- Implements pricing premiums for quality compliance and assurance.

In consultation with our members we suggest the following approach to provider oversight, accountability and enablers will be required:

NDIS Code of Conduct

- To help providers to deliver high-quality support, there needs to be market regulation that protects minimum standards. The Code of Conduct provides these minimum standards. This applies to all providers delivering NDIS supports however it's use, and understanding is only monitored when a breach has occurred.
- Awareness, understanding and implementation of NDIS Code of Conduct should be recorded and monitored more proactively (such as with a digital certificate or regular reporting based on self-assessment for example).

NDIS Worker screening

- All individuals who provide disability supports to NDIS participants must undergo a NDIS Worker Screening Check.
- Improvements are needed to the NDIS Worker Screening process to ensure that it is accessibly and timely.
- The government is accountable for educating consumers on the requirements for NDIS Worker Screening

Provider registration

- The NDIS Commission must have a record of all providers delivering services to NDIS participants.
- All providers should be subject to a risk-based assessment that considers factors related to the nature of the supports being delivered, the nature of the provider and any specific factors related to the participant. Levels of oversight, regulation, and compliance with quality standards would be commensurate with this risk assessment.
- Supports such as personal care, all forms of accommodation support, and supports that entail control and/or oversight of a participant's finances (including plan management and support coordination) should be delivered by providers that are required to meet more than minimum standards.

- Cross-recognition of quality systems across human services and enabling providers to choose the quality monitoring arrangements that suit them best would reduce compliance burden.
- An assessment matrix outlining service type and risk could be developed in consultation with the sector for particular types of services and supports and associated compliance and/or registration requirements.

Cost of compliance and pricing

- The costs of compliance with registration and implementing mandatory safeguards for participants are independently priced and appropriately covered in NDIS prices.
- In line with suggested pricing and payment reforms, differential pricing or pricing premiums may be considered for quality compliance and assurance.
- The NDIA should ensure that current pricing does not present a disincentive for those providers who are committed to operating as registered providers and the associated additional regulation and external scrutiny of their operations.
- Further information to guide providers in choosing a quality auditor and the costs that they should expect should be provided to reduce the cost burden.

Continuous improvement

- Data collected should be used to regularly review the state of the disability market and participant risk profiles and determine the appropriate level of regulation required within the diverse and evolving disability market.
- The NDIS Commission should continue to implement strategies to drive good practice across the sector.

Our sixth priority considers a way forward to questions posed around reasonable and necessary. How can we increase transparency of decisions, provide good guidance to decision makers and link planning and support decisions and options to participant and scheme outcomes? How do we build in the role of formal and informal, specialist and mainstream support into planning in explicit and helpful ways? It also considers how we can practically apply knowledge of what works to improve markets and outcomes.

Priority Six: Improve planning and support pathways

The report outlines a broad range of issues that participants experience with access and planning. These issues can result in participants feeling distressed, disempowered, disrespected, distrusted, confused and traumatised. Planning does not adequately recognise the support needs of people from disadvantaged groups, or those that experience intersectionality. The NDIS Review has also identified that

the process has resulted in the NDIS becoming 'unbounded' with limited shared understanding of what to expect from the NDIS.²³

For providers these issues play out in plans and budgets that do not do not meet participant needs, adequately account for complexity or support good outcomes.

The pulse survey that we conducted at the end of 2022 to inform our first submission to the NDIS Review identified that greater consistency in planning decisions (particularly Specialist Disability Accommodation and Supported Independent Living), more uniform interpretation of NDIS eligibility, application of reasonable and necessary supports and operational policies and practices within the NDIA are needed to ensure transparency and accountability in decision making. As this quote from one respondent sums up:

“Transparency, relevant guiding information in terms of changes to policy and practice by the NDIA. The shifts in practices from the Agency around plans, funding, assessments have been ad hoc. There is a lack of policy direction, guidelines and consistency. Additionally, there has been little transparency and engagement with participants and their support networks leaving providers to fill this space. It is difficult to run an organisation sustainably if the goalposts are constantly shifting, there is no connection between quality and compliance regulation and plan/funding decisions”²⁴

Supports and funding should be outcomes focussed and appropriate training and accountability measures should be embedded into support provision. Greater inclusion and alignment of employment outcomes for people with disability have been identified as an improvement opportunity and that would enable organisations to provide better supports for participants into employment that reflects good practice.

