

VACCHO

17-23 Sackville Street
PO Box 1328
Collingwood, VIC, 3066
P 03 9411 9411
F 03 9411 9599
www.vaccho.org.au

10 June 2017

Productivity Commission
Level 12, 530 Collins Street
Melbourne VIC 3000, Australia

To whom it may concern,

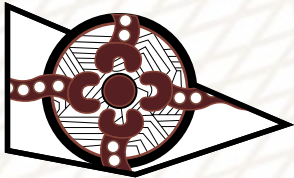
RE: Submission to the Productivity Commission's Inquiry into National Disability Insurance Scheme (NDIS) Costs: Information Request 6.1

Please find attached our submission to the Inquiry into National Disability Insurance Scheme (NDIS) Costs. This submission responds directly to the Position Paper June 2017 and its Information Request 6.1 regarding measures to address thin markets for Aboriginal and Torres Strait Islander people.

Thank you for your consideration of the matters raised in this submission.

Yours sincerely

Jill Gallagher AO
Chief Executive Officer



VACCHO

Submission

Submission to the Productivity Commission's Inquiry into National Disability Insurance Scheme (NDIS) Costs: Information Request 6.1

Introduction

The Victorian Aboriginal Community Controlled Health Organisation (VACCHO) was established in 1996. VACCHO is the peak body for Aboriginal health and wellbeing and also represents Aboriginal community controlled organisations (ACCOs) in Victoria. The role of VACCHO is to build the capacity of our members and to advocate for issues on their behalf. Advocacy is carried out with a range of private, community and government agencies, at state and national levels, on all issues related to Aboriginal health.

Please note: In this submission the word "Aboriginal" refers to both Aboriginal and Torres Strait Islander People. Direct reference to Torres Strait Islander people and the word "Indigenous" have been used where these are part of a title or direct quote.

Nationally, VACCHO represents the community controlled Health sector through its affiliation and membership on the board of the National Aboriginal Community Controlled health Organisation (NACCHO). State and Federal Governments formally recognise VACCHO as the peak representative organisation on Aboriginal health and wellbeing in Victoria. VACCHO's vision is that Aboriginal people will have a high quality of health and wellbeing, enabling individuals and communities to reach their full potential in life. This will be achieved through the philosophy of community control.

VACCHO and our members welcome the opportunity to respond to the Productivity Commission's Position Paper June 2017, which seeks further information for the Inquiry into National Disability Insurance Scheme (NDIS) Costs.

Our input is drawn from the experience and expertise of VACCHO membership in Victoria. Our Member ACCOs have a cooperative membership structure and offer a range of services to their local communities, including but not limited to primary health services. Other services vary across the members but will often include housing, justice, child and family, social and emotional wellbeing, aged care and disability services and may be affected. As such Member ACCOs have a core role in addressing the social determinants of health. NACCHO uses the term ACCOs (Aboriginal Community Controlled Health Organisations) which includes VACCHO Member ACCOs.

Information request 6.1

In what circumstances are measures such as:

- *crossgovernment collaboration*
- *leveraging established community organisations*
- *using hub and spoke (scaffolding) models*
- *relying on other mainstream providers*

appropriate to meet the needs of participants in thin markets? What effects do each have on scheme costs and participant outcomes? Are there barriers to adopting these approaches?

Under what conditions should blockfunding or direct commissioning of disability supports (including under 'provider of last resort' arrangements) occur in thin markets, and how should these conditions be measured?

Are there any other measures to address thin markets?

The Productivity Commission's Position Paper for this Inquiry (June 2017) has found that a more "considered and timely approach" is needed to address access issues in thin markets, including access issues for Aboriginal and Torres Strait Islanders (hereafter Aboriginal), for people with complex needs and for people living in outer regional, remote and very remote areas. The paper also noted that block funding may continue to play a role, as well as provider of last resort arrangements.¹ In the absence of effective government intervention, moreover, "such market failure is likely to result in greater shortages, less competition and poorer participant outcomes."²

Member ACCOS in Victoria could be a critical point of supply to thin markets on the basis of:

- geography (with most Victorian ACCOs in rural areas);
- Aboriginal status (creating a thin market in urban as well as rural areas); and
- participants with complex and specialised needs (including cultural needs and right to cultural safety).

Without assistance, however, Member ACCOs are facing the cost and pricing pressures associated with supply to each of these thin markets. This includes but is not limited to:

- service delivery costs where there are low economies of scale
- travel and recruitment costs in regional areas; and
- unmet costs of providing effective and appropriate support to Aboriginal people, including holistic support for multiple and complex needs and practical support to access and enter the scheme.

For further information on the critical role of and pressures faced by the Member ACCOs, please see VACCHO's previous submission to this inquiry. This includes a range of recommendations, specifically in relation to:

- Up-front investment in the viability and sustainability of Aboriginal community controlled organisations to facilitate choice and control for Aboriginal people with disability;
- Investment in community engagement and awareness strategies;
- Provision of resourcing for cultural workers to support the assessment and planning process;
- Introduction of Aboriginal Cultural Support as a funded Support Category;
- Training in assessment of cultural needs as they impact on disability needs for the purposes of plan development, approvals and reviews;
- Weighting of packages for Aboriginal people;
- Ongoing access to Support Coordination; and
- Development of a national cultural safety accreditation standard.

