



**Community and Public Sector Union  
Submission:**

**National Disability Insurance Scheme  
(NDIS) Costs**

**July 2017**

## **Productivity Commission Inquiry into National Disability Insurance Scheme (NDIS) costs**

This submission has been prepared by the joint divisions of the Community and Public Sector Union (CPSU), the primary union covering public sector workers in the Commonwealth, State, and Territory governments. Our members work in the government disability services sector in the National Disability Insurance Agency (NDIA), and in state government disability services departments in roles directly working with and supporting clients (eg. social trainers, disability support workers, local area coordinators, community support teams, etc), and policy, planning, management and administrative roles. While the CPSU supports the principles of the NDIS, we have significant concerns about the impact of inadequate resourcing of the NDIA, the outsourcing and fragmentation of functions and the widespread use of non-ongoing and labour hire staff on outcomes for NDIS participants.

The CPSU previously made a submission following the release of the Productivity Commission's Issues Paper and acknowledges that a number of our concerns were addressed in the Position Paper. Many of the issues highlighted in the Position Paper were the direct result of resource pressures, staffing pressures and uncertainty in plans. This supplementary submission focuses on recommendations and findings related to:

- Resource pressures on the NDIA;
- Planning processes, including plan reviews;
- The staffing cap.

### **Resource pressures on the NDIA**

The CPSU cautiously agrees with the Productivity Commission's finding that *"the National Disability Insurance Agency's (NDIA) focus on participant intake has compromised the success of the scheme"*. The focus on intake and far from adequate resourcing has led to gaming where NDIA processes are geared towards meeting targets in the Bilateral Agreements. It has resulted in timeframes blowing out, creating significant workload pressures on staff.

The CPSU has been informed that the blowout in timeframes has affected the quality of plans as staff are pressured to process as many plans as possible to meet targets. There is an acceptance that many of the plans will be reviewed. Members inform the CPSU that the pressure is such that even Senior Executive Service staff are "bursting under the pressure".

Staff report they are being directed to breach the NDIS Act by making changes to a typical support package beyond their approved delegation level. Staff have informed the CPSU that they have been asked to go beyond their delegations to get increased uptakes to meet targets. It is deeply concerning and highlights the extent of the resource pressures on the NDIA.

The CPSU does not agree that the NDIA needs to find a better balance between participant intake, the quality of plans, participant outcomes, and the financial sustainability of the scheme during the transition period.<sup>1</sup> As the Productivity Commission Position Paper noted, the NDIA is operating under demanding time and resource constraints.<sup>2</sup> While there are trade-offs between the quality of planning processes and how quickly the scheme can reach new participants, the failure to provide adequate staffing and resources has affected the quality of plans. What is required is for the NDIA to be properly funded to meet the targets set.

The NDIA does not have adequate facilities and many staff are still working out of the back of Department of Human Services (DHS) offices. Members report significant IT system problems with the client relationship management system that replaced the SEBEL system, resulting in slowed down plan processing and long waits for plan approvals and paying providers. The National Broadband Network has also not rolled out as planned and many regional areas do not have the connections necessary. Planners are having issues accessing the portal and many are working off wi-fi dongles and in offices that do not have printers. The basic IT supports that NDIA staff need to do their jobs are not in place.

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<sup>1</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra.

<sup>2</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra.

Given the blowout in times for plans and the need for additional resources, there should be consideration of pushing out the NDIS deadlines. The CPSU notes that timeframes were changed for the National Broadband Network. There should be a serious conversation about changing timeframes for the NDIS to ensure that the focus is on the quality of plans for clients rather than the sheer numbers that need to be processed by a deadline.

**Recommendation:**

- The NDIA is provided with additional funding to meet increasing workloads and extending the deadline for meeting NDIS plan targets is considered.