There is also a need for increased supports for people to navigate the NDIS, understand planning processes and engage effectively with the provider market. Better support for participants with underutilised plans to ensure funding meets their needs was also noted as an improvement.

In our submission to the Review of the [NDIS Quality and Safeguarding Framework](#) and [Participant Safeguarding Proposals](#) papers we identified the connection between safeguarding, quality and outcomes and the planning and budget process. We concluded that participant plans can support individual participant risk taking and respond to individual risk appetite through providing support for decision making and access to information. Plans that recognise the support needed to ensure sustainable high quality service provision can enhance participant safety.

²³ Professor Bruce Bonyhady AM (2023) A 'Magic Pudding' dilemma – Speech Participant Webinar, 22 August, Newcastle, <https://www.ndisreview.gov.au/news/future-ndis-and-where-we-are-heading>, accessed 23 August 2023.

²⁴ National Disability Services (2022), Submission NDIS Review: Have your say NDIS Independent Review Panel <https://www.nds.org.au/index.php/policy-library/nds-submission-ndis-review-have-your-say-ndis-independent-review-panel> accessed 20 August 2023

Improved participant goal definition and planning is a powerful enabler for NDIS reform. Approaches adopted in the healthcare sector to improve understanding of 'optimal support' for different types of patients, have resulted in the design of tools to support people navigate complex service decisions to improve their physical, social, financial and psychosocial wellbeing. These should be explored in the NDIS context.

Improved planning and support pathways would:

- Guide planners, participants, intermediaries and providers.
- Support the development of specialist planning processes to support early intervention and specific participant cohorts such as participants from First Nations communities, people with psychosocial disability and those living in remote and very remote locations.
- Increase transparency of the decision-making process.
- Provide for improved communication and collaboration.
- Drive better information and support to access services in line with participant goals, outcomes and preferences.
- Empower consumers, governments and providers to understand and access evidence-based best practice.

Ongoing research is needed to develop evidence of 'optimal' supports within the NDIS, however where this exists (for example best practice guidelines in early childhood supports) it should be used. Emerging evidence of desired outcomes such as supported decision making, building participant safeguarding capacity, active support, practice leadership and peer support, could also play a role in improving planning and support participants make choices about service and support options.

Much has been written about how the NDIS has become an oasis in the desert.

Our seventh priority for reform agrees that we need a joined-up ecosystem of support. What is needed to support people with disability get the support they need, when they need it? How do we increase the accessibility of universal, mainstream and foundational supports? How do we rebuild the social and community capital that we have lost through changes to funding?

Priority Seven: Commit to a joined-up ecosystem of support

People with disability do not live their lives 'in and outside' of the NDIS and do not just need NDIS support. As the report notes, 93 per cent of disability support is funded via the NDIS, yet of the 4.4 million people with a disability in Australia, around 600,000 receive funding support through the NDIS.

Supports and services outside the NDIS do not meet the needs of many people with disability. This has resulted in inequity and the NDIS as being seen as the only

option available. This in turn has led to increased pressures on scheme sustainability.

Services such as health, education, justice and transport often provided through states and territory are critical to the success of the NDIS, however service systems are fragmented and do not provide seamless connections or transitions for people with disability including those with NDIS plans.

[Australia's Disability Strategy](#) outlines the commitment and obligations of all governments to provide and make reasonable adjustments to mainstream and targeted services, supports and infrastructure systems to people with disability. In reality, most jurisdictions are failing to meet this commitment.

Services originally designed to provide for a robust community-based support system for all people with disability often through targeted information and referral no longer exist. The replacement in the form of Information, Linkages and Capacity (ILC) funding from Federal Government has been focussed on short term projects that have not resulted in scalable solutions or the maintenance of critical programs.

Inconsistent non-recurrent funding programs and reduction in funding has limited sector capacity to invest in these foundational services that sit outside of and alongside the NDIS. This has resulted in the loss of the skilled workforce to deliver these services and the generation of social capital.

