



Brotherhood
of St Laurence

Working for an Australia free of poverty

Submission to the

Market Readiness Inquiry

Of the Joint Standing Committee on the
National Disability Insurance Scheme

Brotherhood of St Laurence

February 2018

Brotherhood of St Laurence
67 Brunswick Street
Fitzroy Vic. 3065

ABN 24 603 467 024

Ph. (03) 9483 1183

www.bsl.org.au

For further information or to discuss this submission, please contact:

Amanda Pagan
Principal Research Fellow, Inclusive Communities
Brotherhood of St Laurence
Email: apagan@bsl.org.au
Ph. (03) 9483 1185

Contents

The Brotherhood of St Laurence and the NDIS	4
Recommendations	4
Transitioning to a market based system for service providers	4
Participant readiness to navigate new markets	5
Developing and protecting the disability workforce to support the emerging market	5
The role of Local Area Coordination (LAC) and Information Linkages and Capacity Building (ILC) in a marketised environment	6
1 Transitioning to a market based system for service providers	7
Administrative challenges	7
The ability of service providers to meet demand	7
The opportunity for choice and diversity within the market place	9
2 Participant readiness to navigate new markets	10
The ability to make choices and have control through the marketplace to have needs met	11
The structural and administrative challenges that exist preventing effective navigation of markets	13
The link between planning and participant readiness	14
3 Developing and protecting the disability workforce to support the emerging market	14
Hiring the workforce	14
The changing nature of disability support work and ensuring quality	15
Training the workforce	15
The NDIS as a strategy to increase employment for people with disability	15
4 The role of Local Area Coordination (LAC) and Information Linkages and Capacity Building (ILC) in a marketised environment	16
Local Area Coordination (LAC)	16
Information, Linkages and Capacity Building (ILC)	18
References	19

The Brotherhood of St Laurence and the NDIS

As an independent non-government organisation with strong community links that has been working to reduce poverty in Australia since the 1930s, the Brotherhood of St Laurence (BSL) has a strategic focus on building community inclusion for people experiencing social exclusion. This commitment is reflected in our role as a Local Area Coordination (LAC) and Early Childhood Early Intervention (ECEI) provider in the North Eastern Metropolitan Area (NEMA), Hume-Moreland Area and Bayside-Peninsula in Victoria. We have been delivering LAC since July 2016 as part of the first phase of implementation of the National Disability Insurance Scheme (NDIS). We commenced work as an ECEI provider in November 2016. Our engagement in this planning and community capacity building work is driven by the recognition, underlined by research including our own social exclusion monitor, that people with disability are among the most socially and economically excluded Australians.

To maximise the opportunity for efficient and effective implementation of LAC and ECEI, we regularly consult with participants, staff and providers to determine their experience in the NDIS. The input from these three groups has helped to formulate this submission and proposed recommendations.

Recommendations

In summary our recommendations to the Joint Standing Committee are:

Transitioning to a market based system for service providers

1. Develop, maintain and release timely high quality market data to assist service providers to make decisions and invest in developing their businesses is required.
2. Develop a systematic approach and requirement to collect data, through LAC and NDIA, regarding service denial occasions, to further develop the market place to ensure funded supports are provided to all people with disability with approved plans.
3. Develop a systemic solution for sharing of service availability data from service providers with LAC regional providers.
4. Commission and fund LACs to develop a systematic data collection process on the service requirements of participants and the extent to which these needs are being met, to encourage the development of responsible marketplaces at the local level.
5. Establish a data set that contains indicators, as proxies for the quality of market service provision. Indicators could include the projected number of new participants per quarter or month; their plan commencement success; or the number of service denials.
6. Review and refine the provider registration process including the barriers and enablers of registration for prospective small providers and/or sole traders.

7. Trial two possible solutions with the existing price lists:
 - Inclusion of a flexible funding component in plans, subject to subsequent approval: This will allow participants some limited scope to vary pricing arrangements for services, subject to approval. The approval process could be delegated to specific LAC and NDIA delegates to ensure a timely response and avoid formal plan reviews.
 - Participant-initiated pricing structure review process: This will enable participants to request a variation from standard pricing structures, based on the notions of reasonable and necessary. This would take into account the specific needs of the person with disability, their families and carers.

