



Capricorn Community Development Association Inc.

Submission to the

Productivity Commission inquiry into NDIS costs – 2017

The organisation:

The Capricorn Community Development Association Inc. (CCDA), is an unfunded volunteer, community development organisation. Its purpose is to support the community in solving its own problems. CCDA acts as a mini-peak body for the region and inputs a Central Queensland perspective to state and national forums.

CCDA is a member of: The Queensland Futures Forum; The Controlled Income Management Group; The Queensland Anti-Poverty Week State Steering Committee; QCOSS; Peak Care; CCFSN, The Community Services Industry Partnership and is a foundation member of the Community Services Industry Alliance.

Activities include: Advocacy; Information dissemination; A monthly newsletter; Community information events and activities; Networking opportunities; Input to strategic forums and networks.

The author:

John Homan is a member of the CCDA Management Committee, and is the father of Amanda who was intellectually disabled from birth. He has served a more than forty year 'apprenticeship' in the disability sector, at an operational level, and a strategic one:

- he wrote a discussion paper on a 'National Disability Insurance Plan' in 1997,
- he was a management committee member of several disability service providers,
- served as a Community Member on the (first) Disability Services Council of Queensland,
- wrote four submissions to the Productivity Commissions inquiry into Disability Care and Support, and
- made two presentations to the Productivity Commission.
- he was co-author, with Sandy Paton, of "Learning with Amanda", presented at the International Conference on Engaging Communities, Brisbane, 2005

Introduction

The NDIS is not only the largest social reform since the introduction of Medicare, but also a significant economic one. The Productivity Commission (PC11) created the NDIS as a system of disability care and support that enables people with disabilities to own their lives, and realise their plans, hopes and dreams, as respected members of the community. It went further, the NDIS was also designed to become economically self sustaining, to become an investment rather than a cost.

In response to its Terms of Reference the PC11 focused on:

1. *A quality life, through providing “long-term essential care and support for eligible people with a severe or profound disability, on an entitlement basis and taking into account the desired outcomes for each person over a lifetime”.*
2. *Economic sustainability through a “social insurance model on a no-fault basis, reflecting the shared risk of disability across the population”.¹*

This set clear goals for the PC11: good outcomes for people with disabilities, and an insurance approach to funding to make the system economically self supporting.

The PC11 took note of Albert Einstein observation that “The significant problems we face today cannot be solved by the level of thinking that created them.” It did not attempt to repair the current failed, and broken system. It created a new system grounded in a new set of paradigms.

A paradigm shift may be defined as a new way of thinking. Connecting the dots in a different way. It is a revolution, a transformation, a sort of metamorphosis. The realisation that the earth is not flat, and not at the centre of the universe, Darwin’s theory of evolution: they are all concepts that were revolutionary and controversial at the time, but lead to new thinking.

The ‘old’ system of disability care was a development of the feudal, charity model – alms for the deserving poor – top down system. The funder was at the top, and the system institutionalised inequality.

The PC11’s proposed NDIS is based on relationships, equal, respectful and trusting relationships between stakeholders, and with the person with a disability at the centre.

So far the new thinking, the new paradigms, have been poorly understood, including with those implementing the NDIS, and government. It explains why decisions have been made that are not only counter-productive, but may cause the NDIS to fail

Based on research, evidence and experience, and the core elements that underpin the PC11’s NDIS, this submission will:

1. Describe the NDIS as intended by the PC11
2. Identify some of the departures from the PC11’s intent, and why they are harmful, and may cause the NDIS to fail.
3. Explore trends that are likely to emerge, examine their effects on stakeholders, and impacts on costs.

1. THE NDIS AS DESIGNED BY THE PC11

The PC11’s Terms of Reference stated that:

“The Australian Government is committed to developing a National Disability Strategy to enhance the quality of life and increase economic and social participation for people with disability and their carers”.²

In response the PC11 developed a system that proposed an environment in which people with disabilities are valued members of their communities, with the same rights, obligations, protection, and opportunities enjoyed by others. Its second objective for the NDIS is to become economically self sufficient, and a contributor rather than a cost to the economy.