In the absence of adequate foundational supports, people with disabilities are at greater risk of being excluded from society and capacity building opportunities, and therefore more likely to need more direct support from individual NDIS packages.

NDS commissioned a report to examine the NDIS in the context of Australia's social infrastructure.²⁵ This report highlighted several critical features of the current support system including only limited or moderate funding by local and other governments in foundational type services and limited capacity of the not-for-profit sector to fill these gaps through donations or the use of volunteers.

Recommendations included short term and medium funding injections, and stabilised funding to allow organisations to maintain the social capital that they have developed in the community. The report recommends better data capture of the current state of foundational supports (at all levels of government) to enable long term investment trends and analysis of program outcomes data. This is important to inform the discussion of sustainability, cost benefit and measuring outcomes. Combined, funding volatility and lack of published outcomes data makes the design and development of sound and useful services challenging.

[Design, develop and implement a whole of government strategy](#)

To create a joined-up ecosystem of support NDS agrees that a whole of government approach is needed. The NDIS needs to be complemented through a whole of

²⁵ D'Rosario, M. (2023), Not a one-stop shop: the NDIS in Australia's social infrastructure, National Disability Services, Per Capita, Australia.

government agreed strategy that supports investment in accessible mainstream services, consistent funding, increased integration of state and territory and federal services and those funded through the NDIS and better focused place-based supports for all people with disability.

To support a seamless transition for people with disability across systems, opportunities to integrate ICT systems across all relevant services could also be considered.

This strategy should clarify responsibilities and enable shared funding mechanisms so that participants and providers are not in the position of having to navigate who pays for what. While more detail is needed, the approach suggested by the Review that would see the removal of the concepts of 'Tiers' and replacing this with a system of foundational supports supplemented by individual funding via the NDIS for those who need this is one way of achieving this.²⁶ Others have suggested further integration that would see an individual's NDIS funding, income support and other income related benefits be rolled together into a system of universal basic income, which could reduce the significant financial disadvantage facing many people with disabilities and support access to a range of systems.²⁷

The NDIS Review has suggested that an intergovernmental agreement could be developed to support better system integration. History suggests that an agreement of some sort that will hold governments publicly and fiscally accountable will be required to ensure that these services are available to support people with disability.

Our last three priorities address challenges relating to costs and benefits, outcomes, supports for children and families and ultimately sustainability. They also talk to how we can stay true to the intent of the NDIS, that recognises that investing in people and their lives matters to them as individuals but also to Australia's the economic and social health and future?

Priority Eight: A pathway to better home and living supports

The report catalogues a range of issues with the existing approach to home and living supports. Fundamentally the NDIS Review has heard that housing and living supports are fundamental to a 'good' life but that the NDIS is not providing participants with the range of choices and options that they need. Outside of NDIS funded supports, there is a lack of affordable and accessible housing available to people with disability.

As with many challenges identified by the NDIS Review, the issues with home and living supports, both the 'bricks and mortar' that is provided through specialist disability accommodation funding or the supports that some people require to live as

²⁶ Professor Bruce Bonyhady AM (2023) A 'Magic Pudding' dilemma – Speech Participant Webinar, 22 August, Newcastle, <https://www.ndisreview.gov.au/news/future-ndis-and-where-we-are-heading>, accessed 23 August 2023.

²⁷ Duffy S & Brown M (2023) Redesigning the NDIS: An international perspective on an Australian disability support system. Sheffield: Citizen Network Research pg 7 accessed 29 August 2023 <https://citizen-network.org/library/redesigning-the-ndis.html> .

independently as possible, have been comprehensively explored, including through the NDIS Commission [Own motion inquiry into aspects of support accommodation](#) and across many Disability Royal Commission hearings.

