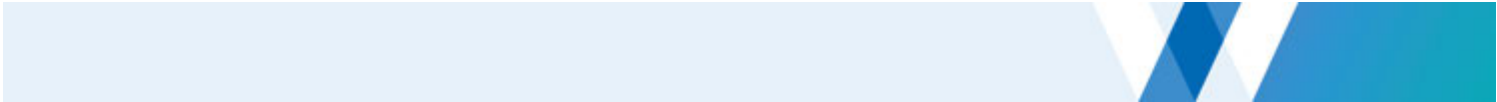


Productivity Commission National Disability Agreement Review

Victorian Government Submission
September 2018



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Department of Premier and Cabinet
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1. Introduction

The Victorian Government welcomes this review of the National Disability Agreement (NDA), and the opportunity it provides for the Commission, the disability community and the public to consider the role of the Commonwealth and State and Territory governments in improving outcomes for people with disability into the future.

In conducting the review, it will be important for the Commission to have regard to work that is on foot in a range of related areas. This includes:

1. work between governments and the National Disability Insurance Agency (NDIA) to respond to transition issues, including efforts to improve how the National Disability Insurance Scheme (NDIS) works with major services, like hospitals; and
2. work between governments to develop a new National Disability Strategy (NDS).

2. Need for ongoing commitment to the national disability reform agenda

The NDA reflects the national disability reform priorities articulated in 2008 and 2012, namely:

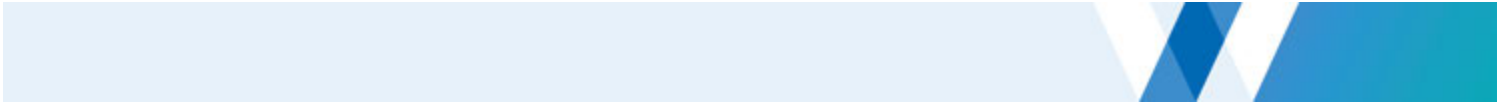
1. building the evidence base for disability policies and strategies,
2. enhancing family and carer capacity,
3. strategies for increased choice, control and self-directed decision-making,
4. maintaining innovative and flexible support models for people with high and complex needs, and
5. developing employment opportunities for people with disability.

The commencement of the NDIS across Australia is not the end of the effort required to implement this reform agenda.

There is a significant gap between the aspirations of the NDA in 2009 and what has been achieved since then. For example, there has been no significant change in the proportion of people with disability participating in the labour force or reporting that they require additional formal assistance. The NDA also aimed to increase participation in social and community activities, but since it was established there has been a 5.2 per cent decrease in the proportion of people who had face-to-face contact with family or friends.¹

The process of designing, trialling and implementing the NDIS has asked a lot of people with disability, families and carers, the disability community, the sector, the workforce, policy makers and political leaders, and will continue to do so, especially as all parties work to resolve a range

¹ < <https://performancedashboard.d61.io/disability> >



of transition issues. For this reason, there is a real risk that, without a concerted effort by all governments, the broader national reform agenda will lose momentum.

3. Purpose and scope of a future NDA

3.1 Clarifying the roles and responsibilities of governments

The way the NDA articulates the roles and responsibilities of the Commonwealth and State and Territory governments in the provision of disability services will no longer be accurate once all jurisdictions have transitioned to the NDIS.

At a minimum, the NDA should be revised to clarify the roles and responsibilities of governments in the provision of services to people with disability, and disability policy more broadly, following implementation of the NDIS.

First, this would involve acknowledging the Commonwealth's role in delivering the NDIS and oversight of the NDIS market. It could also reference the many levers the Commonwealth has to influence the success of the NDIS, such as its powers in respect of the NDIA, and role in setting policy and delivering programs relating to disability employment, income support and education.

Second, a revised NDA could acknowledge the roles and responsibilities of the Commonwealth and States and Territories in the funding, delivery and regulation of mainstream service systems, which impact on all people with disability, regardless of their participation in the NDIS.

However, it would be important for the agreement not to encroach on matters that are the purview of mainstream service systems, as these differ considerably across jurisdictions and many are the subject of their own national sector-wide agreements. The interface between mainstream systems and the NDIS is also complex and the subject of ongoing work between jurisdictions. A future NDA could acknowledge this complexity and explicitly articulate the importance of engagement and consultation between service systems to ensure the delivery of coordinated supports.