¹ PC11, ToR, Scope of the Review.

² PC11, Inquiry Report, Overview, 2011, p5

NDIS Core Business

The PC11 proposal combined two existing systems: Self Directed Funding and Local Area Coordination. Both are relationship based, innovative (risk is managed, not avoided), and well proven.

Its third core element was a whole of life insurance approach which would benefit participants, and the 'bottom-line'.

1. Direct Funding.

The now legislated NDIS funds people with disabilities directly. It adopted the British "inControl" system.

There have been concerns that direct funding will increase costs, however Charles Leadbeater, author of the Demos – 'Making it personal' study of the system, states that the experience with inControl has been the opposite: "Personal budgets and self-directed services mobilise the intelligence of thousands of people to get better outcomes for themselves, and more value for public money". And "Self-directed services, combined with personal budgets, create a new operating system for social care that lowers costs, raises quality, improves productivity, offers greater choice, reconnects people to their social networks and helps to generate social capital".³

2. Local Area Coordination.

The PC11 was well aware that, although money is important, it will not by itself create better lives for people with disabilities. So, complimentary to the inControl system of direct funding it embraced Local Area Coordination (LAC), as designed in West Australia and developed, tested, and reviewed since 1988.

To facilitate individuals and families develop and pursue their goals and dreams for a good life the PC11 proposed a direct relationship and partnerships with people with disabilities and their families with the NDIS through Local Area Coordinators. Local Area Coordinators were not to be just messengers. To participants, and service providers "they were to be the NDIS", and would have positional power and authority matching their responsibilities.

The WA vision, embraced by PC11, was that: "LACs stand alongside individuals and their families, initially to gain an understanding of their particular vision for a good life, and then to contribute to the realisation of this vision".⁴ Lesley Chenoweth, School of Social Work and Social Policy, The University of Queensland, Brisbane and Dani Stehlik, Centre for Social Science Research, Central Queensland University, Rockhampton, suggested that the Local Area Co-ordinator may be seen as a "co-driver" in the journey, the person holding the map, while assisting and supporting the clients to move forward themselves. The barriers, road blocks, potholes etc. that are constantly in the way are therefore potentially smoothed by this partnership — thus enabling the journey to be taken by others as well.⁵

Local Area Coordinators:

³ Leadbeater, C., Making it personal, Demos, 2008. <http://www.demos.co.uk/publications/makingitpersonal>

⁴ Bartnik, E., Chalmers, R., It's about more than the money, Local Area Coordination Supporting People with Disabilities, 'Co-Production and Personalisation in Social Care', 2007

⁵ Chenoweth, L., Stehlik, D., Flexible funding as an underpinning to community resilience: early reflections on the introduction of local area co-ordination in Queensland, 2001.

- Build and maintain effective working relationships with individuals, families and their communities.
- Provide accurate and timely information. Assist individuals, families and communities to access information through a variety of means.
- Provide individuals and families with support and practical assistance to clarify their goals, strengths and needs.
- Promote self-advocacy. Provide advocacy support and access to independent advocacy when required.
- Contribute to building inclusive communities through partnership and collaboration with individuals and families, local organisations, and the broader community.
- Assist individuals and families to utilise personal and local community networks to develop practical solutions to meet their goals and needs.
- Assist individuals and families to access the supports and services they need to pursue their identified goals and needs.⁶

3. The “I” in NDIS stands for Insurance.

The NDIS, as an insurance scheme, takes a long-term view. This gives the consistency and stability that is missing when funding is dependent on service contracts or electoral cycles. It has a strong incentive to fund cost effective early interventions, including therapeutic ones. This assists participants to become more independent, self-sufficient and less reliant on support services.