Participant readiness to navigate new markets

8. Develop a strategic framework for the development of peer support and advocacy networks and services at local, state and national levels.
9. Commission an independent, longitudinal study of capacity building efforts, to ensure that people with disability are achieving the outcomes and level of independence and they envisaged in their plans.
10. Develop and mandate standard service delivery agreements for different service types (core, capital and capacity building).
11. Review the funding provided under the Partners in the Community contract for Local Area Coordination to ensure participants receive sufficient support to navigate the marketplace.

Developing and protecting the disability workforce to support the emerging market

12. Review vocational certificates in disability care and aged care, in relation to the financial and practical feasibility of providing learning experiences that better mimic the home care environment.
13. Develop a more comprehensive disability employment strategy by:
 - Refreshing the NDIS Workforce Strategy to include dedicated initiatives aimed at increasing the employment of people with disability in the NDIS workforce
 - Developing a national scorecard on the employment of people with disability, including specific measurable goals, reported annually and presented to Parliament (as recommended by the Senate Standing Committee on Community Affairs, *Delivery of outcomes to build inclusive and accessible communities* report (2017)).
 - Developing a framework for reporting progress on employment of people with disability within the NDIS (including service providers). This could include annual reporting from providers on their workforce, including senior and management positions

- Increasing awareness and information dissemination to employers (both large and small) about the supports available, through Commonwealth funding schemes, to offset and/or fund workplace adjustments.

The role of Local Area Coordination (LAC) and Information Linkages and Capacity Building (ILC) in a marketised environment

14. Review and regularly assess the scope and outcomes for LAC to ensure is able to fulfil its original intention under the NDIS, as outlined by the Productivity Commission (2011).
15. Review the scope and outcomes of the ILC program on a regular basis to ensure it is able to achieve its broader goals of inclusion and participation.
16. Develop a national scorecard on the inclusion and participation of people with disability, including specific measurable goals, reported annually and presented to Parliament (as recommended by the Senate Standing Committee on Community Affairs, *Delivery of outcomes to build inclusive and accessible communities report* (2017)).

1 Transitioning to a market based system for service providers

Transitioning to any new arrangement can be complex and costly for any service provider. When we spoke to participants and staff in our LAC service within NEMA as part of our evaluation and in response to a range of inquiries, they both identified a number of challenges to transitioning to a market based service system. These were primarily in three categories:

1. Administrative challenges relating to providing or establishing consistent services.
2. The ability of current service providers to meet demand;
3. The opportunity for choice and diversity within the market place;

Administrative challenges

The following administrative challenges were identified by participants, staff and service providers within the NEMA region:

- Providers are having difficulty with adapting to NDIA policies and procedures, particularly in relation to the provider portal, resulting in delays to the implementation of plans and charging.
- Providers are having difficulty finding specific line items within the billing system to charge participant plans for services provided, often resulting in items being incorrectly charged within plans and significant lags in time to reverse incorrect charges.
- Inconsistent information about rules and procedures, provided by different stakeholders under the NDIS, creates confusion.

Whilst we acknowledge that many of these areas are continually being addressed by the NDIA, they continue to be challenging for participants and service providers.

The ability of service providers to meet demand

Based on our observations as a LAC provider, we believe that the ability for service providers to meet the demand within a regional area is significantly influenced by having high quality timely information about the services that participants demand.

Timely comparable data has been key to ongoing development of the disability support service sector

Since 1994, data sets to support decision making by providers have been provided by the Commonwealth under various agreements. Prior to the NDIS the Disability Services National Minimum Data Set (DS NMDS) provided an annual collation of nationally comparable data about disability support services provided under the Commonwealth National Disability Agreement (NDA). This ensured that the data gathered was reliable, consistent and with minimal impost on the disability services sector.

Moving forward, the NDIA is responsible for providing the equivalent information in the form of market position statements. Whilst we recognise the new market arrangements are different from previous service supply arrangements, the need for data is still paramount.

The future of other disability data sets, such as the data cubes maintained by the Australian Institute of Health and Welfare (that allow for customised analysis of disability service provision data), is also unclear. To date it appears that the proposed replacement data set will be the NDIA market position statements.