**Planning processes, including plan reviews**

*Fragmented processes and outsourced functions*

The CPSU agrees that current planning processes are not operating well and need to be improved. The Position Paper's finding that "*the speed of transition and performance indicators that focus on participant numbers have placed pressure on the National Disability Insurance Agency to finalise plans quickly, and the quality of plans has been compromised*" reaffirms what NDIA members have been telling us.

Many of these problems are because of inadequately trained staff, the use of labour hire and also the fragmentation of responsibilities between the NDIA and external organisations that are providing Local Area Coordinators (LACs). LACs play an important role and are designed to connect people with disability to services in their communities and to improve how services support them. The separation of LACs from planning, however, has meant a disjointed process, with LACs often diverted away from their intended activities. There would be a significant improvement if there was a greater connection between LACs and the planning process. Planners need to meet with LACs face-to-face but this often does not occur.

The problems are, in part, because the NDIA experimented during the trial with a number of options for delivering LACs' activities. In some regions LAC were in-house, in others it had been outsourced. The NDIA has ultimately chosen to outsource the LAC functions, and this arrangement was put in place for the beginning of the rollout. The CPSU understands that the reliance on third party providers to provide services is a cause of many of the delays.

The continued outsourcing of LACs will worsen this fragmentation. The CPSU notes that over the coming year LAC Partners (outsourced LACs) will be employed across Australia, outsourcing 7,000 future NDIA staffing positions.<sup>3</sup> These LACs will complete the pre-planning function of the NDIS, submit this for approval to a NDIA employed planner, and once approved will implement the NDIS plan.

In some areas, planning discussions are conducted and plans are prepared by Local Area Coordinators (LACs). However, under current legislative arrangements, LACs do not have the power to approve plans; that is, plans prepared by LACs must still be approved by the NDIA. The NDIA has suggested that there may be some benefits to allowing approval functions to be delegated to LACs.<sup>4</sup> The CPSU does not support this proposal to allow approval functions to be delegated to LACs as it would effectively be outsourcing NDIS plan approvals as many LACs roles are handled by external organisations.

As noted by the Productivity Commission Position Paper, risks of outsourcing approvals include:

- the reduction of control and oversight over plans and allocated supports, affecting the sustainability and the realisation of outcomes within the scheme;

<sup>3</sup> Luke Bo'sher (2015, 15 September). 7,000 NDIA jobs to be outsourced. Disability Consulting Services [http://www.disabilityservicesconsulting.com.au/resources/7000-ndia-jobs-to-be-outsourced/#\\_edn2](http://www.disabilityservicesconsulting.com.au/resources/7000-ndia-jobs-to-be-outsourced/#_edn2)

<sup>4</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra.

- limiting their capacity to perform other important functions, due to time and resource constraints; creating conflicts of interest (real or perceived) between different roles — for example, it may compromise LACs' ability to provide impartial pre-planning support; and
- reducing clarity and transparency around roles and responsibilities.<sup>5</sup>

Reversing the outsourcing of LACs to ensure better co-ordination with planners would be a far better option to reduce double-handling of plans and fragmentation. Insourcing work would also strengthen the capacity of the NDIA and ensure agency staff have expertise in the area.

#### *Regional variations*

The quality of plans may also be affected by geographical location. The CPSU understands that the national office gives discretion to NDIA regional managers regarding policies to do with planning and review, leading to regional variations.

Furthermore, often in rural and regional areas, reviewers have been asked to remove services from plans because they are not available. In some participants' plans, the NDIS plans have to offset the withdrawal of services by states and territories. For example, the CPSU has been informed that plans have approved nursing care in the Northern Territory which still should be the responsibility of the Territory Government. There is pressure on the NDIA to approve these plans to cover these services because of the gaps that exists.

#### *Skills and capabilities of planners*

The CPSU acknowledges findings from the Position Paper that a number of participants were critical of the skills, experience and training of planners as a whole.<sup>6</sup> While there should be clear, comprehensive and up-to-date information about how the planning process operates, what to expect during the planning process, and participants' rights and options, the issues with planning will not be addressed by more information. Problems with planning are influenced by inadequate staffing, the fragmentation of functions and deskilled processes that aim to maximise the number of plans processed.

