

## **ABF response to:**

### **Productivity Commission Issues Paper – National Disability Insurance Scheme Costs**

**24 March 2017**

#### **About the Australian Blindness Forum**

The Australian Blindness Forum is the peak body representing blindness, low vision and rehabilitation in the blindness sector. ABF was formed in 1992 and is funded only by its members. ABF is an Australian public company limited by guarantee and governed by a Board of Directors.

Membership of ABF is open to any organisation that has as its primary objects the provision of services to people who are blind or vision impaired, or whose activities are substantially connected with the welfare of people who are blind or vision impaired. ABF is represented in every state and territory of Australia.

As Australia's representative to the World Blind Union, the ABF has strong connections with the international blind and vision impaired community. ABF comprises 16 blindness sector organisations, including consumers and service providers, whose expertise and knowledge across the sector are reflected in the following comments.

#### **Background**

ABF appreciates the opportunity to provide a response to the Productivity Commission Issues Paper on National Disability Insurance Scheme (NDIS) Costs.

ABF and its member organisations support every person's right to participate in and contribute to the community. This includes all people who are blind or vision impaired having the right to access services and technology and to live independently, inclusively and with dignity in the community.

This position is consistent with:

- the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)
- National Disability Strategy 2010-2020 (NDS)
- the Disability Discrimination Act 1992 (DDA).

Overall, ABF is concerned that NDIS Costs will only increase as long as planning and assessment processes are conducted by generalist planners within the NDIA. ABF recommends the NDIA acknowledges and refers people who are blind or vision impaired to specialist assessors with expertise in the blindness sector for planning and assessment to ensure accurate plans are prepared for participants and appropriate supports are recommended. This in turn will reduce costs for the NDIS in the long-term. In addition, the NDIS is based on a system of ongoing personal support for participants. However, the needs of people who are blind or vision impaired are most often episodic and may require intense supports and training when first diagnosed but these needs may lessen substantially over time. Therefore, amendments to the NDIS (Plan management) Rules 2013 and the system as a whole are vital to ensure people with disability who have episodic needs are able to flexibly access the appropriate supports. Again, this will save the NDIA money in the longer term.

ABF also continues to have ongoing concerns that the eligibility criteria for the NDIS excludes millions of people with disability, in particular, people with disability over the age of 65. This, together with the withdrawal of block funding for disability programs, has reduced disability services in states and territories and threatens the viability of specialist service providers.

Finally, the NDIA needs to have an independent review of its policies and needs to consult the beneficiaries of the scheme instead of only internal reviews.

## **Scheme Costs**

*Are there any cost drivers not identified above that should be considered in this study? If so:*

- *how do they impact costs in the short and long term?*
- *how, and to what extent, can government influence them?*

Overall, ABF is concerned that the NDIS Costs are based on a fixed time length and quality of care and compassion are not factored in. That is, the quality of care is broken down into, e.g. a quote for 10 hours for the delivery of a service under an individual's plan. This leads to the quality of those services being "dumbed down" to a fixed prescribed outcome.

While ABF acknowledges the NDIS Costs need to be sustainable, this purely economic approach is contrary to the "person-centredness" philosophy of the NDIS including the notion of choice and control.

ABF is concerned about changes to the definition of "functional capacity". The functional capacity of a person who is blind or vision impaired can change from one month to the next. However, it is very difficult to change a plan once it is in place. This needs to be a more flexible process.

## **Future estimates**

*Why are utilisation rates for plans so low? Are the supports not available for participants to purchase (or are there local or systemic gaps in markets)? Do participants not require all the support in their plans? Are they having difficulty implementing their plans? Are there other reasons for the low utilisation rates?*

Some ABF members report that families of individuals who are blind or vision impaired may be under-utilising their plans because they are overwhelmed by the whole process, including the amount of time necessary to invest in the NDIS process and the element of choice and control.

Other ABF members report that plans may be under-utilised because individuals may be incorrectly assessed or they have had some delays in their plans due to changes and reviews. As the NDIA's assessment tools and processes have moved from a full assessment to management through phone calls (presumably for cost-cutting reasons), the plans have become less meaningful.