Third, a revised NDA could reference the fact that States and Territories continue to provide certain disability services outside the NDIS. It could also refer to the role of local government in delivering such services, similar to the reference to local government in the National Housing and Homelessness Agreement.²

However, while Victoria is committed to its ongoing role in delivering disability services that are out of scope of the NDIS, the diversity of positions among jurisdictions means there is unlikely to be broad support for a future NDA to cover the ongoing role of States and Territories in the provision of specialist disability services in detail.

² < http://www.federalfinancialrelations.gov.au/content/npa/other/other/NHHA_Final.pdf >

3.2 Maintaining focus on the broader national reform agenda

Victoria considers that there is a broader and more substantive role for the NDA in an NDIS context, namely, to assist in maintaining focus on and momentum behind the broader national disability agenda.

Consistent with this, consideration should be given to the extent to which a revised NDA could provide an overarching organising framework for the national reform effort beyond the NDIS. This might involve:

1. contextualising the NDS, as a key existing national reform initiative outside the NDIS,
2. having regard to the national reform priorities set out above and existing initiatives,
3. identifying those areas in which the Commonwealth and State and Territory governments should focus their collective resources to achieve meaningful change for people with disability,
4. providing an effective performance framework and reporting arrangements to improve transparency and accountability, and facilitate greater alignment and integration of objectives, outcomes and performance measures across the reform agenda,
5. providing a mechanism for potential funding to support relevant national reform initiatives, and
6. an in-built review mechanism to prompt governments to consider the currency and effectiveness of the priorities and arrangements under the agreement after, say, ten years.

3.3 Achieving real change through greater collaboration beyond the NDIS

Looking ahead, there are a range of areas in which the Commonwealth and State and Territory governments could focus their collective efforts to achieve meaningful change for people with disability.

As we approach full implementation of the NDIS across Australia, there is likely to be an expectation that a revised NDA might seek to refocus some of those efforts on:

- the disability support needs of people who are not eligible for the NDIS,
- the right of all people with disability to equal access to mainstream service systems, and
- disability inclusion more broadly.

With this in mind, Victoria considers that key areas of possible focus for a revised NDA include disability advocacy support, economic participation of people with disability, and disability data collection and linkages.

Disability advocacy support

Equitable access to strong and ongoing independent advocacy support is crucial to improving outcomes for all people with disability, whether or not they are NDIS participants, wherever they live and whatever their support needs.

For example, a 2018 evaluation of the NDIS found that outcomes under the NDIS are not consistent for all people with disability. Specific groups of people with disability were identified as particularly struggling with the complexity of NDIS processes and documentation, including those with psychosocial disability, literacy problems, cognitive impairment, or from culturally and linguistically diverse and Indigenous backgrounds.³

Access to advocacy is crucial to ensuring that those who are particularly vulnerable are able to access the services they need and exercise choice and control. This is also crucial to the sustainability and success of the NDIS. For these reasons, the NDIS Costs Report makes a compelling case for advocacy to remain outside the NDIS,⁴ and for the Commonwealth, and States and Territories to jointly fund services.⁵

The Commonwealth has announced \$60 million in advocacy funding over three years to 2020. Victoria has a sophisticated advocacy sector, and the Victorian Government is committed to supporting high quality advocacy provision into the future. It has committed to ongoing advocacy funding of \$3 million annually, and announced an additional \$4.3 million over two years in the 2018/19 State Budget. It has also committed \$1.7 million to the Victorian Disability Advocacy Sector Capacity Building Fund, and to the development of a Victorian Disability Advocacy Futures Plan 2018-20.⁶

However, there is concern about the level of advocacy funding available across Australia and uncertainty about Commonwealth funding for advocacy after 2020.