However the following questions remain:

- How can the increasing costs of supported independent living supports be managed?
- How are residents supported to exercise choice and control in where they live and who they live?
- How to balance individual and shared needs and supports?
- What is reasonable and necessary to fund and how are these decisions made and communicated to participants, families and providers?
- How to support participants to try new things and how can the system respond if these do not work for them?
- Given the scope of accommodation supports and the configurations in which these can be provided, which models hold promise, and how can they be scaled and incentivised?
- What is the role, purpose and funding of SDA, including which participants require this funding? How do we manage those who are receiving this by way of 'grandfathered' allocations?
- What are the causes of and ways of managing vacancies, particularly in older, less appropriate properties?
- Why are some providers and arrangements sustainable and even profitable, yet others are not?

Understanding supply and demand is also challenging. Participant expectations and preferences are likely to change over time as new generations of NDIS participants seek to explore their home and living options. At the same time, there is a significant group of NDIS participants who have been living in their current arrangements for a number of years.

As noted in the NDIS Commission [Own motion inquiry into aspects of support accommodation](#), NDIS participants receiving accommodation supports are likely to have higher support needs (characterised by the NDIS as lower functioning), be older, be more likely to have an intellectual disability and are likely to have transitioned into the NDIS from previous state and territory-based systems. Many participants in current accommodation support arrangements have also been supported by the same provider for a lengthy period.

Our members also tell us that many of the people that they support in accommodation settings can have limited informal supports and often experience a range of other issues related to ageing that impact on both their supports but also

the availability of alternative options. Solutions need to be developed that meet the needs of this cohort of participants.²⁸

Undertake a project co-designed with participants and providers that provides a 5–15-year pathway to better home and living supports

Whatever words we choose to use when we talk about housing and support for people with significant disability it should be ‘home’ that we have in mind. Home is a rich and evocative word that is so much more than where people reside. Home is where we express ourselves, relax, feel safe, entertain friends, be accepted for who we are. In our collective imagination home is a haven from the outside world. Home is cosy and familiar; it’s where we have a sense of dominion. However, this is not the reality for some people with disability and we believe that it is time to come together across the sector to work collectively to address this.

There is an opportunity to build on research undertaken by the NDIS Commission as part of their own motion inquiry into aspects of supported accommodation, the Disability Royal Commission, as well as what the NDIS Review will recommend, and current sector thinking²⁹ to commit to a vision and chart a way forward to achieving this vision.

Funding for this work could come from the NDIS Reform Transformation fund that we recommended as part of our first priority. The NDIS Reform Implementation Taskforce could set the parameters for this work and oversee its progress.

The pathway needs to address issues across:

- **Housing infrastructure** including understanding current supply, demand and assess the safety and suitability of legacy and basic stock. This needs to include a strategy to manage and redevelop legacy and ageing stock (including that owned by state and territory governments) in line with good practice considerations. Options such as extending the availability of SDA funding to enable to redevelopment of legacy stock should be considered.
- **Better data collection and use** across housing infrastructure but also across living supports. An understanding of the types of models and the relative costs and benefits of these models (for example individual living options) is required. Fast tracking the evaluation of housing options, including the benefits of emerging assistive technology, and make the information readily available. Providing this information to participants, families and carers is essential to help them make housing decisions.

²⁸ Ability Roundtable (2023), Ability Roundtable Insights Paper – The challenge of older residents in legacy stock <https://www.abilityroundtable.org/post/insights-paper-older-residents-in-legacy-stock>, accessed 01 August 2023

²⁹ See Housing Hub [Reimagining Shared Housing and Living – Workshop Findings and Recommendations](#); The Australian Disability Dialogue - [Blueprint for Housing](#); Community Housing Disability Network – [Good Foundations: Engaging with registered Community Housing Organisations \(CHOs\) to expand their work will effectively and efficiently deliver better housing for NDIS participants.](#)

- **Participant centred service design** supported by NDIS planning and policy. The NDIA is currently working on its home and living policy. The policy should consider the merit of shared equity models as a means of increasing housing supply. It should also give attention to how social, or community housing can be encouraged to develop more housing to meet the needs of NDIS participants.
- **Funding models that consider the complexity of delivering living supports particularly where support is shared.** There has been frequent revision of models of costing and claiming for SIL supports which has created a lack of clarity. Policies, funding, planning and implementation need to ensure the adequacy of funding to support participants with complex needs and address issues related to shared supports, including the impact of vacancies on the shared components of support of remaining residents. Borrowing from the notion of funding approved beds (funded at a base care tariff level) as opposed to occupied beds in residential aged care and introducing an unoccupied bed line item in the price guide could assist providers manage the impact that vacancies have on their viability.