In other cases, ABF members are reporting that because many people who are blind or vision impaired require episodic supports, they are not sure at the beginning of a 12 month period what they will need over this time frame and are often over-estimating their needs. ABF would recommend that an additional plan review process is implemented by the NDIA to allow for timely plan adjustments specifically for episodic supports, for example, Orientation & Mobility training for people who are blind or vision impaired. This training is required on an episodic basis when people

move house or start a new job and need training for their new environment. This cannot be predicted 12 months ahead.

ABF strongly urges the NDIA to acknowledge and support the specialist expertise in the disability sector, such as the blindness sector. These specialists can provide specialist assessments that accurately and efficiently apply specialist knowledge to determine the needs of a person who is blind or vision impaired. The NDIA has ignored this expertise in the disability sector however, it can only enhance the NDIS and reduce costs in the longer term.

*Why are more participants entering the scheme from the trial sites than expected? Why are lower than expected participants exiting the scheme?*

In 2010, ABF informed the Productivity Commission of the number of people with disability outside of Government-delivered services but these were ignored and therefore the overall numbers of people entering the trial sites were underestimated.

These estimates did not include all the people accessing disability services in the not-for-profit sector. ABF members in the blindness sector have been providing services to people who are blind or vision impaired for over one hundred years and most of this has been funded through philanthropy and fundraising, not through Government-delivered services.

*What factors are contributing to increasing package costs?*

The cost of technology, aids and equipment was not estimated correctly in line with the needs of participants. For example, the cost of a Braille machine for a person who is blind or vision impaired can vary greatly, depending on the needs of the participant – this could range from a few hundred dollars up to \$5000.

While the average plan is currently said to be \$36,000 per person, for people who are blind or vision impaired, it is currently only around \$15,000. A specialist assessment by a specialist expert in the blindness sector will be more accurate and will be able to keep costs down as there is no waste. An accurate specialised plan gives people greater access to the environment. To be more inclusive, you cannot put a price on independence.

Also, technology for work and social interaction are rejected as “mainstream costs”. However, these mainstream technologies are much cheaper than one-on-one support. The NDIS is penalising those who can be independent.

*Why is there a mismatch between benchmark package costs and actual package costs?*

If a participant needs a CCTV, the benchmark package may not have taken into account their specific vision impairment. For example, a black and white CCTV may be ineffective and a colour CCTV is required. Actual package costs will be individualised and therefore it is inevitable there will be a mismatch between benchmark package costs.

Again, package costs do not reflect the episodic needs of people who are blind or vision impaired. Participants who are blind or vision impaired have to estimate their supports and package costs 12 months in advance, however, this is not feasible for

episodic costs that are unpredictable. ABF strongly recommends an amendment to the NDIS Rules to allow for more flexibility for disabilities with needs that are of an episodic nature.

### **Section 3: Scheme Boundaries**

#### **Eligibility of the NDIS**

*To what extent have the differences in the eligibility criteria in the NDIS and what was proposed by the Productivity Commission affected participant numbers and/or costs in the NDIS?*

Initially it was an accepted rule that if someone is legally blind, this is the benchmark for eligibility for the NDIS. Now it seems there is uncertainty around legally blind people being eligible.

*Are there other aspects of the eligibility criteria of the NDIS that are affecting participation in the scheme (to a greater or lesser extent than what was expected)? If so, what changes could be made to improve the eligibility criteria?*

ABF members feel that eligibility is being dictated by costs not disability. Many people are missing out because of the associated costs. There is an element that the NDIA is rejecting people because it does not understand the functional impact of vision loss and the journey to eye disease, including rehabilitation models. In many cases, technology drives independence for people who are blind or vision impaired.

The eligibility criteria could be improved to ensure that people who have had a severe and profound disability for many years become automatically eligible. For example, an individual who has been legally blind for 20 years is now being asked to obtain an ophthalmology report when they may not have had a need to see an ophthalmologist or optometrist for 20 years.

*To what extent is the speed of the NDIS rollout affecting eligibility assessment processes?*

The speed of the rollout is affecting eligibility assessment processes in some areas and this has to be balanced with participant expectations. While a participant would be considered eligible, they are not getting a planning meeting for many months.

In other cases, the staggered rollout in some areas means someone who is turning 65 and has a disability will miss out on being eligible if the NDIS is not rolled out before their 65<sup>th</sup> birthday. This is manifestly unfair. By the time NDIS is rolled out, people who have enjoyed disability support for 40 years – e.g. people who were aged 63 in 2016 - will miss out by the time the NDIS is rolled out in their region.

