



Submission to:

**Productivity Commission Inquiry
into NDIS Costs – Position Paper**

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Ms Kylie Stokes
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Board Chair

Introduction

Sharing Places Inc is an ACT based, not for profit disability service provider, providing community access and social participation support for adults aged from 18 years who have severe to profound disability. Our clients have very high and complex needs and require full time support and intervention. All clients accessing Sharing Places have a primary intellectual disability, requiring 24/7 intensive support. Our clients present with high and complex needs in the areas of mobility, challenging behaviour, communication, personal care, PEG feeding, seizures, self-injurious behaviour, sensory disorders, and dual disability disorders. Sharing Places is the only disability service provider in the ACT catering to such a diverse set of needs.

Sharing Places recognises that each of our clients is an individual with different needs and desires. Sharing Places works closely with our clients, their families and other agencies in developing and delivering individualised supports within a variety of community settings. Individual plans are developed between our clients, staff, families and carers and other disability service providers. These individual plans include specific and detailed strategies and skills development against goals from a range of learning domains. Sharing Places works to see individuals achieve self-determination in all those matters important to them, and strives to remove those barriers that prevent people from participating fully in our community.

Sharing Places currently supports 150 people across 11 support teams in the ACT, with each support team having access to a team base and wheelchair accessible vehicles. Sharing Places employs permanent staff members (both full time and part time) due to the complexities of the people we support and the need for specialist knowledge management across the organisation. This is also essential for workers to build relationships based on trust, as people with high and complex needs can only achieve their goals when they are in environments where they feel comfortable to take on challenges.

Issues

Sharing Places welcomes the opportunity to provide an additional submission to the Inquiry that addresses the issues outlined in the Position Paper.

Our specific comments on the Position Paper are outlined below.

General Comments

Sharing Places welcomes the position paper, however, we note that the position paper seems to be more an overall assessment of the operation of the National Disability Insurance Scheme than a detailed inquiry specifically into the costs of the Scheme. This is disappointing as the Terms of Reference for the Inquiry specifically focus on reviewing the Scheme's costs.

We would welcome a greater focus and emphasis on examining the costs of the Scheme in the Final Report.

Emerging Cost Pressures

Sharing Places agrees with the identified emerging costs pressures noted in the report. However, these cost pressures generally relate to the demand side of the Scheme.

The position paper talks very little about the cost challenges that are facing disability service providers. While there is some acknowledgement that disability service providers are facing the prospect of workforce shortages, as well as coming to grips with operating in a market that is characterised by price caps, there is little discussion on how these factors are impacting the ability of service to deliver, or their ongoing viability.

While Sharing Places agrees that costs should continue to be regulated on the grounds of efficiency and equity, price settings also need to take into consideration the costs pressures that providers face when operating in the Scheme. Disability service providers are currently facing costs pressures in delivery of services, as not all costs are covered by the NDIS. The lack of complete and total cost coverage within the NDIS, as well as the difficulties associated with putting in place cost-recovery mechanisms outside the Scheme, means that disability service providers are constantly faced with financial risks that could threaten their ongoing operation.

As the Position Paper notes, many providers in the sector are small, and around 80 per cent of providers are not-for profit-organisations. Most disability service providers are already very lean and operate on 'the smell of an oily rag'. Given this leanness, it is extremely difficult for disability service providers to create 'capital buffers' to ensure continued viability in times of unexpected cost pressures or unforeseen costs. Any positive cash flows that our organisation has are reinvested back into the organisation.

While the NDIS pricing regime does provide some cost coverage for 'provider overheads', the current pricing is generally inadequate to cover all overheads faced by service providers in the provision of their services. While the majority of 'back office' overheads are covered, other overheads are not such as staff training costs, costs borne by the NDIS absence policy and transportation costs.

The absence of a level of 'base funding' that is constant and in addition to the funding provided through participant plans could potentially see disability service providers pushed to a financial wall.