The NDIA market position statements present two challenges for service providers: the frequency of the data is not timely enough and the content of the data provided is insufficient to support robust decision making for service providers.

Since April 2016, when the NEMA market position statement was released,, no market position statements have been released in Victoria. Without information regarding how the market is developing, service providers are unlikely to make investments to address unmet need.

The feedback from providers in NEMA suggests that the market position statements are too broad and do not contain sufficient information to inform good decision making and investment decisions. The lack of useful data provided to the broader provider sector will mean that current, emerging and future providers have little data to support their decision making regarding the deployment of their workforce and ongoing capital development.

Recommendation 1 Develop, maintain and release timely high quality market data to assist service providers to make decisions and invest in developing their businesses is required.

Provider availability for support services

On a more practical level, the need for provider information to be provided to LACs and participants also undermines service provider readiness. Currently providers do not have an easy way to share their wait lists and availability, service options and other information with LACs and participants. This means that LACs can't provide accurate and timely information to participants about the best service provider options. By not having an aggregate view of the availability of service providers to support participants, it is difficult to ascertain the extent to which service demand is not met. Despite this as a LAC provider, and as identified by the Productivity Commission in *NDIS Costs* (2017), we know that service supply is not meeting demand. This has at least two consequences:

- people with disability are left with no or insufficient services when they need them; and
- those who are disadvantaged, including people from CALD and Aboriginal and Torres Strait Islander backgrounds; those who previously have had limited experienced in engaging with the disability support service sector and/or those have the most complex needs and/or challenging behaviours are least likely to be offered services.

Recommendation 2 Develop a systematic approach and requirement to collect data, through LAC and NDIA, regarding service denial occasions, to further develop the market place to ensure funded supports are provided to all people with disability with approved plans.

Recommendation 3 Develop a systemic solution for sharing of service availability data from service providers with LAC regional providers.

Recommendation 4 *Commission and fund LACs to develop a systematic data collection process on the service requirements of participants and the extent to which these needs are being met, to encourage the development of responsible marketplaces at the local level.*

Recommendation 5 *Establish a data set that contains indicators, as proxies for the quality of market service provision. Indicators could include the projected number of new participants per quarter or month; their plan commencement success; or the number of service denials.*

The opportunity for choice and diversity within the market place

The opportunity for choice and control within the marketplace is affected primarily by two supply side elements: service provider diversity and pricing.

Service provider diversity

The success of the NDIS market relies on a rich fabric of service providers, including sole traders and micro agencies, not just large and medium sized service providers.

There are a number of inter-related factors that can undermine service provider diversity, however the two factors we continually observe are administrative barriers to service provider registration and the inability to offer flexible services because of industrial agreements.

Service provider availability is affected by the ease, including both cost and effort, with which disability workers and agencies can register to become a provider. The Brotherhood has observed that some service providers appear hesitant to become involved in the NDIS because of the administrative costs of becoming an approved provider. Many have claimed that the existing registration process is challenging because it requires a third party verification process. This can be extremely costly for small providers or sole traders, sometimes costing up to \$6000, making it prohibitive to register.

Currently the only way to avoid this is to encourage people with disability to self-manage their plans. Under self-management people with disability can choose who they hire. This has some positive impact for participants, facilitating self-determination, choice and control. However it also has unintended negative consequences for participants and workers; transfers the burden of administration and risk to people with disability and their support workers to ensure they meet the full set of administrative and regulatory requirements that puts the quality of care first.

Recommendation 6 *Review and refine the provider registration process including the barriers and enablers of registration for prospective small providers and/or sole traders.*

Pricing

The opportunity for choice and diversity also is a function of pricing. The Productivity Commission reviewed the population based pricing arrangements in 2017. It was concluded that the pricing for services often led to perverse incentives, poor outcomes and hindered market development (PC, 2017). In NEMA, insufficient flexibility to alter pricing arrangements to meet the needs of participants continues to be a challenge.

Insufficient flexibility of pricing

The largest challenge for population based pricing methodologies is that they do not enable the flexibility required to address the requirements of people with disability who may have specific or complex service needs. A range of factors outside of the provider's control can effect this. The most common we have observed relates to the inability to provide services, as needed by participants, because of the industrial agreements that exist for care workers. The minimum shift requirement, often three hours, is not always compatible with the funded supports in a single participants plan. To protect worker entitlements, service providers need to be supporting other participants who require a similar service at a similar time on the same day, to meet the shift requirements. Often this is not the case, leaving participants with limited choice about when and by whom their service is provided.