There may also be opportunities to explore how supports could be bundled in ways that drive better outcomes for participants.

- **Planning and funding processes that assist priority cohorts of participants currently receiving home and living supports.** This includes participants with complex support needs, who are ageing, have limited informal supports, live in regional and remote areas or may be exiting other systems such as the justice or out of home care systems. As with the current trial to support young people in residential aged care explore and transition to new models, similar trials should be developed to support participants in existing arrangements trial and test alternative models.
- **An enhanced navigation and coordination function across the housing spectrum.** It is likely that an overarching disability housing strategy will be required to better identify the housing needs of all people with disability with actions aimed at improving housing outcomes, however supporting individuals to better navigate the mainstream and specialist housing system could be a practical way forward. This function could also provide valuable data and support the development of place-based solutions. We would suggest that this function could play a valuable role in regional and remote areas where housing shortages are critical.
- **Development of an accessible housing register to understand what is available and identify gaps.** Linked to the above elements around infrastructure, data collection and use, establishing an accessible housing register of private, social and affordable housing could also support an enhanced navigation function and enhance opportunities for a more joined up ecosystem of support. The implementation of a vacancy management system that enables

people with a disability (both NDIS participants and non-NDIS participants) to connect with appropriate and available housing options should also be considered.

- **Investment in and development of provider and worker capability.** Improving home and living outcomes relies on a range of organisational factors. These include organisational culture; the quality of staff; use of techniques such as Active Support, provision of good supervision through methods such as frontline practice leadership, fostering staff collaboration, service coordination, involvement in planning and supported decision making. Providers are keen to create these structures but find it difficult under current pricing models.

Priority Nine: System wide structures that focus on employment outcomes

Australia has signed and ratified the [United Nations Convention on the Rights of Persons With Disabilities](#) (CRPD). Article 27 of the Convention identifies the work and employment rights of people with disability. Participation in employment is a basic human right and fundamental to the aspiration of individuals to lead “an ordinary life” through experiencing “the dignity of work”. The UN Convention affirms that this principle is equally applicable to people with disability. Supporting participants make an economic contribution to the community is a key tenet of the NDIS – in fact is it one of the criteria on which reasonable and necessary supports are funded. Yet people with disability in Australia, including NDIS participants continue to experience poor employment outcomes.

The benefits of employment for individuals are well known. Employment enables wider engagement with society as well as giving our lives both meaning and purpose. For a jobseeker with disability who gains employment, the outcomes can include improved health and overall wellbeing, a wider social circle and the opportunity to learn new skills, which are likely to further enhance their ongoing career prospects and participation in rewarding, sustainable employment.

There are significant benefits for employers who hire people with disability, with widespread evidence that employees with disability:

- Remain in jobs longer and take fewer absences.
- Cost employers no more than employees without disability.
- If placed in the right job perform as well as other employees.
- Develop strong connections with customers.
- Enhance staff morale and team performance.
- Enhance an employer’s community image and ensure its workforce better reflects the community.

Employment participation by people of working age enhances the welfare of individuals, families and communities as well as boosting the Australian economy as a whole.

In our submission to the Disability Royal Commission we argued that there is no acceptable reason for people with disability in Australia to be marginalised from the workforce, denied the same workplace rights and opportunities as anyone else, or to be subject to violence, abuse, neglect and exploitation during their working lives. Australia can and must do better in enabling people with disability to experience the dignity of work. We would also suggest that there is an opportunity for the NDIS to do better.

The Disability Royal Commission has identified four key barriers to employment:

- Attitudinal barriers towards people with disability that include low expectations and employer misconceptions about employees with disability.
- Structural barriers that arise from the design and implementation of employment programs for people with disability.
- Physical/environmental barriers including access issues arising from building design, incompatible technology, and a lack of communications options/supports.
- Organisational barriers to recruitment, retention, and promotion of employees with disability in the labour market, especially the provision of reasonable adjustments.