The benefits of supporting people with disability to access advocacy are well known and recognised by Commonwealth and State and Territory governments, but building a skilled advocacy sector will require an ongoing national funding commitment that can complement efforts made by State and Territory governments. Consistent with this, there is a need for governments to work together to ensure the disability advocacy system is equipped to deliver skilled supports that meet the needs of people with disability into the future. For example:

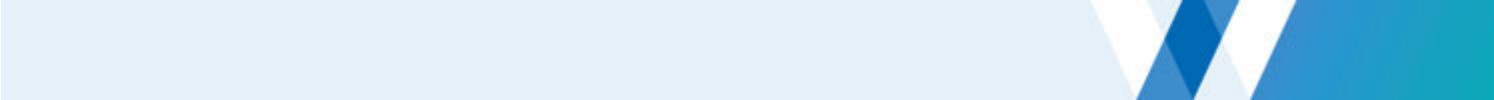
1. Advocacy funding programs at the Commonwealth and State and Territory levels should be cohesive and complementary. Work needs to be done across jurisdictions to align funding efforts with the aim of achieving shared priorities. These priorities could be considered under the NDA or through a review of the National Disability Advocacy Framework (NDAF).
2. Governments should also consider options to give the sector greater certainty about their longer-term funding and resources. Short term or ad hoc grants cannot support the development of a sustainable and skilled advocacy sector, and Commonwealth

³ National Institute of Labour Studies - Flinders University 2018, Evaluation of the NDIS. Final Report p184. <www.dss.gov.au/sites/default/files/documents/04_2018/ndis_evaluation_consolidated_report_april_2018.pdf>

⁴ Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Study Report, Canberra, p384.

⁵ Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Study Report, Canberra, p384.

⁶ State Disability Plan: Advocacy Futures <<http://www.statedisabilityplan.vic.gov.au/advocacy-futures>>



and State and Territory governments should look at options to provide greater certainty and retain skills in the sector.

3. The NDAF, established in 2008, needs to be reviewed in light of changes over the past ten years. The consultation on the National Disability Advocacy Program identified the need for changes in a number of areas, including geographic availability of advocacy support, access for Aboriginal, Torres Strait Islander and Culturally and Linguistically Diverse communities, coordination of systemic issues and data collection.⁷ While some work is being done on this at officials level, it needs to be prioritised, and roles and responsibilities for leading the work need to be clarified. Victoria is progressing similar work at a State level, and recently released a discussion paper exploring options to promote the development of a strong and effective advocacy sector.⁸
4. Arrangements also need to be put in place to ensure ongoing adequate funding of advocacy supports into the future. These should provide for individual advocacy, self-advocacy and systemic advocacy, and they should ensure equitable access to advocacy supports regardless of location or individual circumstances.
5. The NDIS Costs Report indicated that better information on the benefits and costs of advocacy would need to be collected, and that the Commonwealth should conduct an independent review of advocacy funding before the issue of advocacy funding could be resolved.⁹ Victorian agencies currently collect and make available a range of information through quarterly data collection and reporting,¹⁰ but broader analysis of the benefits and costs of advocacy would be assisted by standardised data collection and reporting across Australia.¹¹

Economic participation of people with disability

Labour force participation for people with disability has not improved since the commencement of the NDA.¹²

Victoria and other jurisdictions are working hard at the State level to improve outcomes. For example, Victoria launched its economic participation plan for people with disability in February 2018,¹³ with initial investment of \$2.6 million and further funding in the 2018/19 State Budget.

⁷ Review of the National Disability Advocacy Program. Consultation Report. July 2017. <https://engage.dss.gov.au/wp-content/uploads/2017/07/consultation_report_-_review_of_the_national_disability_advocacy_program.pdf>.

⁸ Victorian disability advocacy futures plan 2018-2020. Discussion paper. <www.statedisabilityplan.vic.gov.au/advocacy-futures>

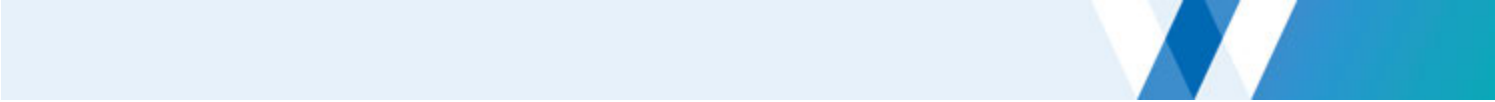
⁹ Productivity Commission 2017, National Disability Insurance Scheme (NDIS) Costs, Study Report, Canberra. Recommendation 10.4.