Providers are also limited by the inability to charge beyond the existing pricing structure for a flexible service that is requested by the participant. The existing planning and pricing do not provide avenues where participants and providers can reach an agreement on an alternative pricing (except for self-managed plans). The only possible alternative is for participants to request a plan review, a process that is administratively costly and often subject to protracted approval periods.

Based on the experience of other marketised services, such as Vocational Education and Training, in purely marketised social services environments, people who are the most disadvantaged in the NDIS are likely be subject to predatory pricing, poor quality service provision and other unintended outcomes. Market stewardship responsibility should extend to consider adequate support and intervention for the large cohort of participants who require supportive decision making processes in order to exercise market choice.

Recommendation 7 *Trial two possible solutions with the existing price lists:*

- ***Inclusion of a flexible funding component in plans, subject to subsequent approval: This will allow participants some limited scope to vary pricing arrangements for services, subject to approval. The approval process could be delegated to specific LAC and NDIA delegates to ensure a timely response and avoid formal plan reviews.***
- ***Participant-initiated pricing structure review process: This will enable participants to request a variation from standard pricing structures, based on the notions of reasonable and necessary. This would take into account the specific needs of the person with disability, their families and carers.***

2 Participant readiness to navigate new markets

The challenges for participants in navigating markets is well documented in the literature of marketised disability services. Here we assess those challenges according to:

- The ability to make choices and have control through the marketplace to have needs met;
- The structural and administrative challenges that exist preventing the effective navigation of markets;

- The link between planning processes and participant readiness.

The ability to make choices and have control through the marketplace to have needs met

The concept of choice and control, and particularly control, is predicated on the assumption that people with disability, their families and carers have the agency and/or the opportunity to exercise it. However, there are many well recognised barriers to choice and control that are not adequately recognised, these include:

- Historical power imbalances between service providers and people with disability their families and carers, resulting in a fear of retribution if they speak out (Ramcharan, 2016);
- Poorly thought through or inaccessible mechanisms to elicit feedback (either positive or negative) from people with disability by service providers, and their lack of responsiveness, to ensure people with disability are given every opportunity to exercise choice and control (Carr, 2004);
- Limited value placed on the opinions and perspectives of participants as true partners by service providers in shaping their service delivery (Thill, 2015);
- A lack of supportive resources, including access to advocacy and advice, to assist with enacting choice and control, such as the Disability Support Organisations identified by the Productivity Commission (2011) (NDIS Independent Advisory Council, 2013).

Over time we expect that many of these barriers will be minimised as the NDIS becomes more familiar to participants and providers, however they remain challenges during the transition period and for the foreseeable future. In addition to these barriers, awareness and agency are consistent determinants of the likelihood a participant will effectively navigate the marketplace.

Awareness

In NEMA, a proportion of our participants are unaware of the scope and control they have over their supports in the new system, despite the best effort of LACs to address this knowledge gap. Distressingly, we often see participants who are unable to advocate to service providers and adequately navigate the market place to ensure they are able to get what they want and need, when they need it. This can lead to crises, in some cases, if services are not provided to participants when they are needed.

Awareness is also reliant on knowing what information you need and receiving the information in a relevant, accessible and timely format. For many, this information is simply not available or attainable for people with disability transitioning into the scheme or navigating the market. For many participants, informal networks help to address the information gap by providing recommendations and other advice. For those who are the most disadvantaged, these networks often do not exist, further disadvantaging them in the market place. For some, even if the information is available, it is still inaccessible if they have limited or no access to the internet, mobile phones and/or computers.

In NEMA, the difference is evident between participants who previously were service connected within disability services prior to the scheme and those who were not. Exposure to disability services prior to the scheme transition generally results in a better understanding of how the systems works, even in a transitioning environment. As a result, investment and time needs to be provided to people with disability, their families and carers, in the early stages of engaging with the disability support service system. However, in many cases, there is limited additional time to work with these families, either as part of the LAC role or as a service provider, who is not funded directly for this type of service.