This investment aims to unlock productivity through education, training, and employment:

- The PC11 estimates that addressing these inequalities may achieve employment ratios for people with disabilities equivalent to the average OECD benchmark.
- The PC11 projected that the NDIS would result in an additional 320,000 people with a disability being employed. Another major economic benefit is that many well educated, skilled and experienced primary carers will be able to return to the workforce.⁷
- National expenditure on disability services is projected to increase by 0.5 per cent as a result of the NDIS, but in return, the NDIS is projected to contribute 1.0 per cent to the GDP by 2050.⁸

The PC11 proposed that Local Area Coordination, as its primary objective, achieve successful outcomes in facilitating a good inclusive life for participants, however this is inextricably linked to successful economic outcomes.

The NDIS, as designed by the PC11, is a perfect example of a system that not only reduces inequality, but also contributes to economic growth.

2. IMPEDIMENTS

The PC11 designed its NDIS as a fully integrated organic system, like a piece of classical music it is open to interpretation but not to change. In translating the PC11 design into reality, many decisions have had to be made. Some of these decisions were not interpretations of the PC’s

⁶ Bartnik, E., Chalmers, R., It’s about more than the money, Local Area Coordination Supporting People with Disabilities, ‘Co-Production and Personalisation in Social Care’, 2007

⁷ PC disability Care and Support, Overview, p56.

⁸ Bonyhady, B., Address at CEDA luncheon, Brisbane, 051115

symphony, but changes that dramatically affected the integrity of the score, putting the NDIS at risk.

- **Governance**

The success of the Pc11's proposed NDIS is almost entirely dependent on relationships, equal, credible and trusting relationships between stakeholders. Members have a set of compatible, and shared values. This enables a culture to grow, that is empowering, with shared objectives and motives.

Form must follow function. This was either not understood, or ignored. Most organisations are hierarchal, but that does not necessarily make it the best type of governance for the NDIS.

In a hierarchal model, all power, knowledge, authority and control is vested at the top. Ideas and commands move from the summit through vertical "silos", with little communication between them. Knowledge is the employee's capital and defines his place in the organisation. and this inhibits the sharing of knowledge. Such an environment may create a culture of suspicion, fear, favouritism, gossip conflict of interest, and dishonesty.⁹

A hierarchal system of governance supports a mind set and culture that is incompatible with the organic relationship system as proposed by the PC11.

A Responsible Autonomy is an alternative:

"With responsible autonomy "an individual or a group has autonomy to decide what to do, but is accountable for the outcome of the decision." "Accountability," says Gerald Fairtlough,¹⁰ "is what makes responsible autonomy different from anarchy".¹¹

A high level of trust leads to superior outcomes, reduces risk, increases speed, and lowers cost.¹²

A responsible autonomy system of governance for the NDIS, and Local Area Coordination which is naturally relationship based, are made for each other. Unfortunately it did not happen.

Most organisations are started by a handful of people with a common goal, and a common passion. They demonstrate high levels of trust and respect, and, being small, outstanding levels of communication. They are totally outcome focused. As they grow in size they come to a tipping point however, where they transition from relationship and outcome focused to become inward looking and outcomes are judged on how they affect the organisation. From client centred they become organisation centred. From a responsible autonomy they morph into a hierarchal system of governance.

Can this be avoided? The answer is 'YES'.

One very successful and effective service manager observed: "When I don't know all my staff, and their families, and all my clients and their families, I know it is time to spin some of the organisation off".¹³

An example from outside the sector is Gore Associates, a privately held multimillion-dollar company responsible for creating Gore-Tex fabric and other high tech products. What is unique about this company is that each company plant is no larger than 150. When constructing a plant,

⁹ Homan, J., Form must follow function, submission to PC11, <http://www.pc.gov.au/inquiries/completed/disability-support/submissions/subdr1051.pdf>

¹⁰ Gerard Fairtlough CBE, English author, speaker and management thinker.

¹¹ Fairtlough, G., quoted in Hierarchy is not the only way, The Economist, 091205

¹² Covey, S., The speed of trust, Simon & Schuster, 2008.