¹⁰ In July 2017, the Disability Advocacy Resource Unit published a report analysing this data Victorian, and showing common trends in issues faced by people with disability. See: DARU, Disability advocacy by the numbers.

¹¹ Review of the National Disability Advocacy Program. Consultation Report. July 2017. <https://engage.dss.gov.au/wp-content/uploads/2017/07/consultation_report_-_review_of_the_national_disability_advocacy_program.pdf>.

¹² <https://performancedashboard.d61.io/disability/disability_labour_participation>

¹³ Every Opportunity. Victorian economic participation plan for people with disability 2018-2020. <<http://www.statedisabilityplan.vic.gov.au/every-opportunity>>



However, economic participation for people with disability is an area of Commonwealth responsibility, and continued poor employment outcomes across Australia indicate that the Commonwealth needs to play a stronger leadership role in this area.

There are a range of opportunities for all governments, led by the Commonwealth, to work together to improve economic participation and employment outcomes for people with disability. For example:

1. Monitoring the impact of the new Disability Employment Services program (DES), with a particular focus on:
 - (i) participant satisfaction with the program,
 - (ii) employer satisfaction with the program, and
 - (iii) outcomes achieved for all people with disability.
2. Strengthening the sector's capacity to offer more tailored employment preparation and vocational training services (as per the initial intent of the *Disability Services Act 1986*).
3. Replicating and scaling good practice across the sector, such as through the establishment of a national Centre of Excellence in disability employment.
4. Greater collaboration between the DES and State and Territory employment programs, such as the Jobs Victoria Employment Network.
5. Developing a national and cross-sector approach to engaging with and supporting young people with disability in educational settings (e.g. secondary schools, TAFE and universities) to support smoother transitions to work.
6. Enhanced support for traineeships and apprenticeships for people with disability.

Disability data collection and linkages

Improving the availability and quality of disability data is critical to improving the way services meet the needs of people with disability, understanding the impact of reform initiatives and building the evidence base to inform policy-making and determine future reform priorities. The case for investing in better disability data has been strengthened through the development of measures and indicators for the Victorian State Disability Plan Outcomes Framework.

There is significant scope for governments to work together to address current gaps in disability data collection and availability. For example:

1. Victoria is currently identifying pilot services where the Australian Institute of Health and Welfare Standardised Disability Identifier could be used, and would support a national commitment to adopt it more broadly.
2. There are significant benefits to linking NDIS data to other national databases. Real-time, inter-agency data would provide a robust evidence base for use by governments to improve service delivery and support service system integration.

3. Victoria is open to expanding data collection for the Disability Services National Minimum Data Set, although more work is needed to understand the likely benefits and costs.

3.4 Supporting investment outside the NDIS

The roll out of the NDIS brings with it significant changes to the funding of disability services. For example, National Disability Services Special Purpose Payments to Victoria will cease on 30 June 2019, as they will form part of the Commonwealth's financial contribution to the NDIS.

However, governments will need to continue to collectively resource initiatives to support outcomes for people with disability outside of the NDIS. As such, consideration should be given to retaining a funding mechanism linked to a revised NDA. Attaching funding to a future NDA would also assist in generating commitment and promoting accountability among jurisdictions.

In particular, the NDA could create a vehicle for Commonwealth funding to States and Territories to support other national disability reform initiatives. For example, it could:

1. formalise arrangements in relation to advocacy funding, discussed above, and
2. provide a mechanism for funding to support priorities under a new NDS that would benefit from multilateral effort, such as attitude change, accessible infrastructure, housing and income support.

4. Strengthening the performance framework

The Review provides an opportunity to consider how the performance framework under the NDA might be strengthened to improve transparency and accountability and facilitate greater alignment and integration of objectives, outcomes and performance measures across the reform agenda going forward.

Victoria encourages the Commission to consider the Victorian State Disability Plan Outcomes Framework,¹⁴ which is based on the Victorian Outcomes Architecture,¹⁵ as an example of a best practice approach.