#### **Early Childhood Early Intervention (ECEI) Approach**

*Is the ECEI approach an effective way to ensure that those children with the highest need enter into the NDIS, while still providing appropriate information and referral services to families with children who have lesser needs?*

ABF members report that the ECEI approach is, in principle, effective however, the details of the approach are yet to be seen in full. Unfortunately, the ECEI Approach does not acknowledge or utilise the specialist expertise and services of specialist service providers in the disability sector including the blindness sector.

*What impact will the ECEI approach have on the number of children entering the scheme and the long-term costs of the NDIS?*

The ECEI Approach will probably result in a decrease in numbers of children entering the NDIS. ABF submits that if the NDIA is committed to an early intervention approach, it should reinstate the block or program funding that was successfully supporting specialist early intervention programs in the blindness sector. Early intervention programs ensure better outcomes for children in the first instance. If it transpires that they need care and support beyond episodic needs, it would be appropriate to escalate them to an NDIS plan.

*Are there other early intervention programs that could reduce long-term scheme costs while still meeting the needs of participants?*

There are specialist early intervention programs in specialised sectors, such as the blindness sector, that have been successfully rehabilitating people with the support of government block or program funding. A continuation of these specialist early intervention programs would reduce the long-term NDIS costs.

### **The intersection with mainstream services**

*Is the current split between the services agreed to be provided by the NDIS and those provided by mainstream services efficient and sufficiently clear? If not, how can arrangements be improved?*

No the current split between NDIS services and mainstream services is not clear and is inconsistent, particularly in relation to health-related services and aids and equipment as opposed to disability-related services, aids and equipment.

During the last 100 years, the blindness sector has established connections with all health networks and has been able to efficiently and effectively provide a continuum of care for all consumers. These service providers have also developed extensive expertise, knowledge and specialised staff and invested significantly in the provision of education and training at their own expense in order to develop this expertise. It is not appropriate to send people from the blindness sector into mainstream services.

*Is there any evidence of cost-shifting, duplication of services or service gaps between the NDIS and mainstream services or scope creep in relation to services provided within the NDIS? If so, how should these be resolved?*

There is a lack of understanding in relation to the services offered by the specialist disability sector as opposed to mainstream services. It would be much more efficient if the NDIS recognised the value and efficiency of engaging specialists with expertise in the blindness in planning and assessment and provision of services to ensure a high quality of services offered to people who are blind or vision impaired.

*How has the interface between the NDIS and mainstream services been working?  
Can the way the NDIS interacts with mainstream services be improved?*

The way the NDIS interacts with mainstream services has been a failure and must be improved. Examples include the education system excluding all NDIS-related activities to the detriment of children with disability and the medical profession having no knowledge of the NDIS.

This indicates the government's National Disability Strategy 2010-2020 has failed to achieve its goals. Disability is still regarded as either an issue for the not-for-profit sector or an issue for the government department that runs disability services. In most cases mainstream services and programs such as transport, local government services, financial services, retail and the building industry, struggle with being able to integrate people with disability into the community.

### **Interface between the NDIS and mental health services**

*How will the full rollout of the NDIS affect how mental health services are provided, both for those who qualify for support under the scheme and those who do not?*

For people who are blind or vision impaired, the impact of their vision loss results in feelings of grief and loss, which can lead to depression and other mental health issues. For those people who are eligible for the NDIS, it is essential that they obtain the best specialist services so that they acquire all the necessary skills to live an independent life and reduce the need for mental health services.

*What, if anything, needs to be done to ensure the intersection between the NDIS and mental health services outside the scheme remains effective?*

Ensure participants get the best specialist care available so that they have less of a need for mental health services. Participants must receive access to adjustment to vision loss counselling immediately upon diagnosis so that there will be less need to mental health services later on.

### **Information, linkages and capacity building (ILC)**

*Is the range and type of services proposed to be funded under the ILC program consistent with the goals of the program and the NDIS more generally?*

No, the range and type of services initially promised to be funded under the ILC program has changed substantially. The original proposal was that ILC would reflect the "Tier 2" programs including block funding and early intervention programs. The goal of this was to continue to provide disability services to those who were not eligible for the NDIS. Now, the way the ILC program has been developed, it is only tools and awareness programs, delivered by mainstream services for a limited time or on an ad hoc basis.

