



Interchange Inner East Inc.
2 Kendall Street,
Canterbury 3126
10th July 2017

Comment to the Productivity Commission, Australian Government on National Disability Insurance Scheme (NDIS) Costs – Response to Position Paper. Focus on Response to Information Requests 7.2, 9.1,

Dear Commissioner,

I write representing Interchange Inner East (IIE), a small 36 year old not for profit Family Disability Respite Provider in Inner East Melbourne (\$3.3M) which supports up to 300 families living with a child or young adult with a range of disabilities (92% Autism or Intellectual Disability) , employing 120 staff and supporting 120 volunteers. IIE’s NDIA Participants (and existing clients) are primarily people with high to complex needs.

We are in transition to the NDIS; we are positive and committed to enhanced participant outcomes for more choice and control, self-determination, increased independence, participation in local social and recreational activities, meaningful participation in community life and the development of positive relationships with peers and families. Over the last few years we have continued to update and adapt our business and operating model to align with the NDIS/NDIA. This includes modernizing systems/processes to maximise efficiency, and training and reorienting service capability to invest in new service offerings.

Interchange Inner East has always understood and supported the need for RESPITE support to families and carers involved in informal care giving arrangements. We applaud NDIS commitment to ensure that this appears in NDIS Plans for aging carers especially, and those involved in supporting children and adults with high to complex needs.

In relation to Information request 9.1, IIE supports “prioritising participants with more urgent and complex needs” so that the market demands can be fully understood in the transition to NDIS.

In terms of **community participation supports** (supports delivered out-of-home) IIE is confident of its ongoing capacity to deliver high quality, flexible, inclusive and innovative participatory options in a responsive community. We are able to deliver these services within the existing NDIS unit costings. One of the great benefits of the NDIS is that we are now able to deliver these recreation and training services more flexibly in ways and at times that Participants and families want them – in the community and often overnight and on weekends. Depending on Participant’s needs these are routinely delivered in group settings on a staffing ratio 1:1, 1:2, 1:3 and in larger groups if possible/appropriate.

While full NDIS roll-out in our area is only just now commencing, 30 Participants for whom we are providing services have NDIS Plans that exceed the NDIS average at approximately \$80,000. For most of these Participants this is an appropriate and very significant increase in their available funding, generating a very high demand for respite services both in the home and for out-of-home assistance.

In relation to Information Request 7.2, the NDIS has resulted in **increased demand** for respite services across the board (out of home and in home). Our Participants' outcome based goals frequently focus on community participation, inclusion and socialisation and can be achieved through tailored individualised recreation options. Because these participants usually have high and complex needs, this is often achieved by providing 1:1 and group supports in innovative relationship building models of support aimed at developing skills in independence, social skills and daily living. Currently, our services supporting a very high level of personalised choice and options are generating considerable satisfaction and are economically robust and competitive within the NDIS framework. This will require close monitoring around resource capacity into the future.

However, IIE is experiencing high demand on a daily basis from potential new NDIS Participants (not existing clients) that we cannot meet. Some of this demand is created because other services are not ready or lack capacity to support complex to high needs participants. IIE's challenges in meeting demand are primarily related to managing sustainable organisational growth levels, with key issues including:

- Available workforce from which to recruit new staff with sufficient availability, flexibility, skills and competence
- Managing the transition – most existing staff are currently committed to existing clients to whom we must continue to deliver services under the old funding model. As these clients transition to becoming Participants in the NDIS these staff will transition, but given the very significant increase in demand from these Participants even with growth in our workforce, we will be unlikely to meet all of the demand from them for services. This transition should be complete by November 2017. NDIS Unit Cost of 1:1 in home support is not realistic and does not match the costs of delivering these services (in particular the non-client facing costs of first 10km of travel). In addition, scheduling shifts of 1-2 hours duration, including matching up appropriate staff and absorbing frequent necessary cancellations by Participants after shifts have been organised, make this unviable with clear signs of market failure for Participants currently seeking these services.

We are particularly concerned about the potential **market failure in 1:1 in home support** for the short term to medium term due to the inherent complexity regarding the costs associated with preparing and providing a skilled workforce to support this area. Whilst the recent Price Guide reflected a 4.5% increase in 1:1 support in the home, the unit costs remains unsustainable at \$44.72 (base rate with \$45.17 day rate and \$49.53 evening rate), given the associated delivery costs. (Detailed commercial-in-confidence data can be provided upon request). A similar situation was highlighted in the observations of the April 2016 Market Position Paper of NDIS – North East Melbourne area in relation to significant levels of unmet demand during transition.