¹³ Wayne Stark of Frazer Coast Family Networks, in conversation with the author

they put 150 spaces in the parking lot, and when people start parking on the grass, they know it's time for another plant. Employees within a plant have strong relationships with everyone else in the plant, across disciplines. Wilbert Gore - the late founder of the company - found through trial and error that 150 employees per plant was most ideal. "We found again and again that things get clumsy at a hundred and fifty," he told an interviewer some years ago.¹⁴

A mismatch in governance creates complexities due to mismatched philosophies, practices and priorities. It may readily prevent the NDIS from reaching its potential.

Can it be reversed? Again the answer is YES. However it takes more than a reorganisation. A reorganisation, by itself, amounts to no more than a rearranging of the deck chairs on the Titanic, it does not change the destination of the ship! What needs to change is its focus. The 'end in mind' must be redefined.

Size matters

In changing back from a top down to a relationship based responsible autonomy, size matters. A Responsible Autonomy works well in smaller groups, and there is a limit at which social cohesion, relationships and trust become fragmented. English-born Canadian journalist, author, and speaker Gladwell observes that: *"Groups of less than 150 members usually display a level of intimacy, interdependency, and efficiency that begins to dissipate markedly as soon as the group's size increases over 150".*¹⁵

The NDIA will far exceed the magic 150 number, however by deliberately decentralising, it can create a number of responsible autonomies, that stay within Gladwell's magic number of 150. Their accountability, common culture, values and guidelines will ensure consistency, and a focus on outcomes.

It will also bring decision making closer to the participants, physically and administratively. Delays and misinformation in decision making may be significantly reduced, if not avoided, through a decentralised – close to the customer – system where communication plays a major role.

Communication is not just about the spoken word. Body language, emphasis, passion, tone of voice all contribute, much of it abstract and open to interpretation. The written report only records a small part of this, and the more layers of administration it has to pass through, the less it will reflect the real, on the ground, situation. A vertical Chinese whispers.

Anna Bligh, Queensland Minister for Community Services and Disability, later Premier of Queensland, when designing Disability Services Queensland, said more than 15 years ago: "What we have done is bring the decision making much closer to the client and devolved to the extent that it is possible for decisions about the allocation of funds to be made much, much closer to the families that we are talking about".¹⁶

Again, more trust equals more speed, equals less cost, and better outcomes. With high level communication it also addresses Leadbetter's concern of services hitting targets, but missing the point.¹⁷

¹⁴ Gladwell, M., The tipping point, 2000

¹⁵ Gladwell, M., The tipping point, 2000

¹⁶ Bligh, A., The Quiet Revolution, Address to the Brisbane Institute, 08-08-2000

¹⁷ Leadbeater, C., **With** - Relationships and The Public Good, 2008, P6

- **Outsourcing Local Area Coordination**

The Assistant Minister for Social Services (Sen the Hon Mitch Fifield), on August 18, 2015, answering a 'question without notice' in the Senate said:

"Also, we found that there was a plan to have 10,000 staff for the NDIS. The Minister for Finance and I thought why not open up the opportunity for not-for-profits and businesses to provide some of those administrative functions. So we will now see staffing levels below 3,000".¹⁸

This decision led to the outsourcing of Local Area Coordination.

It was a decision based on assumptions, and misunderstandings, but certainly not facts.

- Local Area Coordination is not one of *'those administrative functions'*. It is a complex organic system based on equal relationships, trust, empowerment and shared values, and originally put in place to be the co-driver of the NDIS.

"Local Area Coordination can be described as a generalist or eclectic approach. It exhibits elements of individual coordination, personal advocacy, family support, community development and direct funding. The unique quality, and much of the advantage, of Local Area Coordination derives from the mixing and blending of activities and approaches of each of these human service orientations as well as the intentional design of an ongoing personal relationship".¹⁹

Outsourcing 'administrative functions' is frequently done on the assumption that the private sector can do it better, and cheaper. This may be the case when outsourcing infrastructure, where performance and cost are easily measured. Outsourcing human services is very different. Economic performance and efficiency is no longer the bottom line. The objectives are complex and strategies to achieve them are many and varied. Outcomes are often not absolutes, but evaluated through trends. Services in the human services sector, health, education, aged care, disability, are frequently niche services and need to be evaluated in that light. Because of the abstract nature of outcomes in the sector, careful thought has to be given to putting appropriate safeguards in place. Rod Sims Chairman of the Australian Competition and Consumer Commission, observed that if after careful thought, appropriate safeguards are too difficult, then maybe this is not a service suited to private sector provision.²⁰ The recent VET disaster is a clear example.