In addition, the allocation of \$132m is inadequate to cover the 3.8m people who have disability but who are not eligible for the NDIS, including people over the age of 65. When the Government introduced amendments to the NDIS Act in 2013, it was acknowledged that vision services were a separate group that may require a separate solution. The joint press release from The Hon Jenny Macklin MP and

Senator Jan McLucas stated that ‘existing services for older Australians, such as hearing and vision services, that complement the assistance available through aged care will also continue to provide supports to people who develop a disability after age 65’<sup>1</sup>..

*What, if anything, can be done to ensure the ILC and LAC initiatives remain useful and effective bridging tools between services for people with disability?*

The ILC and LAC initiatives are not going to be effective bridging tools between services as they are not consistent or long term (due to the grant process) and they are not necessarily being run by the specialist organisations in the relevant sectors. It will not help ensure individuals do not fall through the cracks – that will be done by the existing specialist service providers who, for many years, have been providing services free-of-charge to people with disability and will have to continue to do so despite substantial reductions in funding. While they continue to exist, however, unless block funded programs are created, resources and necessary skills will be lost and each disability group will lose their speciality.

Specialist blindness services who received block funding under previous arrangements should continue to receive transitional funding to enable them to adjust their business model in preparation for full roll out in 2019. At full roll out, ABF recommends that these service providers continue to receive block funding in conjunction with the NDIS in acknowledgement of the fact that the vast number of clients accessing these services will not be eligible for an individually funded package of supports under the NDIS. A continuation of block funding will help to ensure the future sustainability of blindness services. This would be consistent with recommendations put forward in the Productivity Commission’s 2011 report in regards to Tier 2 of the scheme.

*Is the way the NDIS refers people who do not qualify for support under the scheme back to mainstream services effective? If not, how can this be improved?*

No. Referring people to mainstream services is not appropriate. For example, people who are blind or vision impaired need specialist service providers to provide them with the expertise and knowledge of their disability and the most appropriate services, aids and technology.

As stated above, this can be improved by providing block funding to the specialist service providers and referring people to these specialist services.

## **The intersection with the National Injury Insurance Scheme**

*How will the NIIS affect the supply and demand for disability care services?*

The NIIS may result in “double-handling” of cases by disability care services.

*What impact will the full establishment of the NIIS have on the costs of the NDIS?*

The full establishment of the NIIS will reduce the numbers and costs of the NDIS.

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<sup>1</sup> <http://www.formerministers.dss.gov.au/13171/government-amendments-to-ndis-bill/>



*Are sufficiently robust safeguards in place to prevent cost shifting between the NIIS and the NDIS?*

No comment.

## **Section 4: Planning processes**

*Is the planning process valid, cost effective, reliable, clear and accessible? If not, how could it be improved?*

No, the planning process is not valid, cost effective, reliable, clear or accessible.

In particular, participants in the NDIS cannot access any NDIS information in alternative formats. This means that people who are blind or vision impaired cannot independently register themselves with the NDIS or read their own plans.

The planning process does allow for episodic support. Section 6.3 of the NDIS (Plan management) Rules 2013, which stipulates that:

Some supports in the statement may be described generally, whether by reference to a specified purpose or otherwise. For such supports, the participant will have a high degree of flexibility over the implementation of the supports.

However, there is no reference to people whose support needs are of an episodic nature and may fluctuate over time. ABF recommends that the NDIS Rules be amended to specifically recognise supports that may be of an episodic nature allowing much more flexibility for people who are blind or vision impaired.

The planning process could also be improved by ensuring a participant is aware they are entitled to have an advocate of their choice at any planning meetings. ABF members report that when a participant has an advocate present in their meetings, the participant generally obtains a better outcome.

The planning process ignores the established experts in the blindness sector who could provide specialist assessments and expert advice in the planning process for people who are blind or vision impaired. Ignoring specialist experts in this way leads to duplication and higher costs to the NDIA, not to mention a sub-standard plan for the participant.

ABF has in the past offered its services as specialist assessors to the NDIA CEO, Mr David Bowen. However, at that time ABF was advised that the NDIS will have planners with specialist skills and expertise to carry out this function. This has not transpired and the planners have generalist skills rather than specialist skills.