Agency

For many participants, intentional capacity building is needed to build the personal agency and capability of participants and or their carers to effectively navigate the market and exercise choice and control. The NDIS has gone some way to addressing these challenges by including capacity building resources within plans. The BSL believe this is a fundamental element of the NDIS and should be seen as a life-long investment in capability building.

However, it must be acknowledged that to exercise choice and control, it takes time to learn how to exercise your rights in a marketised system. For many participants, the reality of navigating a market place requires a range of skills including:

- knowledge of the market place and what is available;
- ability to assess the proposed quality of service provision, including knowing the right questions to ask a service provider;
- ability to interrogate the detail of service agreements and the implications of a specific legal clause; and
- ability to manage, influence and negotiate with service providers to get what you want and need.

The ability to effectively advocate to service providers can be effected by a range of reasons. The most common reasons we hear as a LAC provider is participants feeling:

- they have no other choice of service provider;
- they won't be listened to and/or
- there may be ramifications for the quality of their care, if they voice their concerns.

Participants feel the latter acutely when contemplating a switch in providers. Their sense of insecurity can be compounded at this point by having little or no understanding of how to switch providers and/or how to ask the right questions to get the right provider. It is here the notion of choice and control is challenged. Too often at plan reviews, or other follow up meetings, we hear of participants who are unhappy with their provider but concerned to take action for fear of retribution or because of a lack of understanding of how to navigate the change. This has been most challenging for many of the groups who are commonly disadvantaged in other service

systems, namely: people from CALD or Indigenous backgrounds; and people with psychosocial disability.

This can be made more complex by the administrative and bureaucratic demands of engaging with the scheme to ensure service providers are paid, funds are acquitted and evidence of outcomes achieved as a result of funded supports is provided.

For the NDIS, the challenge remains as to how people with disability are best supported to develop the capability and capacity they need to truly exercise choice and control. We believe that further investment in capacity building and awareness building should be a focus of the NDIS, through LACs and ECEI services, and through continuous investment in building peer support and advocacy networks. The need for these networks and agencies was broadly outlined in the Productivity Commission (2011) Disability Care and Support report under recommendation 8.6:

The NDIA should: encourage the formation of disability support organisations to support people in the practical use of self-directed funding.

As state systems transition to the NDIS, there is a risk that the focus on maintaining and growing these organisations is lost and the need for reporting and transparency on the progress and breadth of these services is vital.

Recommendation 8 *Develop a strategic framework for the development of peer support and advocacy networks and services at local, state and national levels.*

Recommendation 9 *Commission an independent, longitudinal study of capacity building efforts, to ensure that people with disability are achieving the outcomes and level of independence and they envisaged in their plans.*

The structural and administrative challenges that exist preventing effective navigation of markets

For participants, the move to a market-based provider model presents a range of administrative challenges related to agreements for service provision. Service agreements are increasingly used for providing services to people with disability. In some cases, people with disability are not provided with sufficient support to understand the agreements they are signing, or the impact the agreement will have on their overall funded supports. This can mean participants are prevented, subject to lengthy notice periods, from exiting services that aren't meeting their needs; and/or they are not aware of the structure and service that they will be receiving and the limitations to adjusting those services (particularly in relation to when and how the service will be delivered).

10 *Develop and mandate standard service delivery agreements for different service types (core, capital and capacity building). This would provide participants with a basic level of protection, prevent service providers including clauses that breach the legislation and regulations, and minimise the need for people with disability, their families and carers to invest large amounts of time in understanding and interrogating service agreements.*

The link between planning and participant readiness

In the North East Metropolitan Area, (NEMA), the Brotherhood operates LAC planning using what is known as a ‘full plan’ process. This process differs from other NDIS Areas and provides participants with more time to develop their plan, consider informal family and community supports, identify individual capacity building options, explore mainstream community supports and then consider the funded supports they require. In addition to this, we also offer a plan implementation support service through our Linkage Coordinators, to assist participants to navigate the marketplace, choose and change providers and/or ask general questions about plan implementation. This service is possible within NEMA because of the additional funding per participant that is available (NEMA LAC receives approximately up to 25% more funding per participant than the most recent publicly gazetted LAC services (under Partners in the Community tender Rounds 2 (Hume/Moreland region) and 3 (Brimbank/Melton region))). The benefits of this approach are evident. NEMA has a lower than average level of committed support of \$38,723, compared to the national average identified by the Productivity Commission (2017) of \$54,000 during transition. We believe the reduced average plan level of funded supports is the result of the additional time our staff spend with participants identifying low or no cost community supports rather than funded supports that meet the participant’s goals of living a good life. Not only is this approach more sustainable from a cost perspective, it builds the participants capabilities and connections within their community, not just in relation to the marketplace.

