



About The Ella Centre

The Ella Centre exists to provide people with disabilities, dementia, older people and their carers with activities, services and supports which increase their enjoyment of life and enable them to participate in the community. We provide our service users with valued and fulfilling activities and services respecting their dignity and independence. We ensure carers are valued, supported and have confidence in their futures.

The Ella Centre is a registered Charity with the Australian Not for Profit Commission, ACNC.

The Ella Centre supports 220 families who have an adult child with a disability and receives \$2.5 million in funding from the NSW State Government for its disability services supported by 30 EFT staff. The Ella provides access to community, daily living skills and assistance with self-care services. The Ella has successfully passed the Third Party Verification, TPV, in 2014 and again in 2017 complying with all areas. The Ella Centre has registered as an NDIS provider and is looking to continue to support the families and people with a disability under the NDIS when it rolls out in July 2017 in the Inner West.

Identification of reasonable staff pay point – base hourly rate

The current NDIS cost for direct care work is based on the modern rate of level 2 paypoint 3. This level is usually used for entry level workers under general guidance with limited scope to exercise initiative in applying work practices and procedures. It is generally used to support people with less complex needs. This level used as a blanket unit cost is inadequate for a number of reasons. We do employ level 2 workers, the majority of casuals, but the goal is to develop them into level 3 skilled workers. We also offer level 2 paypoint 4 for some positions that require staff to work with participants with complex needs and are experienced. Also staff on level 2 paypoint 3 move onto paypoint 4 after a year of service. We have 15 staff on Level 2 paypoint 4.

This NDIS requires a new approach to support based more on individual needs and a participant's individual plan. This will require greater staff expertise, training, creativity and flexibility. The requirements to provide a quality support to people with a disability will require staff to use their knowledge, judgement and work skills acquired through qualifications and previous work experience. It will also mean people will need to exercise initiative in the application of established work procedures and require staff to assist in establishing goals and outcomes, with the person with a disability they are working with, for their area of work.

Staff will be required to contribute to the interpretation of matters for which there are no clearly established practices and procedures in implementing a participants individual NDIS plan. It will also require a high degree of judgement, initiative, confidentiality and sensitivity in the performance of their

work. The work will require a person as a minimum to have a relevant certificate and/or experience gained through previous work. These are all characteristics of a Level 3 worker.

Setting the rate at level 2 also means staff are unable to progress up the levels as they spend years gaining extra skills and experience and offer a higher quality service. It effectively locks people into a low wage and provides little incentive for people, through professional development, to increase their knowledge and skills in direct care work.

This rate will also cause some industrial issues as a number of current staff are on level 3 doing direct care work and we may have to let them go as we cannot drop their level down. To retain them will create financial viability issues because the hourly rate is based on level 2 and therefore will not be sustainable. Losing such staff will mean a loss of knowledge and experience. This in turn will reduce the quality of the support to people with a disability as they will be replaced with entry level staff. It is already difficult to attract, maintain and develop staff under current arrangements, that is at level 3. A reduction to level 2 will be to the detriment of the organisation and the service users in terms of quality and the availability of a suitable workforce. We currently employ 15 direct care staff at Level 3.

The rate of pay, level 3, would also need to be reflected for evening, weekends and public holiday rates. During the financial year 2015/16 The Ella centre had 12 full-time staff, 23 permanent part-time staff and 50 casuals. It would be more appropriate to explicitly incorporate the casual rate within the hourly rate.

Reasonable program management and administration costs:

Identification of the average program management and administration staff paypoint.

The level 3 paypoint 2 is an inadequate pay level for supervisors. Our current supervisors are required to supervise staff on level 2 and level 3 of the award. The characteristics required of those in supervising requires the application of knowledge and skills gained through qualifications and/or previous experience in the disability field. They are required to contribute knowledge in establishing procedures in their area of work and across the organisation. This supervision includes in teams and on an individual basis. Staff in these positions involves a range of work functions which contain a substantial component of supervision and are required to provide specialist advice to level 2 and 3 workers. They require a sound knowledge of program, activity operational and organisational policy. They use their skills in time management, setting priorities, planning and organising their own work and that of their team members.