The CPSU agrees that the planning process needs to be sufficiently 'deep' so that planners can obtain sufficient information about a NDIS participant for them to make a decision about reasonable and necessary supports as well as ensuring that participants and their carers feel included and engaged in the process.<sup>7</sup> It requires a shift away from relying on non-ongoing or labour hire staff to do the bulk of the work over the phone.

Most planning conversations are now taking place over the phone. The NDIA has explained to the CPSU that this was a deliberate decision to allow people to enter the scheme as quickly as possible, with provision for scheme participants to consider how they will use their supports and amend their goals over the first year.

Phone calls can be handled by casual DHS staff on the general inquiries line or labour hire employees. Again, these staff do not have the specialised training needed. As we stated in our previous submission, this caused major issues as DHS staff did not understand the computer system, had limited training and conducted all of their business over the phone which is not entirely accessible to people with disability.

The CPSU agrees that planning conversations with scheme participants may be said to be rushed and superficial.<sup>8</sup> This is because most plans prepared over the phone are done using questionnaires that have been designed to be administered by call centre employees with no prior knowledge or experience with disability. It was designed in this manner in order to increase the number of new plans to be approved due to the high number of plans that are required to be completed. Unsurprisingly, the quality of service has not met expectations and planners do not get the 'full picture'.

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<sup>5</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra

<sup>6</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra

<sup>7</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra

<sup>8</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra

The CPSU understands that many front of house staff are labour hire contractors on 3 or 6 month contracts. The use of labour hire has meant many staff on short-term contracts with inadequate training are the first point of contact for NDIS clients. The people who participants speak to first for pre-planning are not adequately trained, to the point that some did not even know what a duress button was for. The CPSU has been informed that many have little idea of how the scheme operates or did not know their level of delegation. One member reported that labour hire staff who looked after an NDIA inbox had no idea where to send emails to, meaning it took a month for an email to be sent to her from the NDIA inbox by a client who would have been waiting for a response.

One of the problems highlighted by staff was the constant changes because of the actuarial model of the NDIS. There are constant changes on a day-to-day basis, based on the recommended amount that can be spent within a package, making it almost impossible for staff to be completely across what needs to be done and included in plans. This is made worse by staff working insecurely who have not been able to build up the knowledge and expertise required.

The CPSU supports the draft recommendation to ensure planners have a general understanding about the different types of disability,<sup>9</sup> however, there should be a commitment from the Government to provide the NDIA with the funding and staffing needed to guarantee this. Planners must be provided with the training and skilled up to ensure they have the up to date specialist knowledge and expertise needed. Staff that have skills and experience also must be kept on and actions need to occur to reduce staffing churn.

Planner skills, experience and training need to be improved and that requires moving away from a model where plans are based on phone questionnaires. Reviewing protocols related to how phone planning is used will not be enough given the pressures to process plans to meet targets.

Furthermore, personal development schemes for planners are often very vague and are not specific about qualifications and experience. Noting the recommendation that NDIS planners and support coordinators should be required to hold professional certifications and having specialised planning teams for some types of disability,<sup>10</sup> better remuneration and allowances are needed to attract staff with this specialist knowledge such as personal development leave, reimbursement for professional expenses.

**Recommendation:**

- The first point of contact for NDIS clients are directly employed employees who have been appropriately trained.
- The Government rules out the delegation of approval functions to outsourced LACs.
- The NDIA moves away from a reliance on phone-based questionnaires for processing plans.
- The NDIA provides planners with the necessary training to ensure their knowledge and expertise is up to date.
- The NDIA provides improved remuneration and allowances to better attract specialist staff.