NDS developed a vision for supported employment in 2021. With support from the Department of Social Services, we have established a vision reference group to further refine this vision and to oversee its implementation. The NDIS Review represents an opportunity to develop a broader shared vision for employment for people with disabilities and ensure that the NDIS contributes to this vision. The NDIS has a role to assist people with disability to participate in employment that reflects and maximises their choices, goals and capabilities, across their working lives as a priority.

[Develop and resource a vision for disability employment designed with the sector and supported by relevant stakeholders](#)

This intent of this vision should be to increase the rate of employment participation of people with disability and broaden the choices of employment options and career aspirations available.

We suggest that the following goals be included:

- Lift the employment rate among people with all types of disability, especially those with severe barriers to employment.
- Increase the proportion of employees with disability who work in inclusive or mainstream settings.

- Expand the provision of training and career pathways to jobseekers and employees with disability.
- Ensure the provision of good working conditions, including fair wages complying with Article 27 of the UN Convention on the Rights of People with Disability.
- Enhance the sustainability and ability of Disability Employment Service and Support Providers to promote innovation that enhances employment opportunities for people with disability.
- Actively engage employers to enhance their disability confidence and awareness of incentives and supports, as well as the benefits of employing people with disability.
- Widespread community engagement that raises expectations of people with disability and their rate of engagement in quality work options.
- Collect and publish data that measures the sector's progress in achieving the goals above and identifying key performance indicators and measuring progress against these.
- Increased understanding of the range of employment service and support options available for people with disability through enhanced information, support tools and advocacy with key stakeholders.
- Increase the number of people with disability on the Boards of disability service providers.
- Improve disability social procurement to drive economic benefit in the disability sector.

In the short to medium term, we need to ensure that the current NDIS system is simple for people to navigate, provides a range of employment options and choices and supports participants to both navigate their employment options and engage in these options.

Specific strategies could include:

- Use NDIS supports in employment pricing and/or Disability Employment Services (DES) to diversify their range of specialist employment supports to better enable participant choice and control.
- Place and support jobseekers and employees with disability into mainstream employment options at full Award wages.
- Implement reforms arising from any recommendations of the Disability Royal Commission adopted by the Australian Government.
- Implement new wage setting arrangements for employees with more significant and/or complex disability working in various supported employment settings.

- Upskill the employment support workforce nationally to deliver a wider range of higher quality employment options.
- Actively engage employers to enhance their awareness and confidence of employing people with disability in a range of roles and levels and encourage flexibility in their employment practices.
- Encourage business to have people with a disability and/or lived experience (direct and non-direct) represented at all levels.
- Support NDIS providers to increase employment of people with disabilities.
- Play a key role in delivering the goals of Australian Government Disability Employment Strategies.
- Ensure more seamless interaction and support gateways between Disability Employment Service and Support Providers
- Support through policy and advocacy influence to ensure an effective and sustainable employment service and support sector.

Developing a vision for disability employment enables recognition of the transitional, growing and emerging interfaces between disability employment funding arrangements and programmatic environments funded under NDIS (Supported Employment, School leaver employment supports, supports in employment) and programs such as DES and Workforce Australia.

The NDIS Reform Implementation Taskforce could play a role in overseeing the development and implementation of the vision and the NDIS Reform Transformation Fund could resource its development but also consider how to support the sector transform their operations to meet vision objectives.

Priority Ten: A redesigned NDIS for children and families

The report identifies that the NDIS has become the only source of support for many children and their families. NDS and our members agree that the current system is not providing good outcomes for children with disability or emerging development concerns and their families. A medical model has emerged focussed on treatment of children as opposed to a model that is family led and where supports occur in everyday settings. There is a robust body of evidence underpinning best practice approaches to early childhood intervention and the sector is well equipped to deliver this.^{30, 31} However a redesign is required.

³⁰ Trembath, D., Varcin, K., Waddington, H., Sulek, R., Pillar, S., Allen, G., Annear, K., Eapen, V., Feary, J., Goodall, E., Pilbeam, T., Rose, F., Sadka, N., Silove, N., Whitehouse, A. (2022). National guideline for supporting the learning, participation, and wellbeing of autistic children and their families in Australia. Autism CRC. Brisbane.