*How should the performance of planners be monitored and evaluated?*

One way for the performance of planners to be monitored and evaluated is to link the outcome of the goals of the participants to the planner that did the plan and assessment. However, this would be relying on the retention of staff over a number of years for this evaluation to take place.

In contract, if a specialist service provider conducted the planning process, their success and reputation as an expert in that field would be at stake if their performance was not satisfactory.

### **Assessment tools**

*Do NDIA assessment tools meet these criteria? What measures or evidence are available for evaluating the performance of assessment tools used by the NDIA?*

The NDIA assessment tools are generalised and sometimes insulting (e.g. asking a person who is deaf if they can tie their shoes). The assessment tools need to be specific to a disability and explore the functional impact of that disability. The questions need to be more open-ended to ensure the participant has an opportunity to articulate their needs.

ABF reiterates that the blindness sector can assist the NDIA by providing specialist assessments to ensure participants who are blind or vision impaired receive the most accurate assessment and plan for their functional needs.

*What are the likely challenges for monitoring and refining the assessment process and tools over time? What implications do these have for scheme costs?*

The challenges for refining the assessment process and tools over time include the lack of specialist knowledge and expertise within the NDIA. This will have ongoing implications of inaccurate assessments and inappropriate plans for participants that will lead to increase costs for the NDIS.

### **Creating a support package**

*Are the criteria for participant supports clear and effective? Is there sufficient guidance for assessors about how these criteria should be applied? Are there any improvements that can be made, including where modifications to plans are required?*

The NDIA planners do not have a detailed understanding of the specific supports relating to each disability. An improvement to this process would be to allow specialist experts in the blindness sector to assist in the planning process as they have the expertise and knowledge of all supports relating to blindness and vision impairment including the latest technology that is available.

*To what extent does the NDIA's budget-based approach to planning create clear and effective criteria for determining participant supports? To what extent does it lead to equitable outcomes for participants? What improvements could be made?*

The NDIA's budget-based approach does not lead to equitable outcomes for participants. The budget-based approach ignores the philosophy of choice and control. It also does not recognise that some mainstream products have an application to disability and that should be funded in this context. For example, many people who are blind or vision impaired would benefit from the accessibility features that are standard with Apple products such as iPhones and iPads. While these are mainstream products, mainstream consumers are not buying them for their accessibility features but people who are blind or vision impaired do. Therefore,

these products need to be considered as reasonable and necessary supports for people who are blind or vision impaired.

*What implications do the criteria and processes for determining supports have for the sustainability of scheme costs?*

If the NDIA invests in equipment and technology for people who are blind or vision impaired up front, it will save money in the long run. For example, some aids and equipment may be expensive to buy but they last for many years and will make a participant independent and much less likely to need additional services.

*Are the avenues for resolving disagreements about participant supports appropriate? How could they be improved?*

ABF members report that there have been inconsistencies in the resolution of disagreements, in particular in relation to waiting times for reviews. This can take too long and can have an impact of early intervention. In other cases, a change to a plan may be due to a mistake made by the planner and it still takes too long to resolve.

This could be improved by ensuring there is funding for support work to be carried out by specialists with expertise in the blindness sector to assist in making plans as accurate and specialised as possible.

## **Section 5: Market Readiness**

### **Will the workforce be ready?**

*What factors affect the supply and demand for disability care and support workers, including allied health professionals? How do these factors vary by type of disability, jurisdiction, and occupation? How will competition from other sectors affect demand (and wages) for carers? What evidence is there from the NDIS trial sites about these issues?*

The blindness sector in Australia has always had consistent specialist staff however, the reduced funding and reduced hourly rates for allied health professionals is putting enormous pressure on service providers in the disability sector. These service providers are now having trouble retaining staff and their corporate knowledge because wages are too low. Service providers are also under pressure due to the increased workload associated with the NDIS and the need for extra administration staff.

The introduction of the NDIS and the separation of people under 65 into the NDIS and those over 65 into the aged care sector has had an enormous impact on service providers in the disability sector.

Managing clients under the NDIS and the aged care system has had a huge impact on the disability workforce as the two systems are so different and require completely different administration systems and two different quality assurance systems. This has increased costs for service providers in the disability sector.

