

23 March 2017

Productivity Commission  
Review of NDIS Costs

Submission lodged on line: <http://www.pc.gov.au/inquiries/current/ndis-costs>

Level 13, 257 Collins Street  
Melbourne VIC 3000  
PO Box 38  
Flinders Lane VIC 8009  
T: (03) 8662 3300  
F: (03) 9663 6177  
[psychology.org.au](http://psychology.org.au)

To whom it may concern,

**RE: National Disability Insurance Scheme (NDIS) Costs: Productivity Commission Issues Paper, February 2017**

I write to you with regard to *the National Disability Insurance Scheme (NDIS) Costs: Productivity Commission Issues Paper* and thank the Commission for an opportunity to respond. The Australian Psychological Society (APS) is the largest professional organisation for psychology in Australia representing over 22,000 members of whom a significant portion deliver evidence-based psychological services to consumers, including consumers in the disability sector and clients of the NDIS. In making this submission, the APS sought feedback from members who are or have provided services to clients of the NDIS.

In 2011, the Australian Productivity Commission set forth a cogent rationale for a new scheme, the NDIS, to provide services and support to people with a disability:

Most families and individuals cannot adequately prepare for the risk and financial impact of significant disability. The costs of lifetime care can be so substantial that the risks and costs need to be pooled. The current disability support system is underfunded, unfair, fragmented, and inefficient, and gives people with a disability little choice and no certainty of access to appropriate supports. The stresses on the system are growing, with rising costs for all governments. There should be a new national scheme — the National Disability Insurance Scheme (NDIS) — that provides insurance cover for all Australians in the event of significant disability. Funding of the scheme should be a core function of government (just like Medicare). The main function (and source of cost) of the NDIS would be to fund long-term high quality care and support (but not income replacement) for people with significant disabilities. Everyone would be insured and around 410,000 people would receive scheme funding support. The NDIS would have other roles. It would aim to better link the community and people with disabilities, including by using not-for-profit organisations. It would also provide information to people, help break down stereotypes, and ensure quality assurance and diffusion of best practice among providers.<sup>1</sup>

The NDIS Quality and Safeguarding Framework (December, 2016) adds that the Productivity Commission argued that “the NDIS would generate longer-term savings

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<sup>1</sup> Australian Government, Productivity Commission. *Disability Care and Support, Productivity Commission Inquiry Report, Overview and Recommendations*, No. 54 31 July 2011:  
<http://www.pc.gov.au/inquiries/completed/disability-support/report>.

through the benefits of early intervention, increased economic participation of people with disability and their carers, and the likelihood of increased productivity in the disability system".<sup>2</sup>

The APS fully supported the need to improve services to people with a disability and the logic that investing in the NDIS would generate long-term savings. However, as the NDIS pilots have progressed to full rollout, it is apparent that systematic implementation issues are already compromising the quality of care to consumers and will severely impact on any long term savings that might accrue as a result of increased productivity.

The APS has two major concerns with regard to the capacity of the NDIS to achieve the original intent of the scheme:

### **1. Workforce collapse/Failure of market**

The NDIS represents a significant change to the way in which disability services have traditionally been delivered in Australia. One major change in terms of access to allied health professionals such as psychologists is that these services will need to shift from the public sector to primarily the private sector, and possibly some NGOs. A major feature of the NDIS is in fact a more competitive market place. The APS has overwhelming feedback from members, many of whom were previously employed as psychologists with government-funded disability agencies, that providing services as a small to medium business is not a viable option under the NDIS. Many members with significant experience in the disability sector, particularly behavior management, have chosen **not** to register for the NDIS.

The reasons that many psychologists are choosing not to provide services under the NDIS are multiple:

- Inability of small to medium businesses to meet the costs associated with the third party verification process.
- The excessive complexity and red tape associated with registration.
- On-going issues with contacting the NDIS for any administrative inquiry (on top of the discontent created by the lengthy period in which many providers were not paid for work completed under the NDIS).
- Inability to deliver best practice interventions to clients due to poorly informed plans developed by the NDIS planners (e.g., plans do not reflect what is needed to develop and implement a behavior management plan for a client with complex needs; poorly devised/inappropriate behavior management plans being implemented by service providers with inadequate qualifications and experience).
- Lack of communication from the NDIS to service providers when clients have risk-related issues (e.g., no notification to provider of a client history of violence).
- Inequities in the rate of pay between registered psychologists with minimum of 6 years training and other providers of services with significantly less qualifications and experience. This is compounded by poorly defined scopes of practice.