- For the NDIA to directly employ LAC's was a deliberate strategy by the PC11. It gave LAC's direct relationship with the other stakeholders, participants and service providers. It created a respectful and equal relationship between stakeholders.

Outsourcing LAC will return the NDIS to the old, failed, top-down system. It places a 'middle man' in the relationship between the NDIA and the customer, which will recreate all the complexities of authority, responsibility, accountability and conflict of interest that has marginalised people with disabilities over many decades.

- In West Australia, the home of Local Area Coordination, the Disability Services Commission considered outsourcing LAC in the mid-1990s, but decided to retain LAC within government. (The Commission has adapted, developed, and grown its systems to meet the new realities of the NDIS, but has not outsourced Local Area Coordination. (just changed its name to Area

¹⁸ Transcript by Senator the Hon Mitch Fifield, Question without notice, 18 August 2015.

¹⁹ Bartnik, E., Chalmers, R., It's about more than the money, Local Area Coordination Supporting People with Disabilities, 'Co-Production and Personalisation in Social Care', 2007

²⁰ Sims, R., Privatising NDIS services could be a repeat of the VET-fee disaster, 140317, Canberra Times.

Coordination)). A key reason for retaining LAC was that LAC's play a pivotal role in connecting individuals and families with the policy and program systems of government and that this should not be lost in exchange for any benefits which may ensue from privatisation.²¹

- As mentioned before, the NDIS' insurance approach, takes a long-term view. This enables it to implement investment strategies that facilitate the participant's empowerment and building of social capital, with reducing reliance on support services over time as an objective. LAC's have a critical role to play in this process. Reducing levels of service delivery is not in any service provider's DNA! Their objective is organisational growth, so the PC11's proposed LAC's role is to prevent over servicing when participants become more independent and self-reliant. To be able to do this LAC's need the positional power and authority that outsourcing denies them.
- One of the major elements in the PC11's proposed Local Area Coordination is the long term trusting relationships that LAC's develop with participants and families. It is equally important for the success of the insurance model. Outsourcing LAC on short term contracts denies the certainty of long term continuity, and stability. This may put both social and economic outcomes at risk.
- One of the reasons the WA Disability Services Commission retained Local Area Coordination was that it put a high priority on having common values, and a common culture. Eddie Bartnik, who had a lead role in the establishment and implementation of the state-wide Local Area Coordination programme, when he was Director with the Disability Services Commission in West Australia, stated that "The approach in WA is highly supportive of local area coordinators, provides and values a high level of pre-service and in service training, ongoing supervision and mentoring, peer support, and team based planning and development activities".²²

"Without exception the dominance and coherence of culture proved to be an essential quality of the excellent companies", said Peters and Waterman of the McKinsey Institute: "Moreover, the stronger the culture and the more it was directed toward the marketplace, the less need was there for policy manuals, organization charts, or detailed procedures or rules. In these companies, people way down the line know what they are supposed to do in most situations because the handful of guiding values is crystal clear".²³

With Local Area Coordination now scattered far and wide with many organisation with their own values and cultures a common national LAC culture is unlikely to develop. This will prevent the growing of a national NDIS culture, and will limit its capacity to maximise its potential.