³¹ Early Childhood Intervention Australia (2016) National Guidelines: Best practice in early childhood interventions <https://reimagine.org.au/practitioner/what-is-best-practice/>, accessed 12 August 2023

Across our consultation with providers of early childhood supports the following issues have been identified. Many of these have been recognised in the work of the NDIS Review to date.

- Plans currently developed for children often do not include adequate resources to assist families with the complex needs of their young children (particularly for those young children with high medical support needs). The focus on early intervention supports often clouds what personal care assistance is needed by the families of children with high medical support needs.
- Many families are unable to find a place for their child with disability in an early childhood learning centre. It appears that young children with disability are increasingly seen as the responsibility of the NDIS, allowing mainstream services to avoid their universal service obligations (with children with the most substantial disability the most likely to have difficulty obtaining access).
- While acknowledging issues related to sustainability, measures related to children and families must be aimed at improving outcomes not at reducing NDIS costs.
- The introduction of the NDIS has resulted in some mainstream services increasing barriers for young children with disability or, in the case of some state and territory governments, reducing support for children who are ineligible; this demands urgent attention.
- The individualised funding model appears to be driving greater use of one-on-one therapy within an office rather than supports in natural and community environments; this needs to be remedied perhaps through a pricing adjustment and through clearer information; that said, some children may need group support in other settings (travel to provide these supports should also be claimable).
- Greater effort needs to be made to reach young children with disability in vulnerable families.
- Targeted commissioning should be tested in thin markets including with those living in remote and very remote areas.
- Short-term early intervention to children is widely supported but the sector is reluctant to see this important work confined to partner organisations; some of these children would be better supported by specialist providers.
- More research on the outcomes for young children after receiving early intervention support is needed; the NDIS is well-placed to facilitate (but not undertake) this.
- There are also opportunities to improve supports for children and young people across the system. Adopting a best practice approach for older children and young people (for example 9-18), ensuring that support is available at key

transition points, for example commencing primary and secondary school, leaving care and entering the workforce should form part of an improved planning and support pathway.

Redesign all aspects of the NDIS for children and families to embed a child and family centred approach based on good practice

The redesign should prioritise the following:

- Redefine the early childhood pathway and how this is operationalised.
- Embed and incentivise a best practice approach for children, young people and families in all aspects of the NDIS (access, planning, service navigation, pricing and regulation).
- Opportunities to reach children with emerging developmental concerns and disabilities as early as possible.
- Planning and pricing that align with best practice delivery of transdisciplinary support in natural settings. Pricing needs to include appropriate allowances for travel. Alternative payment options such as bundling a series of supports should be explored.
- Support for families to know what they need and how to find it. Planning and support pathways should be developed that enable families to know what to expect from the system and to make informed choices.
- Address mainstream interfaces and consider how the NDIS can support a 'wrap around' support system. Planning that promotes integration with other systems such as education and health is required.
- Develop a targeted workforce strategy for allied health and educators.

While the key issues raised in the report relates to young children and families, we believe that there is merit in redesigning the NDIS for all children (up the age of 18) and their families.

We have also addressed some of these elements in our priorities around pricing and payment reforms, workforce development and improved support pathways.

5.0 Conclusion

The NDIS Review represents a critical opportunity for the disability sector to partner with Government to redesign and recommit to an effective NDIS that delivers on the promises that it made to people with disability and the Australian community.

Expectations are high. NDS's 2022 State of the Sector Report indicates that the sector is more confident and optimistic than ever that reforms are heading in the right direction. After years of frustration this sentiment is welcome. However, this is against a background of change fatigue and exhaustion, particularly at a senior

leadership level where much of the drive for implementing and embedding the change required will come.

The sheer number of submissions and level of engagement with the NDIS Review is testament to the willingness and commitment of the sector to preserving and improving the NDIS. We believe that the 10 priorities outlined in this submission will provide a pathway to reform and address the key challenges outlined in the report.

Knowing what needs to change is an important part of the equation. Working together to design and implement solutions is the greater challenge. The work starts now and NDS and our members are ready.

