

National Disability Insurance Scheme (NDIS) Costs

A submission to the Productivity Commission
Issues Paper
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Introduction

This submission focuses on two particular areas of interest to the Productivity Commission - the capacity of jurisdictions to deliver disability care and support services as the NDIS expands, and the importance of interactions between NDIS services and mainstream services. From the perspective of The Australian Centre for Social Innovation (TACSI), addressing these matters will deliver better outcomes for people with a disability and have a substantial effect on the longer-term sustainability of the NDIS.

TACSI's perspective is informed by work conducted in recent years with government and not-for-profit organisations involved in delivering services for people with a disability.

This work includes the recently released *NDIS Readiness and Beyond* report. This report documents the findings of a project which brought 18 service providers into a process to design a new 'route to readiness' that would help to fulfil the promise of the NDIS. This submission draws out key findings of that report and other TACSI work as it relates to the Commission's areas of review. The full *NDIS Readiness and Beyond* report is attached to provide further context and detail as required.

Acknowledgements

This submission is predominantly based on the findings of the *NDIS readiness and beyond* report referred to above. That work was made possible by the generous financial support of the Fay Fuller Foundation. TACSI, and our partner in the project, The Difference Incubator (TDi), would like to thank the Foundation for its commitment to making an impact for people with disability.

We would also like to give our thanks to the disability service providers that were involved in the project's rapid consultations and prototyping for their participation and honest feedback.

Capacity to deliver services as the NDIS expands

Ensuring services supplied meet demand and NDIS aspirations

Crucial to the NDIS delivering on its initial promise is the readiness of suppliers of disability services to operate and excel in the new, consumer directed funding environment where people with a disability get to choose the services they want.

In working with 18 service providers as part of the *NDIS readiness and beyond* project, and people with a disability more broadly, TACSI has found a tentative reception for the NDIS.

For people with a disability their hopes for the NDIS are tempered by frustrations with bureaucracy and a lack of confidence that providers can deliver. Similarly, providers themselves, while committed to improving outcomes for people with a disability are not certain they can “stretch from the present to a future we don't entirely understand”¹.

To realise the NDIS ambition TACSI believes targeted capability building that stimulates the market to develop and spread innovations in service delivery offer promise, and could be directed at 3 main areas:

1. *Building the innovation capability of market participants broadly.* In the last decade the world of product and service development has been transformed by the refinement and democratisation of some now common tools such as the business model canvas for designing business models, or human-centred design as a way of working with customers to design services they want and need. These approaches reduce the cost and risk associated with developing new products and services and accelerate time-to-market. Supporting service providers to embrace such approaches would help to improve the services available to people with a disability sooner.

2. *Targeted support for 'lead innovators'.* Not every disability service provider needs to develop 'cutting edge' services. Most industries rely on just a few 'lead innovators' to define new services in the market and define what others do. Providers will need to decide whether they want to be an innovation leader of 'fast follower' - there are worthy business models for each - but it is the lead innovators who will be most influential in delivery of the NDIS promise.

¹ *NDIS Readiness and beyond: designing new NDIS readiness supports with and for providers to deliver on the ambition of the NDIS*, The Australian Centre for Social Innovation, 2016.

3. *Open source innovations.* To complement a capability investment in lead innovators, consideration could be given to requirements for the open-sourcing of innovations. By allowing ready adaption and adoption of open-sourced innovations the base level of being 'NDIS ready' is lifted, broadened and accelerated and market participants compete in ways that add further value for people with a disability.

Ideally, these capability building investments would begin before full implementation of the NDIS to ensure that the potential for service delivery gaps to emerge as the NDIS market matures is minimised, and so that better services for people with a disability are available sooner.

Funding for this capability building could be supported through realignment of funding from programs such as the \$149 million Sector Development Fund which has been established to support market transition to the new NDIS operational environment.

Building an adaptive capability into the scheme

TACSI would also recommend that the Commission consider how the NDIS is building in a process to enable the scheme to respond dynamically to what is working and what is not and reduce reliance on large-scale, periodic reviews. For example, TACSI has noted that while the ambition is for the market to encourage providers to generate new and innovative services for people with a disability, providers seeking to do this often confront rigid or unclear pricing structures that limit innovation. This suggests that there could be an arm of the NDIA that is dedicated to supporting service providers who are developing new service models.

Interactions between the NDIS and mainstream services

Designing interactions with the mainstream services

As indicated above, TACSI's work in the area of disability services has found that people with a disability have tempered their hopes for the NDIS with frustrations at working with the new system. As one person told us:

"There is no guidance with it, and there's so many stories, and so many variations, that nobody knows what's what."¹

To help address such concerns and support NDIS sustainability by ensuring people with a disability access mainstream services, interactions and referrals between the NDIS and other services must be thoughtfully designed.