*How will an ageing population affect the supply and demand for disability carers (including informal carers)?*

The ageing population will increase the demand for disability carers, however, due to the age limit of 65 years old for participants in the NDIS, it is unclear what disability support people over the age of 65 will receive from the aged care sector.

*Is increasing the NDIS workforce by 60 000-70 000 full time equivalent positions by 2019 20 feasible under present policy settings? If not, what policy settings would be necessary to achieve this goal, and what ramifications would that have for scheme costs?*

The NDIA should consider outsourcing some of its functions to the specialists in the disability sector who could carry out specialist assessments to ensure an efficient and cost-effective process.

*How might assistance for informal carers affect the need for formal carers supplied by the NDIS and affect scheme costs?*

Assistance for informal carers would reduce the need for and cost of formal carers. However, the participant and their carer should have choice and control over this issue and the NDIA should not be relying on informal carers as a cost-cutting measure.

*To what extent is the supply of disability care and support services lessened by the perception that caring jobs are poorly valued? If such a perception does exist, how might it best be overcome?*

The fact that the NDIA is paying less for services and therefore squeezing the margins of service providers indicates that even the NDIA does not value disability care and support services. This can be overcome by better prices for services and block funding for service providers to provide programs outside of the NDIS.

*What scope is there to expand the disability care and support workforce by transitioning part-time or casual workers to full-time positions? What scope is there to improve the flexibility of working hours and payments to better provide services when participants may desire them?*

Retention of staff and their expertise would be improved if there was job certainty in the disability sector. This would include more full-time positions, flexibility of working hours and recognition of the enormous value and cost-saving opportunities volunteers in the disability sector provide. There is a need to maintain specialist skills which cannot be sustainable with a wholly market-driven approach.

*What role might technological improvements play in making care provision by the workforce more efficient?*

Technological improvements would assist in making the provision of services more flexible and would reduce travel time. This would create more efficiencies for the workforce. However, this needs to be approached with caution as it could create social isolation and lack of connections with the community.

*What are the advantages and disadvantages of making greater use of skilled migration to meet workforce targets? Are there particular roles where skilled migration would be more effective than others to meet such targets?*

The blindness sector does utilise skilled migration as skilled migration has often covered shortfalls in the disability workforce. This has been assisted by the fact that blindness sector agencies have always provided their own training and resources to these workers, such as Orientation and Mobility training.

### **Will providers be ready?**

*Are prices set by the NDIA at an efficient level? How ready is the disability sector for market prices?*

The prices set by the NDIA are too low and are resulting in very small margins for service providers. The disability sector is not ready for market prices and would benefit from transition funding. Ultimately, it is the client that will be affected by these prices.

*How do 'in-kind' services affect the transition to the full scheme and ultimately scheme costs?*

In-kind services will have a detrimental effect on consumers with disability as the State and Territory Governments are starting to withdraw block-funded services and these are not necessarily replaced by a participant's plan. The situation is even worse for people with disability who are not eligible for the NDIS, in particular, people who have a disability and are over the age of 65.

*What is the capacity of providers to move to the full scheme? Does provider readiness and the quality of services vary across disabilities, jurisdictions, areas, participant age and types/range of supports?*

As stated above, the disability sector is not necessarily ready to move to the full scheme and would benefit from transition funding.

*How ready are providers for the shift from block-funding to fee-for-service?*

The shift from block-funding to fee-for-service is having a huge impact on service providers as they have insufficient cash flow to make this transition and their administration expenses are increasing. This impact also affects their ability to attract and retain staff in the longer term.

As stated above, specialist blindness service providers who received block funding under previous arrangements should continue to receive transitional funding to enable them to adjust their business model in preparation for full roll out in 2019. At full roll out, ABF recommends that these service providers continue to receive a block funding in conjunction with the NDIS in acknowledgement of the fact that the vast number of clients accessing these services will not be eligible for an individually funded package of supports under the NDIS.

*What are the barriers to entry for new providers, how significant are they, and what can be done about them?*

No comment.

*What are the best mechanisms for supplying thin markets, particularly rural/ remote areas and scheme participants with costly, complex, specialised or high intensity needs? Will providers also be able to deliver supports that meet the culturally and linguistically diverse needs of scheme participants, and Aboriginal and Torres Strait Islander Australians?*

Block funding to deliver services to these groups would be the most efficient way to ensure their needs are met.