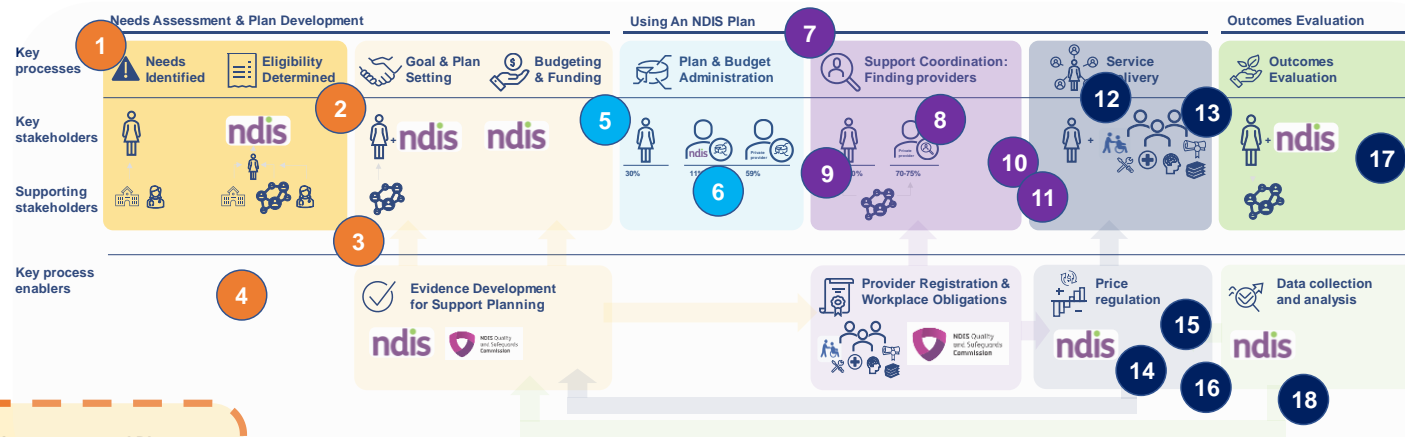
6.0 Appendices

Appendix One: NDS Submissions to the NDIS Review

NDS has provided submissions on the following issues to the NDIS Review.

- NDIS Review – Have your Say survey
- Issues Paper on the NDIS Quality and Safeguarding Framework
- NDIS Participant Safeguarding Proposals paper
- Building a more responsive and supportive workforce
- The role of pricing and payment approaches in improving participant outcomes and scheme sustainability

Appendix Two: Issues with the NDIS System



Issues in Needs Assessment and Plan Development

- 1 **Under-representation** of at-risk and disadvantaged groups
- 2 **Poor goal definition** – Participants incentivised to set goals as broadly as possible
- 3 **Failure to assess alternatives and opportunities for assistive technologies** to increase independence
- 4 **Lack of public, evidence-based recommendations** for optimal support

Issues in Plan Management (Fund Management)

- 5 System **overly complex and confusing**
- 6 **Limited accountability** for quality plan administration and budget administration

Issues in Support Coordination

- 7 **Poor role clarity, conflict of interest risk, diffuse accountability, poor training and lack of data** for support coordination
- 8 **No incentive to optimise** support coordination
- 9 Participants **lack bargaining power** to negotiate prices with providers.
- 10 **Incomplete information and information asymmetries** create barriers to identifying quality and appropriate providers.
- 11 **Poor linkages** to mainstream and community providers.

Issues in Pricing and Payments

- 12 **Incentives for providers to charge maximum allowable price** regardless of participant complexity & 'cherry pick' least complex clients
- 13 **No mechanism for measurement of provider value** or incentives for innovation
- 14 **Lack of independence** for pricing regulator
- 15 **Lack of transparency in pricing**, with reports of **inadequate pricing for complexity**, training and industrial agreement obligations
- 16 **Missed opportunities to improve value for money** in equipment and consumables procurement
- 17 Participant **incentive to use entire budget to avoid future funding cuts**, muted incentives to exit program.
- 18 **Vague participant goals are difficult to measure and meet**, resulting in **lower rates of program exit than expected**.

Appendix Three: Pricing and payment reform options and enablers