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<sup>2</sup> Australian Government Department of Social Services. *NDIS Quality and Safeguarding Framework*, 9 December 2016: <https://www.dss.gov.au/disability-and-carers/programs-services/for-people-with-disability/ndis-quality-and-safeguarding-framework-0>.

- Inappropriate requests from NDIS planners (e.g., payment for gap fees on MBS services).

In summary, there are currently limited incentives for psychologists to provide services to consumers under the NDIS and this is unlikely to improve in the foreseeable future. This workforce capacity issue will impact on the quality of care delivered and subsequent outcomes for consumers.

## **2. Likelihood of vastly reduced services for people with psychosocial disability**

The APS has serious concerns about the capacity of the NDIS to provide sufficient, appropriate and effective services for people with a psychosocial disability. The Government has already acknowledged that “one third of the 690,000 Australians with severe mental illness have chronic, persisting illness and most have a need for some form of social support, ranging from low intensity or group-based activities delivered through mainstream social services to extensive and individualized disability support”.<sup>3</sup> Of this 690,000, about 290,000 are likely to need individualised community-based support but only 64,000 are expected to be eligible for services. Over 200,000 people requiring support are likely to have to go outside the NDIS to access support.

Those who miss out on NDIS services are likely to struggle to access services. PHNs have limited funding to support clinical service delivery and are not able to commission non-clinical support services. There is increasing evidence that the gap will not be filled through state-funded services. For instance, the Victorian Mental Health Community Support services (MHCSS) are likely to cease operation on the basis of the erroneous assumption services will be replaced by the NDIS.

People with a psychosocial disability who are not eligible for a package are expected to be able to seek assistance through the Information, Linkages and Capacity building program (ILC) that provides information and referrals to community and information services. There are multiple issues with the ILC that will impact on the quality of care for people with a psychosocial disability:

- The ILC system is not yet in place across Australia. Thus, many consumers do not have anywhere to go to source these services. It needed to be in place *before* the roll out of the scheme as people are currently falling through the gaps.
- The total funding budget for the ILC 2019-2020 is \$132 million, which has been identified as being “insufficient” by the previous chair of the NDIA. This is unlikely to be able to provide an adequate service to consumers.
- To what services will the ILC refer clients? The ILC is predicated on agencies being in place that *can* offer support to clients but as noted, state services are tenuous and may to close down. It is very unclear what other options will be available to consumers.

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<sup>3</sup> Australian Government (2015). *Australian Government Response to Contributing Lives, Thriving Communities – Review of Mental Health Programmes and Services*: [http://www.health.gov.au/internet/main/publishing.nsf/Content/0DBEF2D78F7CB9E7CA257F07001ACC6D/\\$File/response.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/0DBEF2D78F7CB9E7CA257F07001ACC6D/$File/response.pdf).

- The ILC does not fund activities such as assistance with cooking and banking, activities that are often critical for people with psychosocial disability.
- ILCs have a broad remit and it is unclear if they will have the relevant workforce, mental health knowledge, skills and experience to provide appropriate services to people with psychosocial disability.

The gap in services for people with psychosocial disability seems to be **widening** (not narrowing) as a result of the NDIS. It is therefore difficult to foresee large scale consumer or productivity gains.

In summary, the APS is concerned that implementation issues with the NDIS will severely impact on the capacity of the scheme to improve the quality of life for many people with a disability and hence fail to bring about the expected productivity gains. It is likely that, particularly for people with a psychosocial disability, rates of homelessness will increase as will the burden on the welfare system as people still struggle to obtain productive employment. It is imperative issues with the workforce are addressed along with the current implementation failures. It is also vital that existing programs such as the federally-funded Personal Helpers and Mentors Scheme (PHAMS) and the Partners in Recovery (PIR) program continue until the NDIS is able to effectively provide services to people with psychosocial disability.

Kind regards

Dr Louise Roufeil PhD, FAPS, MCHP  
Executive Manager Professional Practice