- This outsourced system of Local Area Coordination will threaten 'national standards' because of the real risk that oranges are not compared with oranges, but with apples and many other fruits. The NDIS is an insurance, not a welfare, scheme. Insurance, to be viable and sustainable, relies on vast amounts of data. The data coming in from outsourced systems may not be compatible, and be an actuary's nightmare, and may cause the NDIS to fail.
- Spencer Zifcak, Professor of Law and Associate Dean (Research) at the Australian Catholic University, makes the point that conflict of interest may be an issue when he says that "Service contractors have a clear interest in retaining their contracts and that if policy functions are

²¹ Bartnik, E., Chalmers, R., It's about more than the money, Local Area Coordination Supporting People with Disabilities, 'Co-Production and Personalisation in Social Care', 2007

²² Eddie Bartnik, quoted by Alan Grimsley in "Local Area Coordination", Report on Community Consultation, Queensland Department of Families, Youth and Community Care, 1999

²³ Peters, T. J., Waterman Jr, R. H., In search of excellence, 1984

contracted out, inevitably there will be a tendency for a contractor to provide the advice for which it is paid. Advice based on a commitment to public service or to some wider conception of the public interest is therefore less likely to be heard.²⁴

It is clear that the consequences of the ill-considered political decision to outsource Local Area Coordination, one of the three core elements of the PC11's NDIS, will at best reduce the NDIS's effectiveness, at worst will cause it to fail, and snap back into a new version of the old system, albeit with more money. A cost to the budget rather than an economic contributor.

Can outsourcing of local Area Coordination be reversed? Again, the short answer is yes, but it will require a bipartisan consensus, and a strong commitment.

One option is to not further outsource Local Area Coordination, and let current contracts run their course. Then let them revert back to the NDIA. Alternatively, no further outsourcing of LAC, and restore LAC's accountability, authority and responsibility to the NDIA.

3. FUTURE CASTING

What are the effects and challenges for people with disabilities, service providers and workers?

Stepping out of the twilight of the old world into the light of the new one is challenging to all parties: participants, support workers, service providers, and other stakeholders. There is much unlearning to do, before the new environment becomes a comfortable one to accept, embrace and operate in.

The most obvious change is that the new world is 'person centred', The participant is at the centre and meeting his 'necessary and reasonable needs' is the central objective. Relationships become facilitating, and supporting, equal and trusting.

The introduction of outsourced Local Area Coordinators has created confusion, mistrust and suspicion, mainly based on lack of knowledge and misunderstandings. Many organisations have tried to ignore LAC's (in the hope they would go away?) The question has been asked: Is outsourcing Local Area Coordination just a bad decision, or an effort to render it harmless?

Simply, Local Area Coordination as proposed by PC11, was designed to be the lubricant in the system. LAC's should help unravel the intricacies of the system, they should bring parties together and help create consensus. They should advocate for participants, and protect them from carpet baggers and snake oil salesmen. They should create an empowering environment around participants and take them on a journey towards their potential, and connect participants with their community. LAC's are meant to be the 'go to' people!

Outsourcing Local Area Coordination, as indicated above, has changed these dynamics.

Trends

Changes in the landscape, and anticipated consequences and trends:

1. ***The participants: People with disabilities***

In the NDIS the participants have money through direct funding, which – for the first time – gives them a level of ownership over their lives. It gives them decision making powers over how to best meet their 'necessary and reasonable needs', and realise their goals, and a good life in a welcoming community.

Unfortunately, many participants and families, over many years, have had things done 'to them, for them and at them', but rarely with them. In many cases this has led to a level of 'learned

²⁴ Yeatman, A., *Competitive Tendering and Public Values*, 1997

helplessness'. For participants to realise the good life they aspire to, they first need to unlearn this helplessness. They have to accept that they are now in charge of their future (and accept the rights and obligations that come with it). Participants are the ones that now will drive the process and make the decisions. Service providers, and Local Area Coordinators will act as facilitators and advisors, but participants own their decisions, and manage the risks.

Once the money is there, participants can go shopping for services. Service providers are an option. Participants can select one or more providers, or may decide to 'go it alone', and manage their own package. This is a very realistic option in regional and remote areas of the country, where services are few, and far between.