They discuss techniques and procedures with participants and carry out a variety of activities requiring initiative and judgement in the selection of established principles, techniques and methods. They plan program functions with due reference to statutory and legal requirements. They are required to have relevant tertiary qualifications. This work falls under a level 4 position.

Supervisors also have to make time to ensure staff compliance with standards and legislative requirements which have included compliance with requirements around a quality and safeguards

system covered under the 3rd Part Verification process. This will soon include the NDIS Safeguards and Quality Framework. Also, after a year of service the supervisors, under the award, move onto pay point 3 and the next year to pay point 4. This means an increase in their hourly rate which needs to be included. We employ 6 Coordinators/supervisors and all are paid at Level 4.

Some supervisors, who have staff work evenings and weekends also attract an on call allowance. We also have a first aid allowance paid to a staff member at each site.

A number of staff are currently employed in supervisory positions at level 4 and if the unit cost stays at the level 3 then it will cause some industrial issues. To retain staff on level 4 will create financial viability issues because the hourly rate based on level 3 will not be financially sustainable. Losing such staff will mean a loss of knowledge and experience. This in turn will reduce the quality of the support to people with a disability as they will be replaced with less experienced staff on a lower level of pay.

Identification of a minimum direct staff utilisation rate – Non-client facing time

The current 90 – 95% (excluding leave) for staff utilisation means around 45 minutes in a 7.6 hour day (Based on 38 week) is available for non-direct care work. The utilisation rate seems to have been set as if we operate in a perfect world. Some days will go well and 45 minutes may be suitable (not including training and set meeting days), but on other days it is an inadequate amount of time. Working with people with a disability, particularly those with challenging and complex needs, means on any given day a range of circumstances , as listed can occur.

Staff responsibilities include:

- Confirming the days activities
- Liaising with mainstream services to organise visits/services or make bookings
- Reading the communication book to keep updated on the participant's support requirements
- Entering data for the episode of support
- Writing up notes on the days events
- De-briefing if any incidents occurred
- Spending time with the participant's Carer if any incident has occurred to explain the circumstances and impact of the incident. This is essential if the participant is unable to communicate themselves.
- Spending time with Carers/ participants where changing in circumstances have occurred, such as a change in medication.
- Spending time with Carers/participants and other professionals to work through challenging behaviours.
- Regular one on one supervision with their supervisor, at least monthly plus after any significant incidents.
- Attending monthly team meetings
- Training – both general and to keep current with WH&S practices such as manual handling. First Aid requires updating and for participants with specific complex needs, such as PEG feeding.

- Attending or supplying information for case conferences and assisting with issues such as restrictive practices.

Other impacts on participant's support that have implications on a staff member's time include:

- A significant behavioural event
- A significant medical event
- An injury to a worker
- A participant needing personal care at the end of the day when support would normally have ended. This would reduce the staff member's time for their administration.

For staff that work part-time or casual shifts of 3 or 4 hours administration time would be difficult as all the tasks mentioned above at various times still may apply but with half the time administration time allowed. We also work with service users with complex needs and some days staff need an extra break to help prevent burnout.

Workers will become isolated if levels of supervision are reduced to meet such an inadequate level of non-direct support time and with minimal time for training there will be little time for professional development. It could also impact on the quality of any reporting and liaising with Carers. A utilisation rate of 80 - 85% (excluding leave) would seem more appropriate.

The minimum span of hours for program management and administration staff – non client facing time

The 1:15 ratio for supervisor to staff is too high. With the expectation of more individualised work, and potentially less group work, the complexity of supervising staff increases. Staff could be providing support in different locations at the same time. This requires a suitable system to monitor the work.

We have worked on a maximum 1:10 ratio as a maximum to allow the supervisor the appropriate time to provide support and to get to know their staff and the participant/s they are working with for support.

The low amount of administration time available under the NDIS unit cost will make it difficult for staff to attend regular supervision and attend de-brief sessions and place pressure on a supervisor to make regular time for 15 staff. Organisations also have responsibility around the well being and mental health of their staff and need to allow time to support staff in issues beyond their direct care work.

The 1:15 may work in a context of a casual workers pool where staff do not do many hours (Not 15 EFT) and have no expectation of regular supervision and limited or no training, but is inadequate for permanent staff or casuals who do long hours.