IIE regularly encourages new NDIS Participants and families to access additional and alternative services from other agencies, particularly as we cannot meet the high level of demand they are generating for 1:1 support in the home. This is also the case for our existing clients when they transition to NDIS Participants as they are seeking significantly more hours of support than they previously had access to. In reply, Participants and families consistently report :

- a) they would prefer to get these services from IIE,
- b) other organisations that can meet their respite service needs do not exist
- c) these other organisations cannot meet the increased demand for specialised support for Participants with high to complex needs.

The result is disillusioned and angry Participants and families who are cashed up with appropriate NDIS Plans and potential outcomes who are unable get the 1:1 in-home services they need. These Participants and families are also likely to find that when their Plan Review is undertaken that their NDIS funding allocations have not

been fully utilised or maximised – not because these allocations were overly-generous, but instead simply because the 1:1 in-home services were not available.

The need for 1:1 support in the home is genuine but not currently realisable. The consequence is that the benefits of NDIS plans cannot be maximised.

In relation to Information request 9.1, IIE strongly supports the proposed “across the board slowdown in the rate that participants are added to the scheme” in order for the development of a more vibrant and competitive supply of services to maximise the potential benefits, choice and control for people with disabilities and their families.

There is an existing level of stress and burn out for Participants and their families prior to the challenges of managing the newness of NDIS, its processes and opportunities which are overwhelming for at least 90% of the early NDIS adopters with whom we are working. Their capacity to self-manage is limited at this point.

Our support co-ordination staff has observed that of the 31 early adopters of NDIS, a proportion of our Participants and their families (50%) may always require some type of support co-ordination if they are going to maintain their health and well-being. IIE is a registered provider for support co-ordination which is viewed as a critical support component for families known to IIE.

We have observed that there is strong sector dissatisfaction with the larger Financial Intermediaries such as Moira which appear to have a monopoly in the market. In acknowledging their challenges in transition at both an NDIA and sector readiness level, the need for more competition seems extremely important. IIE receives at least 10 requests per week from families seeking a referral to an efficient, well renowned, quality financial intermediary which is an alternative to Moira. Such referrals are not possible due to lack of providers or reliable sector information about such providers. There is a major gap in this market. It is also in the interest of providers such as IIE that this function works well and effectively – timely cash flow for all providers is crucial to their sustainability in this new market structure.

Workforce Capacity Building is our greatest challenge. IIE’s value proposition relies on a skilled responsive workforce of consistently high standards of training and competence. In order to maximise our flexibility, IIE has always utilised a casualised workforce for 1:1 in home respite support and for group recreation support. About 75% of our workforce are skilled and committed higher education students primarily undergraduate students in OT, Speech Pathology, Psychology, Education and Nursing). These and other staff typically prefer the flexibility of 25% loading, limited and flexible shifts and the capacity to choose when and where they will work. IIE has significantly increased its staff recruitment efforts, and has been offering part-time contracts for our most capable support workers as part of our response to the increased demand across the sector for skilled staff, with minimal uptake or interest to date.

IIE (and most providers we are aware of) experiences major problems in filling rosters of shorter duration (e.g. 1-2 hours) for small rosters with high quality and well trained staff, as opposed to longer shifts more often.

In relation to IIE Participants with high to complex needs and their families, they are now receiving large NDIS packages of approximately \$80,000. Rosters which once involved 3 hours support, once or twice a week in the old model of funding are now requiring support staff for 6-8 hours per day, 5-7 days a week. Given the projected numbers of 7,400 NDIS participants for Inner East by June 2018, the workforce dilemma for IIE and all disability providers will be well beyond existing local capacity.

In relation to Information Request 7.2, IIE strongly supports the development of a sector-wide framework for employing informal carers who live at the same address who could be trained and paid for shifts of shorter duration (2 -3 hours maximum) during NDIS transition until a more responsive and comprehensively available workforce is established. Criteria for this should include a focus on high to complex Participants, and include a particular focus on siblings who are 18+. Additional criteria should include active employment by an NDIS registered provider, police and working with children checks, and require regular supervision, support, and appropriate training (first aid, administering medications etc). Total hours and number of shifts should be strictly limited to avoid burn out and to preserve the sibling/ informal carer relationship, enabling continuity of high quality care for participants and alleviate the pressure to fill shifts which are currently difficult to fill.

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