Recommendation 11 Review the funding provided under the Partners in the Community contract for Local Area Coordination to ensure participants receive sufficient support to navigate the marketplace.

3 Developing and protecting the disability workforce to support the emerging market

Hiring the workforce

The requirement for a fully trained workforce for the NDIS continues to present a number of challenges. The disability workforce is expected to more than double as the NDIS is introduced, from around 73,000 full-time equivalent workers in 2013 before the NDIS trials began, to around 162,000 full-time equivalent workers by 2020 (DSS 2017). This is at the same time aged care is also experiencing unprecedented growth, meaning the two industries are competing for similar skills. As recognised by the Productivity Commission in their report *NDIS Costs* (2017), ‘It is estimated that 1 in 5 new jobs over the next few years will need to be in disability care, but workforce growth remains way too slow’.

Within the disability industry approximately 47% are part time or casual workers, compared with 14% in the community aged care industry (NDS 2017). With limited guarantee of future revenue, service providers understandably often offer only casual work. This can make disability support unattractive to many prospective employees, who may seek more full-time, permanent or stable employment.

The changing nature of disability support work and ensuring quality

The nature of disability work is changing. Increasingly people with disability are moving away from residential or centre based service delivery and requesting services are delivered within their home. This presents a number of safety and occupational health risks (Rose 2017) that are difficult to manage with a poorly trained, part-time or casual workforce.

A recently commissioned review of the NDIS pricing structures raised concerns that existing pricing didn't adequately cover the cost of in home disability support and would likely result in significant reductions in quality of care (Courtis et al. 2017). This poses challenges not only for people receiving services but also for workers who may be pressured to work a number of hours unpaid.

Training the workforce

One of the significant challenges for the growth in the disability workforce is ensuring training is high quality and certificate level courses provided by Registered Training Organisations (RTOs) and TAFEs reflect evidence based practice approaches that best support people with disability. In Victoria, a \$2.6 million investment has been granted to the Future Social Service Institute (FSSI), a unique collaboration between the Victorian Council of Social Service (VCOSS), RMIT University, and the Victorian Government. The Institute will redesign training programs with a particular focus on not for profits and their role in service delivery. Although the BSL welcomes this investment, the Registered Training Organisations (RTO), which are predominantly responsible for delivering certified training for the new workforce, need to be supported to deliver high quality training and documented standards need to be developed to guarantee these are met. The current vocational training subsidies provided to RTOs and TAFEs to deliver care related certificates are not sufficient to support high quality training, including the value add components developed by the FSSI.

One of the most significant challenges for RTOs in the new disability support environment is creating learning opportunities that reflect the realities of home based care environments. Currently most RTOs conduct work based learning in centre based environments, if they are conducted at all, and these environments do not mimic the reality and risks associated with home based care. Without additional investment and a strategy to ensure certificates are only provided to those who can demonstrate proficiency in home care, it is unlikely the students will be adequately trained for the environments they will be providing support in.

Recommendation 12 Review vocational certificates in disability care and aged care, in relation to the financial and practical feasibility of providing learning experiences that better mimic the home care environment.

The NDIS as a strategy to increase employment for people with disability

The 2011 Productivity Commission report *Disability Care and Support* report estimated that by 2050, an additional 320,000 people with disabilities will be employed. The growth in disability workers provides an opportunity for people with disability to attain employment opportunities within the NDIS. Yet, the current workforce strategy policy, *NDIS Integrated Market, Sector and*

Workforce Strategy (2015) appears to have given little thought to the opportunity to invest in people with disability to gain employment within the NDIS.