**The staffing cap**

The CPSU welcomes the Productivity Commission's draft recommendation that the Commonwealth should reconsider the staffing cap on the National Disability Insurance Agency, given the importance of developing internal capability and expertise.<sup>11</sup> Our previous submission raised concern about the NDIA staffing cap of 3,000 employees, a significant reduction from the NDIA's initial estimate of

<sup>9</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra

<sup>10</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra

<sup>11</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra

10,595 in 2018-19.<sup>12</sup> The reduction was driven by the outsourcing of 7,000 future NDIA staffing positions.<sup>13</sup>

The current staffing cap of 3,000 people has meant the NDIA needs to outsource much of its work. This presents a particular risk when the agency is so new, and therefore needs to build institutional expertise and knowledge. Many staff at the NDIA do not have long experience with the APS. A third (34.7%) of NDIA staff have a length of service of less than a year compared to a tenth (8.1%) across the APS.<sup>14</sup>

The CPSU notes the Productivity Commission's statement that *"planners with less experience, skill or training can have a detrimental effect on the quality of plans and outcomes. This is because they may have less knowledge about what supports are appropriate, meaning that plans may include inappropriate supports or fail to include appropriate ones."*<sup>15</sup> This emphasises the importance of keeping staff and moving away from non-ongoing and labour hire staff.

There is uncertainty of employment at the NDIA with significant levels of non-ongoing staffing. The most recent data from December 2016 indicates that 27.3% of NDIA staff are non-ongoing, intermittent/irregular or specific task/term employees.<sup>16</sup> This compares to 10.8% across the entire APS in December 2016.<sup>17</sup> Unsurprisingly, there has also been a notable level of attrition, leading to the loss of corporate knowledge. A member provided the example that of a cohort of 20 people hired a year ago, only 3 are still with the NDIA.

The CPSU understands that business support roles have been broken up into tasks and outsourced to labour hire firms. Members have informed the CPSU that non-ongoing staff have been told to go through labour hire to continue working for the NDIA. Rather than training labour hire staff, these employees often 'shadow' other employees. The CPSU has been informed of instances where labour hire staff who have only been employed for two or three days have provided 'training' to new staff. It is of little surprise that many labour hire employees have not been adequately trained about privacy or confidentiality. One member reported an instance where a labour hire employee showing a client's relative information when no permission had been provided to share this information.

Members have also informed the CPSU that many staff, including managers, have come from outside the Australian Public Service and have not been given appropriate training on processes, management of staff and rules.

It is unlikely that NDIS clients will get a high quality scheme if staff do not have basic knowledge about their role and are not properly trained. Staff need to be trained properly about their role and processes and only a direct employment relationship can provide the certainty that this will occur.

The Productivity Commission does note that the Australian Government's Smaller Government agenda may prevent the lifting of the staffing cap that is driving the use of outsourcing.<sup>18</sup> Given the national importance of the NDIS and the perverse incentives to use labour hire and outsource that is being generated, the Government must reconsider its policy and remove the staffing cap.

### **Recommendation**

- The Commonwealth ends the staffing cap associated with its Smaller Government agenda.
- The NDIA ends its use of labour hire and employs staff directly.
- All NDIA staff are provided with a basic level of training about their role and APS processes.

<sup>12</sup> Commonwealth Government (2016). 2016-17 Budget Paper No.4 – Part 2: Staffing of Agencies.

[http://www.budget.gov.au/2016-17/content/bp4/html/09\\_staff.htm](http://www.budget.gov.au/2016-17/content/bp4/html/09_staff.htm)

<sup>13</sup> Luke Bo'sher (2015, 15 September). 7,000 NDIA jobs to be outsourced. Disability Consulting Services

[http://www.disabilityservicesconsulting.com.au/resources/7000-ndia-jobs-to-be-outsourced/#\\_edn2](http://www.disabilityservicesconsulting.com.au/resources/7000-ndia-jobs-to-be-outsourced/#_edn2)

<sup>14</sup> Data from APS Employment Database, 31 December 2016

<sup>15</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra

<sup>16</sup> Data from APS Employment Database, 31 December 2016

<sup>17</sup> Data from APS Employment Database, 31 December 2016

<sup>18</sup> Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Position Paper, Canberra