Block funding to ACCOs may be the best avenue to provide some of this support (e.g. community engagement, cultural support workers and investment in infrastructure), as well as a mechanism to support ACCOs which are unable to break even while servicing a thin market. This is consistent with the Productivity Commission's early findings that a purely market based service delivery system would not deliver adequate care and support to Aboriginal people with disability and that it may be necessary to block fund some service providers in order to overcome the additional barriers that Aboriginal people face.³ It is also consistent with the second implementation plan of the *National Disability Strategy*, which identifies improved outcomes for Aboriginal people as one of its key action areas.⁴

The *Position Paper* notes that the NDIA is considering a number of approaches to thin markets, including:

- leveraging established community organisations (such as those already operating in health, aged and community care sectors) who may also deliver disability services; and
- supporting a provider to access supports from business councils, Indigenous Business Australia, or any other organisation in the Aboriginal and Torres Strait Islander business capacitybuilding sector.⁵

Further, while the details of how providers are to be encouraged to supply thin markets are not yet clear, a more detailed Market Intervention Framework is being developed to address thin markets which will be released later in 2017.⁶ With this Framework, as with the upcoming *Australian Government Plan to Improve Outcomes for Aboriginal and Torres Strait Islander People with Disability*,⁷ it is absolutely vital that Aboriginal organisations and their peak representatives, such as First People's Disability Network and jurisdictional health peaks such as VACCHO, are

appropriately consulted and engaged in identifying the solutions for this sector. It is not adequate to claim that thin markets were present before NDIS, and thus will continue under the scheme, when practical strategies to mitigate this are available and can be implemented.

VACCHO confirms that, if adequately resourced, leveraging established community organisations operating in the health, aged and community care sectors, such as the ACCOs, will be one of the most effective ways of resolving thin markets for Aboriginal people. Based on the experience and feedback of organisations considering participation in NDIS, effective leveraging will require investment in targeted strategies, preferably through block grant funding to support NDIS infrastructure (e.g. IT), and dedicated on the ground staffing for the organisational transition and participant access.

Where prices for certain types of supports remain too low for financially viable service delivery, or to address the complex and specialised needs of the client group, extended supplementary funding and/or weighting for Aboriginal clients may also be of benefit. In some locations, this may be phased out over time if an adequate market size is established through increased participant access to the scheme, while in other sites the client numbers will remain too small to be viable independently. Where no ACCO exists, consultation should be undertaken with the local community to identify preferred suppliers and business models in the region.

Investment in Indigenous Business Australia could have benefits but must be complementary to investment for capacity building through existing jurisdictional peaks and the Member organisations themselves.

It is also essential that NDIS expand its focus on new participants. In Victoria these are capped at very low rates, with no advice about when these caps will be lifted. VACCHO contends that these caps and failure to invest in identifying the high rates of hidden disabilities in Aboriginal communities will reproduce an existing system that, put simply, continues to fail Aboriginal people with disability.

In contrast, if upfront investment is made to identify individuals and support access to the scheme, the insurance principles of NDIS can come into effect, the gap in outcomes for Aboriginal people can be narrowed and long term financial savings achieved. For example, the employment outcomes of Aboriginal people are undoubtedly impacted by the multiple, complex caring responsibilities being carried within communities, often from a young age.⁸ The flow on impacts of this include significant financial costs to the Commonwealth.

In addition, VACCHO supports the recommendations of the *Redfern Statement*. The *Redfern Statement* was released on 9 June 2016 by Aboriginal and Torres Strait Islander leaders from health, justice, children and families, disability, and family violence prevention sectors. It is supported by more than 30 major mainstream organisations including the Australian Medical Association and Law Council. It includes recommendations for:

- Equitable access to the NDIS by Aboriginal and Torres Strait Islander people
- Establishing disability access targets as part of the Closing the Gap framework and the NDIS Quality Assurance and Outcomes framework
- Work to address intersectional discrimination
- Investing in research and development to build an evidence-base of data
- Addressing the imprisonment rates of Aboriginal and Torres Strait Islander people with a cognitive or psychosocial disability; and
- Funding training and community leadership initiatives.⁹

The *Redfern Statement Disability Workshop Communiqué*, which followed in May 2017, calls also for “the establishment and resourcing of an Aboriginal Community Controlled Disability Service Sector for the provision of disability supports by Aboriginal and Torres Strait Islander people with disability for their communities”.¹⁰ It also calls on government to address the systemic barriers facing Aboriginal people in accessing NDIS, which may require direct outreach to Aboriginal people and their communities and culturally specific individual advocacy support for Aboriginal people with disability and their families.¹¹

In conclusion, VACCHO submits that further investment which leverages the capacity of existing Aboriginal community controlled organisations in both of these areas (i.e. service delivery and participant access) is an efficient and effective measure to address the needs of Aboriginal participants affected by ‘thin markets’ across urban, rural and remote settings.

Endnotes

1. Productivity Commission (2017) *National Disability Insurance Scheme (NDIS) Costs: Productivity Commission Position Paper Overview and Recommendations* Productivity Commission, Melbourne. p. 38.
2. Ibid, p. 58.
3. Productivity Commission (2011) *Disability Care and Support* Productivity Commission, Melbourne. p. 531
4. Department of Social Services (2016) *National Disability Strategy 2010-2020: Second Implementation Plan Driving Action 2015-2018*, Australian Government, Canberra. p. 8.
5. Productivity Commission (2017), pp. 230-1.
6. Ibid, p. 231.
7. Department of Social Services (2016), p. 32.
8. Carers Australia: <http://www.carersaustralia.com.au/about-carers/aboriginalandtorresstraitislandercarers/> Accessed on 6/7/2017.
9. First People's Disability Network Australia (2017) *The Redfern Statement Disability Workshop First People's Disability Network*, Sydney. p. 2.
10. First People's Disability Network Australia (2017) *The Redfern Statement: Disability Workshop Communique, First People's Disability Network*, Sydney. p. 4
11. Ibid. See also *First People's Disability Network Australia (2017) The Redfern Statement Disability Workshop First People's Disability Network*, Sydney. p. 2.