

11 July 2017

Productivity Commission
Review of NDIS Costs

Submission lodged on line

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To whom it may concern,

RE: Productivity Commission position paper on its study into NDIS costs

Thank you for the opportunity to respond to the Productivity Commission's (the Commission) position paper on NDIS costs. 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.

The NDIS Quality and Safeguarding Framework (December, 2016) states that:

the NDIS would generate longer-term savings 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.¹

The APS fully supports 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, our members report that systematic implementation challenges, workforce problems and readiness 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 the following commentary regarding the relevant Information Requests from the Commission:

- **The role of Local Area Co-ordinators in the planning process**

Information Request 4.2

Should the National Disability Insurance Agency have the ability to delegate plan approval functions to Local Area Co-ordinators? What are the costs, benefits and risks of doing so? How can these be managed?

In relation to risks, currently our members report huge variability between plans, even for consumers with similar issues. Whilst this is partially to be expected due to variations in consumer choice, it also reflects the lack of understanding of many planners of services

¹ 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>.

that may be appropriate for consumers. This has been especially apparent to psychologists where clients have either had vital psychological services excluded from plans, or included but in insufficient 'dosage' to achieve good clinical outcomes for the client. Members report that insufficient dosage is particularly common with behavior management interventions for complex behavioral issues. Delegating plan approval to Local Area Co-ordinators with varied levels of training may mean the quality of plans is even further reduced.

- **Provider readiness**

Information Request 6.1

In what circumstances are measures such as relying on mainstream providers appropriate to meet the needs of participants in thin markets? What effects do each have on scheme costs and participant outcomes?

The APS is concerned about thin markets, especially in rural, regional and remote areas and for Aboriginal and Torres Strait Islander or Culturally and Linguistically Diverse (CALD) communities. The current situation is likely to worsen as rollout of the NDIS occurs across Australia and state/territory-funded disability services are increasingly withdrawn. Psychologists are struggling to provide services to thin markets due to inadequate remuneration, especially for travel. Registration costs are also impacting on mainstream providers to thin markets as small, niche private psychology practices (e.g., that specialise in working with CALD communities) cannot afford NDIS registration.

Are there any other measures to address thin markets?

The APS strongly recommends the NDIS consults with the professions (for example, peak bodies such as the APS) as a matter of urgency in order to identify solutions to thin markets. Such consultation has not been undertaken by the NDIS despite there being capacity for private psychology practices to take more of a role in thin markets if existing barriers were addressed. It is important to note that the barriers for private psychology practices are not just more realistic remuneration (market-rate) and facilitated registration, but also capacity to deliver services to best practice standards (i.e. more appropriate plans).

The APS is concerned that a move to direct commissioning in thin markets would have a negative impact on existing private psychological workforce in these areas. It is imperative that the existing workforce in these regions is not threatened, but rather activated and supported to develop capacity to deliver services under the NDIS. For psychology practices, there are several mechanisms to expand capacity if practices were assisted to take interns and registrars.

- **Workforce readiness**

Information Request 6.2

What changes would be necessary to encourage a greater supply of disability supports over the transition period? Are there any approaches from other consumer-directed care sectors-such as aged care- that could be adopted to make supply services more attractive?

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 unless action is taken. The psychology workforce is being squeezed out of the NDIS due to registration barriers (cost and time), bureaucratic red tape, remuneration that is under market rate, and plans that prevent delivery of best practice. Given the high need for psychological services for many clients of the NDIS, the psychology market issue will impact on consumer outcomes. To encourage more psychologists into the market, the NDIS should consider:

- Addressing the cost of third party verification, especially for small practices and reducing red tape
- Addressing the inequities in the rate of pay between registered psychologists (who have a minimum of 6 years training) and other providers of services with significantly less qualifications and experience. This needs to be accompanied by developing defined scopes of practice.

Psychologists are also leaving the NDIS because of the inability to deliver best practice interventions to clients. This occurs most frequently in relation to behaviour management, and is primarily due to the development of plans that do not reflect what is needed to develop and implement a behavior management plan for a client with complex needs. This could be addressed by training for planners.

The NDIS inadequately distinguish between the high level knowledge, skills and experience of psychologists in behaviour management (especially complex behaviour management) and those of the less qualified workforce who are currently delivering behavior support under the NDIS at a similar remuneration rate as highly qualified psychologists. There is potential for implementation of a higher fee for psychologists in relation to behaviour management, especially for complex issues.

There is also the potential for a consultancy model whereby behavioural analysis and behaviour management is undertaken by expert psychologists and implementation is undertaken by less qualified workers under the supervision of a psychologist. Such a model would be relevant across Australia but particularly for rural and remote regions.

- **Governance timetable**

Given the current issues with the NDIS, the APS is of the view that the ambitious timetable for the rollout presents a risk to consumers, and ultimately to the success and financial sustainability of the scheme. Slowdown would also allow more time for cross-sectorial planning and systems review in relation to the transfer of psychosocial supports for people with mental illness to the NDIS. As indicated in a previous submission, the APS has serious concerns about the capacity of the NDIS to provide sufficient, appropriate and effective services for people with a psychosocial disability. A slowdown would enable the necessary planning to take place to ensure consumer needs are appropriately met.

A slowdown would need to be managed carefully as consumers in several jurisdictions are already experiencing a close down/transfer of all state-funded disability services. This is particularly the case in NSW, but also in Victoria with regard to the closure of mental

health community-based services. A slowdown must not leave consumers without access to services.

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.

Kind regards

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