*How will the changed market design affect the degree of collaboration or co-operation between providers? How will the full scheme rollout affect their fundraising and volunteering activities? How might this affect the costs of the scheme?*

The changed market design means that service providers are now all competitors with each other and would be less likely to collaborate and cooperate with their competitor. ABF members report that the full scheme rollout is already negatively affecting fundraising and philanthropy in the blindness sector as the general population believes the NDIS is funding disability sufficiently so there is less need for donations. This will result in specialist service providers not being able to continue their work in the disability sector thereby increasing the costs of the scheme. The Government needs to launch a positive campaign educating the public that the disability sector is not fully funded by NDIS and still needs support through philanthropy and fundraising.

### **Will participants be ready?**

*How well-equipped are NDIS-eligible individuals (and their families and carers) to understand and interact with the scheme, negotiate plans, and find and negotiate supports with providers?*

ABF members believe that participants are not ready and that the majority of people do not understand the NDIS. It is also very difficult for participants to anticipate their needs 12 months in advance. Specialist service providers in the blindness sector are providing as much support as possible through, for example, “drop-in services”, but such services are not covered by the NDIS or ILC and are putting more and more pressure on the livelihood of service providers.

## **Section 6: Governance and administration of the NDIS**

*Do existing administrative and governance arrangements affect (or have the potential to affect) the provision of services or scheme costs? What changes, if any, would improve the arrangements?*

Yes, existing administrative and governance arrangements of the NDIA affect the provision of services. This is due to the inaccessibility of the NDIA in relation to information, plans and registration processes because they are not accessible to

people who are blind or vision impaired; difficulties associated with making claims due to system processing problems; and the inability to have access to planners who do not respond to communications in a timely manner.

*To what extent do the reporting arrangements help to achieve the financial sustainability of the scheme? Are they too onerous or do they need to be expanded?*

The reporting information is not detailed enough as to the specifics of each disability, e.g. blindness or vision impairment. The reporting arrangements could be improved by including better reporting by disability types to allow service providers to have access to more specific data and numbers.

*Does the way that the NDIA measures its performance affect the delivery of the NDIS?*

No comment.

*To what extent do the existing regulations provide the appropriate safeguards and quality controls? Can these arrangements be improved?*

The regulations that relate to the provision of services and eligibility should take into account existing relationships with service providers as evidence of eligibility. If a potential participant has had Centrelink approval for a severe or profound condition or has been previously accepted by Government or state government services, eligibility should be automatic.

*Are there appropriate and effective mechanisms for dealing with disputes with the NDIA?*

Currently any dispute with the NDIA cannot be elevated to a higher supervisory level easily or in a timely manner. Participants are required to go through the full complaints process when it could be more easily resolved verbally or with documents. It would be much more productive if participants could call planners directly and get a timely response.

### **Operating costs**

*Is the NDIA's target for operating costs (as a percentage of total costs) achievable? Is it practical? Should it vary over the life of the scheme?*

If 7% is achievable, it seems a bit low and therefore will increase the risk of the NDIA being unable to deliver the scheme efficiently. NDIA employee salaries and conditions appear to be excessive, particularly in comparison with the salaries and conditions of the non-profit sector. Perhaps if NDIA employee salaries and conditions were reduced to a more reasonable level, the NDIA could reduce its operating costs.

### **Market stewardship**

*How appropriate, effective and efficient are the market stewardship initiatives?*

The not-for-profit sector has always operated a lot more efficiently than government departments so it is a fallacy to predict that competition will drive costs down as there were very slim margins to begin with. If the cost of allied health and support

services are driven down any lower it will have an impact on quality. The disability sector is not comparable with mainstream retailers in the Australian economy.

*Is there likely to be a need for a provider of last resort? If so, should it be the NDIA? How would this work?*

There will always have to be a provider of last resort for those people who have exhausted all providers or if the fee being provided is too low. There must always be a base level of support. NDIA should not be the provider last resort, it should be the state governments in these instances.