Services to choose from may be disability specific, or generic, like clubs, training, education, allied health services, social groups and employment, or may support other passions. There are many options, and the LAC is there to help choose, negotiate and advocate.

Opening up the market will also open up the sector to people who normally would not consider the sector as a career. Nurses, , students, house wives with time to spare, and many others, will find it attractive to contribute, may be just a few hours a week. It will greatly enrich the sector.

Participants can now select support workers on the basis of compatibility and skill sets. "My Place WA Pty. Ltd." has developed 'A Guide to Engaging Your Own Support Workers'²⁵ It is thorough and it is free, minimises the risk of future conflict, and was highly recommended by Dr Bruce Bonyhady, ex Chairman of the NDIA.

New technologies also offer effective and affordable support. They should not isolate participants from contact with people, as relationships are a critical part of a good life.

Another frequently overlooked option for effective, low cost support is 'man's best friend': Assist dogs, which can be funded by the NDIS:

"Guide dogs and assistance dogs, including the reasonable costs of being assessed for a dog, a dog, user training and veterinary costs".²⁶

People with disabilities with assist dogs require fewer hours of attendance by support workers, and, with the dogs being on duty around the clock, create a safer environment. Assist dogs are also less expensive to employ than human support workers.

There are other benefits that are very positive: The relationship between owner and dog can be rich and rewarding, and a (disabled) person with a dog is more likely to build linkages in the community than one accompanied by a 'carer'.

Other benefits are that the disability sector may expand its capacity without a proportional increase in staff numbers. Also expansion of the assist dog breeding and training sector will increase economic activity and employment, and open up employment opportunities for persons with a disability.²⁷

A likely development is that participants who self manage their packages may connect with others who have similar objectives, and issues. They may support each other, leading to 'communities of practice'²⁸, and eventually, may be, the formation of a cooperative, or small incorporated service provider. A mini responsible autonomy, built on relationships and trust!

²⁵ http://www.myplace.org.au/services/pdf/MyPlace_EngagingBooklet_Web.pdf

²⁶ PC disability Care and Support, Overview, p23

²⁷ Homan, J., Men Women and Dogs, sub0975, PC11, 2011

²⁸ Community of practice is a group of people with common interests who learn from each other, and then practice their learnings.

2.

3. Service Providers

The greatest challenge for service providers will be that, from being a 'protected species', they now have to transition to the competitive environment of the market place. From gatekeepers they will become shop keepers. This will mean a change from a comfortable operational relationship and accountability with the funder, to a dynamic, strategic and trusting relationship with their clients. It will mean a declining demand for 'off the shelf' services. Participants will look for – in many cases niche - services that meet their particular needs and wishes, and that they are prepared to pay for. Service providers will need to embrace innovation which means managing risk rather than be risk averse.

A number of service providers have adopted a strategy of getting bigger in response to the coming of the NDIS. Whether this was a defensive response or motivated by other reasons is an open question. As explained earlier, size does matter, and big may not be better. History has shown that small organisations tend to be more innovative, and flexible. They are better equipped to transition from a top down model of governance to a relationship based organic system.

With the transition to a system where support becomes an entitlement, the number of participants will increase dramatically. This will bring with it a major increase in funding. It will also increase the number of service providers, both not for -, and for profits. That will test whether the culture in the sector will be competitive or collaborative.

Staffing will become a major issue. Several Productivity reports, including PC11 have drawn attention to the difficulties the sector has in recruiting staff.²⁹ Not only will numbers be an issue, but also quality. A common practice has been to engage people on the basis of their skill sets. With participants now having a major voice in staff selection, values and attitudes are likely to become major factors. (If they seem almost right, don't hire them)³⁰

With the new person centred system of the NDIS, where participants make their own choices, traditional disability specific service providers are at a disadvantage. With generic services entering the market, and self-managing of funding packages, issues like minimum engagement periods, shift loadings, penalty rates and other rules and regulation, reduce their flexibility, and increase their costs. This is particularly an issue where full time and part time staff are employed.