When considering managers/supervisors time, less than 90% would be spent on clients or client related matters. They have organisational responsibilities, compliance responsibilities and staff matters (some direct and some indirectly related to clients) take up substantive time. Managers/supervisors also need time to induct and orientate new staff with the industry have a high staff turnover rate.

To get to a 1:15 level of staff to supervisor ratio will mean a drop in the number of supervisors from the current 1:10 ratio. This will mean letting staff go and losing such supervisory staff will mean a loss of knowledge and experience. It will mean staff will have less access to their supervisor for support. This in turn will reduce the quality of the support to people with a disability as they will be replaced with less experienced staff on a lower level of pay.

Defined salary related on-costs

The unit cost may cover the WorkCover premium where there is a low claims record. The issue here relates to WorkCover and if a worker is injured. If the worker requires time off work and needs to be replaced and/or is required to do limited duties and needs replacing there is an additional cost to the organisation. It can also lead to an increase workers compensation premiums. Working with participants with challenging behaviours places workers at a higher risk, even with good safety practices in place. Any increase in workers compensation would not be covered by the NDIS unit cost. Some allowance for the volatility needs to be included.

Working Capital

Some people with a disability with complex needs and personal care needs will require support that means a provider will need premises to provide support outside the home. This relates specifically to adults with a disability that have needs where community facilities, such as change rooms with hoists, are non-existent. It can also relate to participants who have challenging behaviours and require close supervision, privacy or a quiet place from time to time to support their specific needs.

It is more expensive to support participants in these circumstances than those that can freely access the community. Participants are still offered the opportunity to access the community, but a base is still needed to meet their individual needs. The costs of maintaining a facility include, rent, utilities and specialist equipment, such as hoists, needs to be factored into the unit price for participants who need such support.

Transport is another issue where capital is required. We have purchased vehicles and had them modified for wheelchair access including hoists. This has been done because:

- The lack of wheelchair accessible vehicles creates an issue in participants firstly accessing the service, and secondly accessing the community.
- The need to have quick access to a vehicle when a participant with complex needs requires access to facilities for personal care when out in the community, eg they require a hoist that is not otherwise available.
- Some participants, who do not have mobility issues, but are unable to use public transport due to behaviour and require transport.
- The need for reliability due to a person's complex needs and certainty of transport, which cannot be guaranteed when relying on taxis or other forms of transport requiring accessible vehicles.

The issue of transport will be further complicated when the NDIS is fully rolled out and funding for Community transport ceases and relies upon people accessing transport through their NDIS package. There is currently no guarantee that Community transport will continue or be financially viable under the NDIS which will create a greater need for other avenues for transport.

There is a significant cost in the purchase and modification of vehicles that requires consideration for participants who require such transport. This should be a factor in any unit cost to enable service providers to be able to provide transport.

Overheads, allowances and adjustments.

The Ella Centre has reduced its overheads from 19% to around 17% including reducing the hours of non-client staff (administration) such as finance and reception and made a management position redundant. Further reduction, particularly in a time of change and adapting to a new way of doing business, would not seem to be possible. Our modelling suggests an increase in time will be needed to make NDIA claims, monitor service bookings, have individual service agreements and reporting under the NDIS. The establishment fee is a help, but it is a one off payment while many NDIS activities are ongoing. We have also invested in a new client management system to streamline administration.

Margin

We have never separated out a margin from other costs and as we rely on government block funding and the requirements to return surplus funds means we have never operated on a profit basis. We have relied on one off grants and set up costs with block funding to assist in covering infrastructure costs around computers, photocopiers, furniture and other equipment along with occasional fundraising for additional equipment. At times we have used our own funds to purchase equipment where government funding has not been available. This source of government funds will no longer be available.

Quality and Safe Guarding

The Ella Centre recently, March 2017, undertook the 3rd Party Verification process. This is a costly exercise and needs to be reflected in the pricing. The cost to get an independent auditor through a registered provider was \$5500. On top of this was staff time spent preparing for the audit, collating evidence and time spent with the auditors. Conservatively we worked out this added another \$3500 to the cost. This is a conservative estimate as being a current provider we have had systems in place to meet the NSW Disability Service Standards developed over years. Any change to a new quality and safeguard system could incur an additional cost. This cost does not include regular updating of policy and procedures and other aspects of our quality system on an ongoing basis to keep it current.