Staff Training Costs

As Sharing Places noted in its submission to the Issues Paper, staff training costs are a key cost that is not covered by the current NDIS pricing regime or covered by 'general overhead costs/funding'.

While our workforce are required to have the relevant qualifications — qualifications that they generally obtain at their own expense through an education and training provider — there are further costs associated with staff training once they become employed by the organisation.

Sharing Places provides additional training to its staff to ensure that they are able to deal with the types of high and complex support needs that generally affect our clients. The organisation has a very thorough induction process that ensures all staff are

confident and effective in supporting people. This is costly, but essential for the safety of our clients, staff, and members of the public.

In addition, staff receive additional training on the organisation's policies and procedures to ensure compliance with Commonwealth, State and Territory laws and our quality assurance framework.

Previously, Sharing Places has been able to provide ongoing and 'refresher' training to our staff to ensure that their skills remain current. However, the organisation has had to recently forego eight days of training per year for all staff because we can no longer fund the costs associated with providing this training. To provide the training we would need to close the organisation for a week each year – that is a week where we would have no income, and we cannot survive without income.

These extra training opportunities were especially utilised for innovation and knowledge sharing, and this is a significant issue for the organisation moving forward.

Sharing Places is of the view that the NDIS should provide additional funding to registered service providers to cover the costs associated with staff training and development.

Absence Policy and Costs

As Sharing Places noted in its submission to the Issues Paper, the NDIA's absence policy is systematically unfair to people with disabilities and the policy creates an unacceptable increased financial risk for disability service providers.

People with high and complex support needs generally face a higher incidence of illness than the rest of the population, therefore their rate of absence is consequently higher. The eight days of absence in a year that is provided for through the NDIS is grossly inadequate and inconsistent with the incidence of absence experienced by the individuals who receive funding. Indeed, eight days absence is not even comparable to the absence rates of generally healthy people in the workforce, who received some four weeks of paid sick leave per year.

Further, as noted, disability support services like Sharing Places require a permanent and highly trained staffing cohort to support and to care for our clients. A permanent staff requires a stable revenue regime. The stability of that revenue regime and our ability to operate is compromised by the absence policy – our staff still need to be paid regardless of whether or not our clients are able to attend our service on a particular day. Where a particular client has exhausted their eight days of absences, the financial cost must be worn by the organisation, not by the individual because that individual still has an associated cost to the organisation through staffing. This may force providers to reconsider their risk appetite around continuing to support society's most vulnerable people because of the high cost in carrying more than eight absences per year.

Sharing Places is of the view that the number of absent days should be increased to recognise the high and complex needs of people living with severe intellectual and physical disabilities.

Transportation Costs

Prior to the NDIS, block funding arrangements provided the opportunity for service providers together with service users to determine the priorities for service delivery, taking into consideration the unique differences of service delivery by each service provider. Thus, Sharing Places was able to provide people with specialised transportation needs with vehicles customised for their needs and shared across the 150 people accessing the service. The vehicles are an essential component to ensure people with high and complex support needs have opportunities for community inclusion, and valued roles within their community alongside other members of the community. Having access to specialised vehicles is also essential in order for participants to have opportunities to develop and grow relationships within the community, and to contribute as active members of their community.

The lack of funding for transport under the NDIS has meant that the cost of vehicles needs to be covered by either the provider or the participants. There is currently extreme financial pressure on the organisation's overheads to cover the absences that are not claimable under the NDIS, plus staff training being kept at a minimum requirement in order to adequately support people with very high and complex support needs, and providing for shared specialised support equipment (such as change tables, hoists, vehicle modifications, and augmentative communication aids). This being the case, Sharing Places has passed most of the vehicle costs to participants under a user pays system. While this has been successful in ensuring the vehicles are available for use by participants, it has come at a high cost for participants and, in many cases, extreme pressure on families financially.

Sharing Places is of the view that the NDIS recognises people requiring specialised transportation, and to provide for this within their plans without compromising their other Core supports.