Organisations may respond to this in various ways:

- Adopt technology that can help to set their rosters and schedules up to maximise efficiency by minimising travel and down time between clients.
- Change to a higher percentage of casual staff.
- Keep and attract participants through outstanding innovative services with superb outcomes: quality over price.

Possibly the biggest challenge for service providers is to build and grow a new culture that is owned by everybody in the organisation. To quote Peters and Waterman (again):

“Without exception the dominance and coherence of culture proved to be an essential quality of the excellent companies. Moreover, the stronger the culture and the more it was directed toward the marketplace, the less need was there for policy manuals, organization charts, or

²⁹ Caring for Older Australians, # 53, 2011, Contribution of the Not-for-Profit Sector, 2010

³⁰ Russell Wells, insurance executive in a conversation with the author.

*detailed procedures or rules. In these companies, people way down the line know what they are supposed to do in most situations because the handful of guiding values is crystal clear”.*³¹

4. The Workforce

Four anticipated trends are:

1. Transition to casual employment.
2. Transition to whole of sector employment.
3. Training and qualification.
4. Transition from casual employees to ‘sole traders’³².

1. Participants selecting who they employ may force service providers to grow the pool of support workers that participants may choose from. This is a further incentive to employing casual staff.

Participants who self-manage their funding will also be more likely to employ casual staff.

2. Casual employees may choose to work for more than one service provider, and/or self-managing participant. It is also likely that these workers may want to work across the sector, rather than be limited to one discipline. They have a choice to be employed in one or more parts of the sector, disability, health, aged care, mental health and more.

For this to be practical, government will need to make entitlements, like long service leave, portable.

3. In the ‘old system’ service providers were responsible for employees to be properly trained and certificated. In the new world, with the loosening of bonds between organisations and employees, the entry of generic services into the sector, and participants who self-manage their packages, participants will become responsible for determining the qualifications they require. In this process Local Area Coordinator and service providers will need to assist and advise.

It will be in the workers’ hands to decide which parts of the sector they wish to work in and what certification will make them employable. This is likely to create growth and diversification in the training sector. Different organisations, and individuals, will emerge that will offer specialist training in selected subjects. Workers may decide which of these qualifications suit them, and wear them like ‘scout badges’.

To make this possible, government needs to adjust the training certification and standards to accommodate this model.

4. Working for different organisations and individuals creates complexities in relation to taxation penalty rates and other administrative detail. To knit it all together into something that is consistent and makes sense will not be easy. What may be an attractive option will be for casual employees to become ‘sole traders’.³³ It makes the worker a legal entity. The worker needs to comply with relevant legislation and will be responsible to the taxation department. The process is relatively simple and inexpensive. A good accountant is all it takes! A major advantage is that sole traders can negotiate pay rates, and can invoice the service provider or participant.

Summary

³¹ Peters, T. J., Waterman Jr, R. H., In search of excellence, 1984

³² A sole trader is a one person business where the trader must comply with relevant legislation and is responsible for paying appropriate taxes.

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There is much evidence, empirical, and supported by studies that demonstrates that a person centred approach creates superior outcomes for people with disabilities, enables them to reach their potential and take their place as respected members of community. There is also compelling evidence that the PC11's NDIS can not only be self-sustaining, but may contribute to GDP, rather than be a cost to the budget.

Factors that will reduce operating costs:

1. Participants are prepared to manage risk, whereas service providers tend to be risk averse, which increases costs.
2. More trust equals more speed, equals less cost, and better outcomes.
3. Inclusion in community tends to change support from paid to voluntary support.
4. Increased employment of assist dogs will reduce the need for paid workers.
5. With increased early intervention, improved access to assistive technologies and targeted individual support, many NDIS participants will become less dependent on the system,

Benefits of the PC11's proposed Local Area Coordination working in close partnership with the insurance model:

1. Reduced reliance by participants on paid services.
2. Many participants will gain employment.
3. Many skilled carers will return to the workforce.

The final outcome of a successful NDIS will be reduced inequality and a positive contribution to the economy.