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Commissioners Angela MacRae and Richard Spencer  
Productivity Commission  
GPO Box 1428  
Barton ACT 2600

**RE: The Commission's Position Statement on National Disability Insurance Scheme (NDIS) Costs**

Dear Commissioners

Thank you for providing an opportunity for Physical Disability Australia (PDA) to provide feedback on the Commission's draft *Position Statement* on NDIS costs.

PDA is a national peak membership-based representative organisation run by people with physical disability for people with physical disability. PDA was founded 21 years ago. We have over 1,000 members from all Australian States and Territories. Our purpose is to:

- Remove barriers by encouraging all levels of government to enable every Australian living with a physical disability and provide them with opportunities to realise their full potential.;
- Proactively embrace and promote difference and diversity for an inclusive society; and
- Include within all our operations the active promotion of the rights, responsibilities, issues and participation of people with a physical disability.

Our submission takes the form of comments on the findings and recommendations published in your *Position Statement Overview*. As with our previous submission, they are drawn from our members and their lived experience interacting with disability service providers, state government departments and the National Disability Insurance Agency (NDIA) in its trial and launch sites.

PDA is pleased to see that some of the advice made in its earlier submission have been favourably considered by the Commission and incorporated into its recommendations.

**How the NDIS is tracking**

The *Position Statement* reported that "cost pressures (such as greater than expected numbers of children and higher than expected package costs) have been offset by lower than expected levels of utilisation [and that] the NDIA has put in place 2 initiatives" to address these issues: the Early Childhood Early Intervention (ECEI) approach; and the Reference Package / First Plan process.

The *Position Statement* opined that "these initiatives appear appropriate, [but that] it is too early to tell whether they will be effective at containing costs" and as such

there is no recommendation relating to these. PDA disagrees with the Commission's assessment of these initiatives and is at a loss to understand how these measures can effectively contain NDIS Costs in the long run.

As we pointed out in our earlier submission, PDA believes the expectation that young participants will leave the NDIS should be largely abandoned. This is because the ECEI Approach is predicated on a partially misguided belief that the lifetime implications of disability can be mitigated the provision of therapeutic intervention early in participants' lives. PDA cautioned against this view as there are many disability diagnoses that are not likely to be mitigated by ECEI approaches, indeed some disabilities become more severe and profound as those afflicted grow larger and older. In these instances, ECEI interventions will be unwise investments that increase both the NDIS lifetime costs for these participants and frustration and disappointment of families when the interventions do not deliver what is hoped-for.

We note that the Commission has requested information from the NDIA on "List D — Permanent Impairment/Early Intervention, Under 7 years — No Further Assessment Required". PDA welcomes this and trusts the Commission will discover that these lists are appropriate for participants with disabilities know to not be amenable to ECEI approaches.

As for the Reference Package / First Plan process, PDA is similarly at a loss to understand how this will effect NDIS costs in the longer term. This is because they are fundamentally pragmatic measures to allow a large number of participants to be inducted into the NDIS in a short timeframe, and it should never be expected that approaches born of a need for haste will realise cost savings in the long run. Rather, they are more likely to increase costs.

As we noted in our earlier submission, people with disability experience varying levels of functional impairment and, because of their varied social and economic situations, will require varying levels of support. If First (and subsequent) Plans are based on Reference Packages with a limited number of adjustable parameters, then the NDIA will receive more plan review requests from participants who do not feel their reasonable and necessary support needs have been met.

PDA therefore advises the Commission to review its in-principle approval the ECEI approach and the Reference Package / First Plan process as it is plainly apparent that they will not have the desired effect on managing NDIS costs.

### **NDIS eligibility**

PDA approves of the *Position Statement's* draft recommendation 3.1 and its general advice that eligibility criteria be rigorous and in keeping with the general understanding that NDIS eligibility be contingent upon participants having "a disability that is or is likely to be permanent, reflecting the irreversible nature of disabilities". This is important as it provides a clear line of demarcation between participants (who are entitled to NDIS support) and members of the community who should be entitled to support from mainstream services. Without rigorous eligibility criteria, we believe NDIS costs are likely increase beyond projections as mainstream providers (particularly in the education and health sectors) attempt to reduce their costs by shifting responsibility for hard-to-support service users onto the NDIA.

## NDIS supports

PDA is delighted to see the Commission's acknowledgement of the pitfalls in the current planning processes and approves of the *Position Statement's* Draft Recommendations 4.1: that plans be able to be adjusted without the need for a full review; that the practice of conducting planning conversations over the phone be reviewed; that participants be better informed about planning processes; and that planning staff be engaged earlier so that they can commence pre-planning before the NDIS arrives in any given region.

With regard to Draft Recommendation 4.2, we would like to see the NDIA assume some corporate responsibility for delivering appropriate disability awareness training for newly-recruited planners. This is because a lot of the planning work has been outsourced "Partners in the Community" non-government organisations with inconsistent ideas about what the key selection criteria for planners should be. From our perspective, would-be planners should be selected primarily on the basis that they possess broad communication and administrative process skills. Having lived experience of disability and/or having work experience in the disability sector are useful attributes for planners to have, but too often (from our members' perspective), this backgrounds do not assist planners in coming to grips with their key task: identifying the participants reasonable and necessary needs and tailoring a support package to meet them in an efficient and timely manner.