¹⁴ Victorian Government Department of Health and Human Services, Absolutely Everyone. State disability plan annual report 2017 < <http://www.statedisabilityplan.vic.gov.au/annual-reports>>

¹⁵ Victorian Government Outcomes Architecture <<https://www.vic.gov.au/publicsectorreform/outcomes/outcomes-architecture.html>>

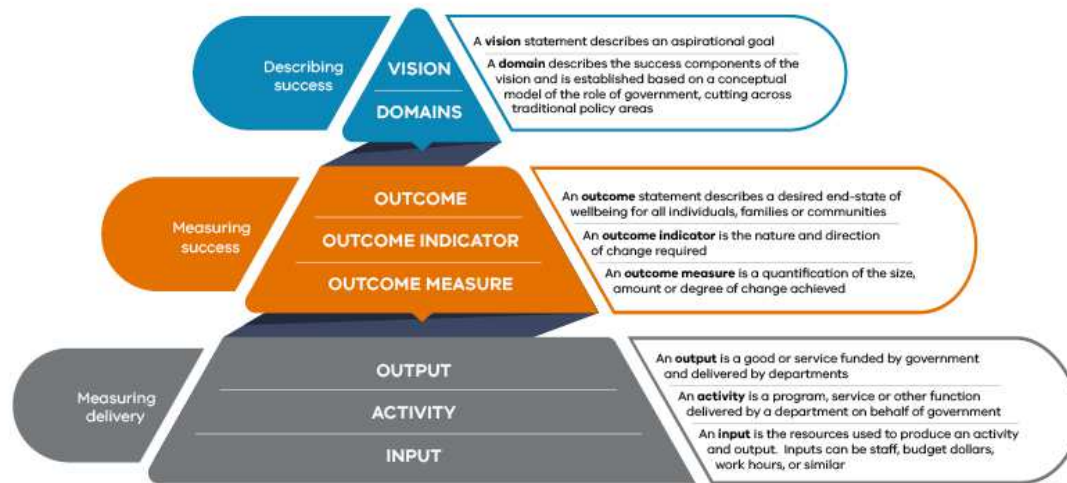
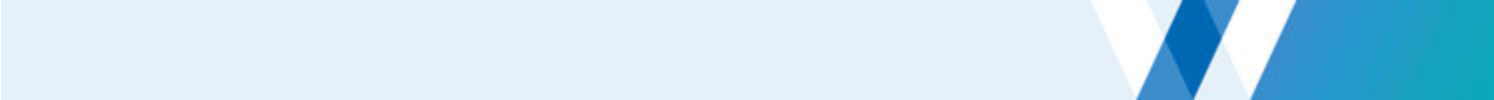


Figure 1. Victorian Outcomes Architecture

By contrast with the performance framework under the NDA, the Victorian State Disability Plan Outcomes Framework seeks to increase the emphasis on achieving outcomes that are meaningful to the community by including a broader suite of outcomes, indicators and measures, and setting a clear direction for improving the quality of life for Victorians with disability.

Consistent with this, the performance framework under a future NDA should:

1. Have a strong overarching vision statement that describes the goal that governments are seeking to achieve through national effort.
2. Make a clearer distinction between outcome indicators and outputs. Outcomes measure impact, whereas outputs measure performance delivery. An outcome indicator is the nature and direction of change required (for example, increased participation in the labour force), while an output is a good or service funded and delivered by governments (for example, number of programs delivered that support people (including carers) to enter the labour market or proportion of funding allocated to labour market participation programs).
3. Contain performance indicators that are more ambitious and do more to support outcomes measurement. As they currently read, the performance indicators under the NDA would be specified as outcome measures in the Victorian Outcomes Architecture. To align with a best practice approach, indicators should specify a direction of travel and show an increase or decrease. For example, to measure the increase in people with a disability participating in the labour market, possible indicators could be the proportion of people with a disability participating in the labour market, or, more specifically, the proportion of people with a disability participating in meaningful employment or full-time paid employment.
4. Not be limited by the available data. The outcomes should be ambitious statements about the impact governments want to have, and should not be limited by the data



that is currently available. By contrast, the performance framework under the NDA appears to start with the available Report on Government Services data and maps to the relevant outcomes. Due to gaps in the available data, such an approach is likely to limit the ambition for the impact governments want to have.

5. Provide a clear line of sight between the things governments are doing and the impact they want to have by mapping the outputs and indicators to the outcomes. By contrast, best practice would not support using outcomes to determine allocations of funding, as this is likely to discourage an aspirational approach to goal-setting.