Based on seven years of designing innovations in the social sector, TACSI has found that approaches that are *designed with* rather than *designed for*, people in the target population work best for a number of reasons. These include the opportunity to generate insights that enable service responses to be more dynamic and respond to changing needs and harnessing latent resources in the people in target populations.

For these reasons TACSI recommends that the work of local area coordinators (LACs) and the application of Information, Linkages and Capacity Building (ILC) grants have a strong focus on approaches that directly involve people with a disability and their families in designing interactions with mainstream services.

The potential for peer solutions to support NDIS sustainability

As the Commission's paper notes (p22) a key aspect of NDIS sustainability is the availability of a sufficiently capable workforce.

One of the challenges the Commission has identified is that a reduced a burden on informal carers as a result of the NDIS may escalate demand for formal caring and have a bearing scheme costs.

To mitigate this risk, TACSI recommends that the Commission consider how better supports for informal carers, especially peer supports, could retain or increase informal carers' capacity to undertake caring roles. For example, in August 2016 TACSI open-sourced its *Weavers* program - a peer-to-peer model for supporting carers, which was recently launched in conjunction with Helping Hand, a not-for-profit that offers home care services. A short description of this program is provided

¹ *NDIS Readiness and beyond: designing new NDIS readiness supports with and for providers to deliver on the ambition of the NDIS*, The Australian Centre for Social Innovation, 2016.

below. The scalability of peer solutions such as these will also support sustainability into the future as the population ages and the demand for services increases.

Regional and remote challenges

In working with disability service providers TACSI has also noted the workforce challenges that regional and remote communities are likely to experience. As the Commission notes (p25) “thin markets” may result in these areas being under-serviced. Early thinking by TACSI indicates that collaborative economy solutions that help to aggregate and match supply and demand could be explored to address this.

Case studies in the benefits of human-centred design and peer supports

TACSI has direct experience in the development of two peer support programs that may offer the Commission insight into the opportunity for peer-to-peer solutions to support NDIS sustainability.

Weavers

Weavers is a peer-to-peer model supporting carers to address the significant challenges of caring for a loved one. Weavers are people with personal caring experience. They are recruited, trained, and connected with carers in their community. The model was co-designed with carers, undergone larger scale demonstration in metropolitan Adelaide and has now been open-sourced. Recent coverage on Weavers can be found at www.australianageingagenda.com.au/2017/02/08/initiative-support-family-carers-residents-will-change-lives/.

Family by Family

Family by Family is a peer-to-peer program that draws on the experience and resilience within communities – we find and train families who have been through tough times, match them with families who want things to change, and coach the families to grow and change together. Family by Family is now operational in four sites in Adelaide, has expanded to Mt Druitt in western Sydney, and has supported more than 400 families. Independent evaluations have evidenced the success of the program and modelling has shown for every \$1 spent on the program it saves a further \$7.

About The Australian Centre for Social Innovation

The Australian Centre for Social Innovation (TACSI) is an independent not-for-profit social enterprise. We have 50 staff who work on projects in every State and Territory and we are connected to a global network of innovation organisations, including through the Social Innovation Exchange (SIX).

TACSI partners with government, not-for-profits, philanthropy and business to develop and spread innovations that change lives. We believe that the best solutions to the problems we're trying to solve come from working with the people who are facing those challenges.

Our method

TACSI has developed an innovation process to bring the rigour of the scientific method to social problem solving. Our co-design process helps teams collaborate 'in-the-office' to make their assumptions about solutions explicit, and then refine their assumptions through testing 'out-of-the office' with end users, financial supporters, and other stakeholders. We draw on tools from design, business and social science.



Family by Family was co-designed with families in South Australia and is now spreading across the country. The program has won a NAPCAN award for innovation in child protection and an Australian International Design Award for Service Design.

Further information

To discuss any aspect of this submission please contact:

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Attachment 1 - Report: NDIS readiness and beyond

Funded by the Fay Fuller Foundation, TACSI worked with The Difference Incubator (TDi) and 18 service providers to explore what it meant to be NDIS ready, what supports would best help providers to accelerate readiness without cutting corners, and how we could realise the ambition of the NDIS. The research identified five key questions that when answered in sequence could provide a new route to readiness appropriate for a consumer-directed care market. The research report is attached to this submission as a separate document and is also available at <http://tacsi.org.au/project/ndis-readiness-and-beyond/>.