## Boundaries and interfaces with the NDIS

PDA is in broad agreement with the *Position Statement's* Draft Finding 5.1: that the Information, Linkages and Capacity Building (ILC) program should be better resourced. Many of our members will not become participants because they are either too old or their impairments are not 'severe and profound' by NDIS standards and so we have a keen interest in their needs being met too.

## Provider Readiness

PDA approves of much of the detail in the *Position Statement's* Draft Recommendation 6.1: that an independent price monitor be put in place to oversee the price lists for NDIS services and products during the transition phase of the NDIS and that assessments be made as to when prices can be deregulated. If possible, PDA would like to see the second dot point in the list of duties for the price monitor amended to read "determine transitional and efficient prices for supports at a regional state and territory level". This would be a prudent response to the *Position Statement's* Draft Finding 6.1 that "thin markets will persist for some groups, including some participants living in outer regional, remote and very remote areas".

## Workforce Readiness

As stated in our earlier submission, PDA is not as concerned about the expected shortage of disability care workers as others in the disability sector are. This is because our members prefer to exercise personal oversight of those they receive support from to ensure it fits in with their schedules. As such, the support workers our members use are often not formally qualified and are employed on a casual basis.

We noted that the thriving 'sharing' economy that has no shortage of people willing to provide services in transport (*Uber*), food delivery (*Deliveroo*, *Foodora*) and odd jobs (*AirTasker*) industries, and that we believe the people who provide services in the sharing economy would also be attracted to the role of casual disability care and

support worker as it can combine the ability to pick-up work outside business hours with reasonable rates of pay, superannuation and favourable working conditions. We also argued that it was unreasonable to expect informal carers to continue to dedicate large portions of their time to support participants on a voluntary basis (with or without the NDIS equivalent of the token assistance of carer allowances / payments provided by Centrelink), and that participants should be free to employ family members, friends and people from their local community as support workers if that is their choice.

PDA therefore endorses part of the *Position Statement's* Draft Recommendation 7.3: that there be no restriction (for the time being) "on paying informal carers who live at the same residence as a participant".

We do not, however, endorse the clauses that restrict participants' ability to do this.

If participants are able to utilise some of their support packages to supplement the income of parents, partners, siblings and other extended family members then they will be less of a burden to them, they will be actively contributing to the economic well-being of the family and they will have the benefit of privacy at those times when they don't want workers in their homes but still need support with particular tasks.

If PDA members want to use their NDIS support packages to employ those who formerly did the work for free, that should be their right.

PDA understands that other disability organisations are not in favour of this relaxation of the NDIA's rules feeling it would allow family members to exploit participants. We feel this fear should not be used to deny others their right to choice and control over who provides their disability support.

### **Participant Readiness**

The *Position Statement* notes that "some scheme participants are finding the NDIS hard to understand and interact with" and that in addition to the NDIA, "other groups can also help participants navigate the NDIS and access the supports that they need, such as: peer support groups and disability support organisations...[and] advocacy groups". However, there is no recommendation that governments commit to properly funding these groups so that they are available to participants in need.

Instead, the *Position Statement's* Draft Recommendation 8.1 calls for the implementation of an *eMarketPlace* to provide a greater range of digital resources. PDA agrees that this is a worthwhile initiative however, it will not little use to those who are unable to use internet devices nor those who reside in regions with poor internet connectivity.

PDA therefore argues that the Commission should recommend that the federal and state governments commit to properly funding a broad range of disability organisations so that they can assist the NDIA in preparing participants for their induction into the NDIS.

### **Governance**

PDA approves of the *Position Statement's* Draft Recommendations designed to increase transparency, entrench insurance principles and provide assurances to

would-be participants in Western Australia that they will receive the same entitlements as their peers in the rest of the country.

However, we find that Draft Recommendation 9.5: that the NDIS find “a better balance between participant intake, the quality of plans, participant outcomes and financial sustainability” to be ambiguous. As the *Position Statement* argues for a greater focus to be placed on the quality of participant’s plans, this should be more clearly stated in the Commission’s recommendations.

## Funding

PDA is pleased to see that our misgivings about the incorporation of in-kind funding in bilateral agreements between state, territory and the federal governments have been appreciated by the Commission. We abhor and condemn them for their roles quarantining some participants from full participation by confining them within archaic and inhuman institutions such as such as Stockton, Kanagra and Colanda (and group homes in general). We are similarly fearful that extending the use of in-kind agreements allows politicians at all level to use the NDIS as a political football through claims that the other entities ‘aren’t paying their fair share’ or are ‘exploiting [their jurisdiction’s] better run economy’.

We therefore heartily approve of the *Position Statement’s* Draft Recommendation 10.3: that “in-kind funding arrangements should be phased out by the end of transition and should not form part of the intergovernmental agreements for full scheme funding”.

PDA is less pleased to see the Commission calling for the setting of a 7-10% budget for the NDIA’s operating costs (Draft Recommendation 10.1). Given that the Position Statement has found deficiencies in the NDIA’s planning processes, and that these are to some extent caused by a lack of suitably trained and knowledgeable staff (Draft Recommendation 10.2), we feel there should be no hard ceiling to the amount of funding provided to the NDIA to administer the NDIS.

It is far more important that the NDIS be implemented well than it is for operating costs to fit within an arbitrary parameter.

## In Conclusion

We thank you for taking the time to read our submission and consider our arguments and recommendations. We hope that you find PDA’s submission to be a useful addition to your resources and that some of our ideas find expression in your final report.

Yours Sincerely

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