## **Section 7: Paying for the NDIS**

*Does the current funding split between the Commonwealth and the States and Territories have implications for the scheme's sustainability? Does it affect the NDIA's capacity to deliver disability care to scheme participants at the lowest cost? Are there any changes that could be made to the funding split that would either improve the financial sustainability or the efficiency of the scheme?*

Due to the structure of the NDIS and its funding, the State and Territories appear to be withdrawing from directly providing disability services. In reality people with disability use state government services and have to live within that state or territory, regardless of whether they have an NDIS plan or not. Therefore, there needs to be some responsibility taken by the states and territories in addition to what they contribute to the NDIS.

State and territory governments have lost the incentive and drive to provide funding to ensure their citizens have an accessible environment, for example, accessible local transport, accessible premises, and appropriate wayfinding measures in place. These issues are not covered by NDIS funding in individual plans. This indicates the National Disability Strategy 2010-2020 and the Disability Discrimination Act need to be implemented and enforced in order to ensure all people with disability in states and territories have access to inclusive and accessible environments.

Therefore, there is a need for funding to be allocated from the NDIA to states/local services or additional funding to be allocated to these issues across Australia.

*What proportion of a state or territory's contribution to the NDIS are in-kind services? Are there risks associated with in-kind service contributions?*

Since the introduction of the NDIS, transport subsidies, concessions and other disability programs and services have been withdrawn in order to save money for each state or territory. These services and programs are not being replaced with an NDIS plan. If you are not a participant, these services are being lost. For those who are NDIS participants, these services are being changed or reduced.

Yes, there are risks associated with in-kind contributions because the NDIS may not replace them. The NDIS is not based on creating capital infrastructure. States and



territories will lose services because state governments will “cash” them in. Not-for-profits will have no choice but to sell off their assets to cover their operations.

*What are the implications of the current risk sharing arrangements? Do they encourage either cost shifting or overruns? What, if any, improvements could be made to the current risk sharing arrangements?*

Most of the associated risks with the NDIS is borne by the Federal Government.

*How is the 3.5 per cent increase in a state or territory’s contribution to the full scheme calculated? Is this reasonable? Will it skew the balance of the funding over time? If so, what are the implications? Is there a better way to index contributions?*

No comment.

*How will Western Australia’s agreement with the Commonwealth Government affect scheme costs?*

No comment.

*Is there a better way of paying for the NDIS? For example, would it be better to fully fund the NDIS out of general revenue?*

It would be ideal if the NDIS was fully funded, as promised. The Government has not acknowledged or calculated the social capital contribution of the not-for-profit sector. ABF has estimated over 100,000 people who are blind or vision impaired have not been calculated into the NDIS either by aged or eligibility and not catered for.

### **Towards a financially sustainable future**

*How should the financial sustainability of the NDIS be defined and measured?*

The financial sustainability of the NDIS should be defined and measured by the standard that all people with disability can access and participate in the community.

*What are the major risks to the scheme’s financial sustainability? What insights do the experiences from the trial sites provide on potential risks in the context of financial sustainability? How might the NDIA address these risks?*

The trial sites indicate that the number of participants were underestimated and the average plan was \$36 049 per person rather than the predicted \$34,000.

*Does the NDIA’s definition of financial sustainability have implications for its management of risk? Are there risks that are beyond the NDIA’s remit?*

NDIA’s main risk is that its costs will continue to rise based on the increasing number of participants.

*How does the NDIA progress from identifying a risk to managing it through changes in the delivery of the scheme? Are there any barriers to the NDIA doing this effectively?*

NDIA needs to have an independent review of its policies and needs to consult the beneficiaries of the scheme instead of only internal reviews. Also, the politics surrounding the funding of the scheme must be eliminated. An insurance model does not take into account quality of life as some people will never be fully rehabilitated or achieve full independence.

*Are there changes that could be made to improve the NDIA's management of risk? Should more details about the NDIA's risk management practices be publicly available?*

Yes, better transparency and any decisions made must be supported by evidence.

*Does funding the NDIA on an annual basis affect its management of risk?*

Yes, it would increase its risk as funding the NDIA on an annual basis results in no certainty of plans.

*Are there other ways the scheme could be modified to achieve efficiency gains and reduce costs?*

Yes, costs could be reduced by reducing excessive pay and conditions for NDIA staff. There were elements of disability sector that were not in need of change and this has had an adverse effect on the sector and increased the cost of the NDIS.

*What are the likely longer-term impacts of any cost overruns? How should any cost overruns be funded?*

No comment.