Recommendation 13 *Develop a more comprehensive disability employment strategy by:*

- *Refreshing the NDIS Workforce Strategy to include dedicated initiatives aimed at increasing the employment of people with disability in the NDIS workforce*
- *Developing a national scorecard on the employment of people with disability, including specific measurable goals, reported annually and presented to Parliament (as recommended by the Senate Standing Committee on Community Affairs, Delivery of outcomes to build inclusive and accessible communities report (2017)).*
- *Developing a framework for reporting progress on employment of people with disability within the NDIS (including service providers). This could include annual reporting from providers on their workforce, including senior and management positions*
- *Increasing awareness and information dissemination to employers (both large and small) about the supports available, through Commonwealth funding schemes, to offset and/or fund workplace adjustments.*

4 The role of Local Area Coordination (LAC) and Information Linkages and Capacity Building (ILC) in a marketised environment

Local Area Coordination (LAC)

The Productivity Commission conceived of the LAC as being a function of the NDIA with support from not for profit organisations who could work locally to lead community capacity building (PC 2011). The function of LAC was to provide support for individuals and families and coordinate activity across a region to increase independence and participation for people with disability (PC 2011). The Productivity Commission held the view that this would ensure the NDIS was responsive to local needs and LACs would have a good knowledge of local providers to help link people with disability to the services they need (PC 2011). In addition to this role, the Productivity Commission also described LAC as having responsibility for both overseeing the quality and outcomes of the NDIS, by conducting audits and surveys and ensuring a range of safeguard mechanisms were in place to ensure minimum accountability requirements were met (PC 2011). The Productivity Commission estimated that at full scheme an Australian LAC network would cost approximately \$550m annually.

In Partners in the Community Round 1, LAC partners were contracted to undertake the following functions (this is currently operating in NEMA):

- link people to the NDIS – 65% of time;

- link people with disability, their families and carers to information and support in the community – 20% of time; and
- work with their local community to make sure it is more welcoming and inclusive for people with disability – 15% of time.

In Partners in the Community Round 3, the draft contract requested that LAC partners undertake the following functions:

- link people to the NDIS – 80% of time (the percentage was not provided and is calculated based on the 20% time indication for other functions);
- link people with disability, their families and carers to information and support in the community **and** work with their local community to make sure it is more welcoming and inclusive for people with disability – 20% of time.

Although the LAC program is functionally still consistent with the original PC conception of LAC, the substantial increase in focus on planning under the NDIS, a function projected by the PC to be conducted by the National Disability Insurance Agency, has not led to a corresponding increase in the overall LAC funding pool of \$550m identified by the Productivity Commission in 2011. The cost of this change is a more limited focus on the broader roles of accountability; quality oversight and safe-guarding; and supporting people with disability who do not have funded supports to link with the mainstream and other community supports.

For participants who do receive funded supports, the significant focus on planning and gaining access to the scheme has meant that LAC has limited time available to assist participants to navigate the marketplace and implement their plans, as noted by the Australian National Audit Office (ANAO) (2016). Further, the ANAO reiterated that LAC was well placed to gather data on both market demand and supply in a local area, making it a critical backbone for knowledge during the transition process and beyond (ANAO, 2016). Finding the time to undertake this critical work in the current funding and transition environment is challenging. The more recent regions that were tendered for LAC provision (Partners in the Community Round 3 (Brimbank/Melton region)) have a reduction in funding (approximately \$1,112 per participant), compared with previous LAC tendered services (approximately \$1,487 per participant) (Partners in the Community Round 1). This presents significant challenges for supporting participants adequately. Moreover, the majority of the key performance indicators in the Partners in the Community contracts relate to participant throughput and planning, rather than the broader goals and outcomes relating to inclusion and participation of people with disability in their communities. This was recognised by the Productivity Commission (2017) *NDIS Costs* report:

In the transition phase, the NDIA has focused too much on quantity (meeting participant intake estimates) and not enough on quality (planning processes), supporting infrastructure and market development. For the scheme to achieve its objectives, the NDIA must find a better balance between participant intake, the quality of plans, participant outcomes, and financial sustainability.

Greater emphasis is needed on pre-planning, in-depth planning conversations, plan quality reporting, and more specialised training for planners.