Other cost issues

To determine the cost of operating a service and the impact on the NDIS a number of questions will need to be answered that would require appropriate research. These include:

- How many providers in trial sites relied on their reserves, assets, resources and capital that were accumulated pre NDIS that will no longer be available under the pricing going forward? This would be needed to determine the real cost of providing support under the NDIS. The Ella Centre has spent \$100,000 of its own funds on a client management system and finance system that will allow it to operate in the NDIS environment.
- How many organisations have decided not to continue due to the pricing? It would be helpful to understand their reasoning including issues such as how they structured their administrative costs, were they inefficient or was it because the NDIS cost was inadequate.
- How many organisations have become financially unviable and ceased trading due the NDIS? This would need to look at the reasons behind the decision to cease trading including not being fully prepared, inadequate systems, the volume of work needed to be viable or whether the NDIS pricing was inadequate. This would assist other organisations in their planning.
- Limiting cancellations to 8 episodes. Participants may have medical conditions or behaviour that requires frequent absences. Sometimes absences cannot be notified in advance meaning staff have already been organised and will need to be paid. Usually such participants with complex needs require staff with specific training and the ability to build up a positive relationship. Staff need some certainty of employment to be retained and so a system that accounts for circumstance beyond 8 episodes in a year needs to be investigated if permanent staff, rather than casuals are to be engaged.
- Research should be conducted to assist service providers determine the volume of work required to ensure financial viability. (Recognising each organisation is different and structures impact on cost).

The setting of unit costs that enable smaller, under \$3 million, providers to remain financially viable will be critical to allow organisations in rural and remote areas to be financially viable, as well as those in urban areas to allow participants a range of choices that include locally based providers to support local communities. The setting of unit costs that only allow large organisations with high volumes of participants to be financially viable places an emphasis on economies of scale and not the quality of the service or choice for participants. It will result in fewer providers and ultimately a Woolworths/Coles type dominance in the market.

It is worth noting the pay and conditions of staff employed in the NDIA is higher than what service providers can pay for people with a similar level of qualifications and/or skills and experience given the NDIS prices. It continues an issue from the current system where government can attract staff based on higher pay and better conditions than what the services that support people with a disability can provide and remain financially viable.

The current unit price for direct care work with rates of pay, level 2, and limited administrative time will mean it will be financially attractive for organisations to:

- Take on participants with less complex needs
- Not provide support to participants with complex personal care and behavioural needs
- Not invest in training staff

- Keep turning over staff so there will be no expectation of advancement past level 2 for direct care workers
- Limit contact with participants and their carers
- Terminate agreements and support where participants cancel more than 8 times
- Not invest in technology beyond basic requirements to meet reporting and service delivery needs
- Not allow for innovation or (managed) risk taking

The ultimate result will be a lower quality service, a low skilled workforce and limited choice for the participant.

Further Note

I note under leave the issue of public holidays, for permanent staff, is not mentioned in the document and how the 10 public holidays are covered in the pricing? Also with direct care staff who get 4 weeks annual leave, does the pricing cover not just their 4 weeks leave, but the fact they have to be replaced and so 4 weeks wages for replacement staff?

Conclusion

The Ella would like to see the unit prices under the NDIS be set to ensure the financial viability of the service providers so participants would have a range of choice of providers and receive a quality service. This would include:

- Setting unit prices for direct care work to reflect work done at level 2 and level 3 of the SHCADS Award and level 4 for supervisors.
- Utilisation rates of direct care workers be set at 80% - 85% (not including leave).
- Staff to supervisor ratios be set at 1:10 to ensure adequate support and supervision of workers
- On-costs reflect some volatility in areas such as workers compensation.
- Capital costs allow for the cost of facilities for participants who require centre based support.
- Capital costs allow for the purchase/use and maintenance of wheelchair accessible vehicles for participants who require transport.
- Further investigation to take place on the concerns raised in the heading above under Other cost issues .

The current price in the NDIS for direct care support is inadequate and as an organisation the Ella is undertaking financial modelling to see if it is viable under the current NDIS prices. Our early indications are that if prices stay as they are it may not be financially viable. We ask that information related to the possibility of reducing staff and the financial viability of the organisation remain confidential as we do not want staff and current participants to worry or speculate on the outcome of our financial modelling at this time.

Philip Coller

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