Recommendation 14 *Review and regularly assess the scope and outcomes for LAC to ensure is able to fulfil its original intention under the NDIS, as outlined by the Productivity Commission (2011). This acknowledges that during a time of transition the immediate focus of LAC will be on assisting participants to enter the scheme, but over time the focus will need to move to the broader roles of inclusion and participation of people with disability and making communities more accessible and welcoming.*

Information, Linkages and Capacity Building (ILC)

The focus of ILC is community inclusion – making sure people with disability are connected into their communities, by making communities more accessible and inclusive of people with disabilities.

The ILC Policy describes 5 kinds of activities that will be funded under ILC. They are:

1. Information, linkages and referrals;
2. Capacity building for mainstream services;
3. Community awareness and capacity building;
4. Individual capacity building; and
5. Local area coordination (LAC)

ILC is administered through a grants program across all States and Territories. Generally it is split between readiness grants and state specific grants. As a LAC provider and a sub-set of the overall ILC effort, we continue to have a number of concerns regarding ILC, its efficiency and impact.

These include:

1. Ensuring equitable distribution of funding across the nation, whilst ensuring the best projects are funded and knowledge is shared to reduce duplication;
2. Inadequate funding of the overall ILC program to deliver on its goals of inclusion and participation (recognised by the Productivity Commission in their review of the NDIS Costs Report (2017))
3. Limited, if any, systematic data collection that demonstrates the progress against the ILC goals, including both quantitative and qualitative data.

Recommendation 15 *Review the scope and outcomes of the ILC program on a regular basis to ensure it is able to achieve its broader goals of inclusion and participation. This acknowledges that during a time of transition the immediate focus of ILC will be on assisting participants to enter the scheme, but over time the focus will need to move to the broader roles of inclusion and participation of people with disability and making communities more accessible and welcoming.*

Recommendation 16 *To support the broader goals of inclusion and participation, commit to the development of a national scorecard on the inclusion and participation of people with disability, including specific measurable goals, reported annually and presented to parliament (as recommended by the Senate Standing Committee on Community Affairs, Delivery of outcomes to build inclusive and accessible communities report (2017)).*

References

Carr, S. (2004). Has service user participation made a difference to social care services? SCIE Position Paper No. 3 March 2004. London. SCIE.

Commonwealth of Australia (2016). National Disability Insurance Scheme—Management of the Transition of the Disability Services Market. Canberra. Australian National Audit Office.

Curtis, N., McDonald, F., Davidson, B. & Benthon, E. (2017). Reasonable, necessary and valued: Pricing disability services for quality support and decent jobs. Sydney. UNSW.

Department of Social Services (2017) Guaranteeing the National Disability Insurance Scheme. Retrieved from:

https://www.dss.gov.au/sites/default/files/documents/05_2017/final_budget_fact_sheet_template_2017_2_0.pdf

National Disability Insurance Scheme (NDIS) Independent Advisory Council (IAC) (2013). Reflections on the implementation of the principle of choice and control under the NDIS – paper developed by the NDIS Independent Advisory Council, 28 August 2013. Retrieved from: <https://www.ndis.gov.au/about-us/governance/IAC/IAC-advice-choice-and-control>

Productivity Commission (PC). (2011). Disability Care and Support Productivity Commission (Vol. 1). Retrieved from <http://www.pc.gov.au/inquiries/completed/disability-support/report/disability-support-overview-booklet.pdf>

Productivity Commission (PC). (2017). NDIS Costs. (Vol. 1). Retrieved from <https://www.pc.gov.au/inquiries/completed/ndis-costs/report/ndis-costs-overview.pdf>

Ramcharan, P. (2016). Understanding the NDIS: a history of disability welfare from ‘deserving poor’ to consumers in control. The Conversation. Retrieved from: <https://theconversation.com/understanding-the-ndis-a-history-of-disability-welfare-from-deserving-poor-to-consumers-in-control-58069>

Rose, S. (2017). NDIS Workforce Challenges, Trends and Predictions. Pro-Bono Australia. Retrieved from: <https://probonoaustralia.com.au/news/2017/08/ndis-workforce-challenges-trends-predictions/>

Thill, C. (2015). Listening for policy change: how the voices of disabled people shaped Australia’s National Disability Insurance Scheme. Disability & Society, 2015, Vol. 30, No. 1, 15–28.