

Inquiry into the NDIS market in Queensland

The NDIS has led to a range of positive outcomes ...

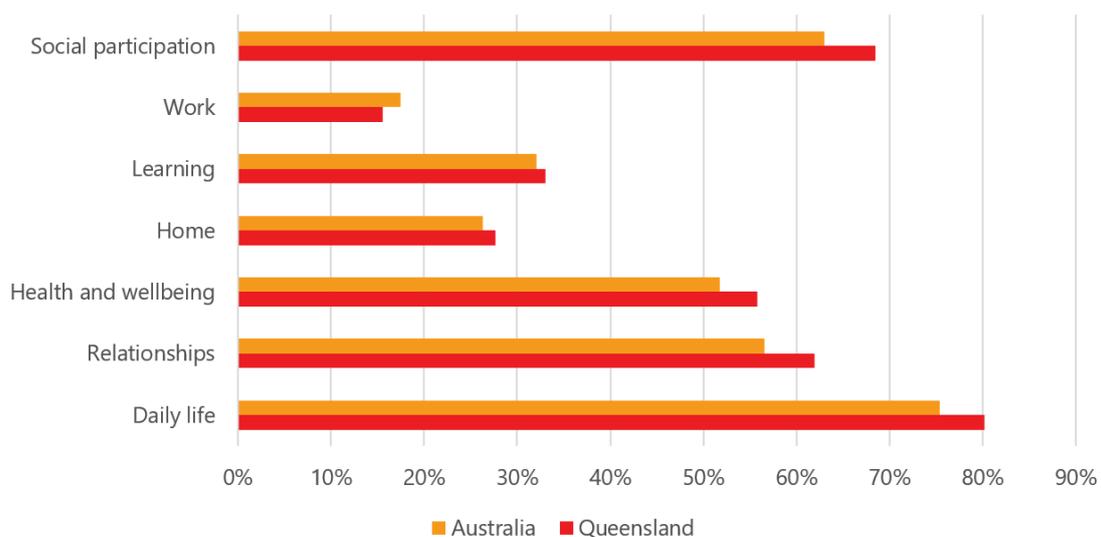
The National Disability Insurance Scheme (NDIS) began in Queensland in 2016. It now has nearly 79,000 Queensland participants and over 5,000 active registered providers.

There is widespread support for the NDIS amongst stakeholders. The NDIS has substantially increased the funding for disability services in Queensland, and provided participants with greater choice and control over their lives. Participants now choose who provides them with the disability services they receive.

'Before NDIS access my son did not receive any support other than from me. Receiving support has made a big difference to him in that he feels that his disabilities have been recognized as genuine and that his life has value.' (Carer's comment to inquiry)

The scheme is also improving participants' daily lives, relationships and social participation (Figure 1). However, the scheme is still developing, and some areas—such as employment, learning and accommodation—may need more time and a stronger focus to produce better outcomes for participants.

Figure 1 Participants who responded 'yes' to whether the NDIS has helped in these outcome domains



... but an overly complex regulatory and policy framework impedes the market

The NDIS tries to balance many objectives—on the one hand, to provide choice and control and build participant capacity, while, on the other, to provide consumer protections, limit supports to those that are reasonable and necessary and maintain the financial sustainability of the scheme. This has led to an extensive regulatory and policy framework.

The NDIS is governed by over 1,400 pages of legislation, regulation, operational guidelines and policies, administered by two specialist agencies with over 4,000 staff and oversight by a council of Australian, state and territory government ministers.

The regulatory and policy framework:

- is large and overly complex
- is cumbersome and can be slow to respond
- is insufficiently flexible and, in some cases, creates inequitable outcomes and inconsistent incentives
- creates a large and sometimes disproportionate regulatory burden
- introduces high policy and regulatory risk for providers
- provides insufficient information and constrains market mechanisms.

This reduces the ability of the NDIS to reach its full potential and achieve better outcomes for participants.

The process for planning, goal setting and procuring supports is challenging—over 40 per cent of Queensland participants use less than half of their plan budgets.

Targeted reform would help the NDIS reach its full potential...

Targeted and balanced reform to aspects of the scheme would help the NDIS reach its full potential and further improve outcomes for participants. Figure 2 lists the proposed reform actions that should be taken.

Figure 2 Proposed reform actions to improve the NDIS

Realign participant, provider and agency incentives to deliver market outcomes consistent with scheme objectives

Increase the availability of information and, if necessary, supports to allow better decision-making

Simplify processes and reduce compliance burden to decrease costs and inefficiencies

Provide greater flexibility, remove restrictions to allow participants, providers, agencies to operate more effectively and efficiently

Improve the governance of the scheme to support oversight of performance monitoring and the focus on scheme objectives

... through improved market performance...

In some cases, improved regulatory settings would produce better market performance—for example, by:

- defining 'choice and control' and 'reasonable and necessary supports'
- improving regulatory processes to unlock work, learning and other participation opportunities.

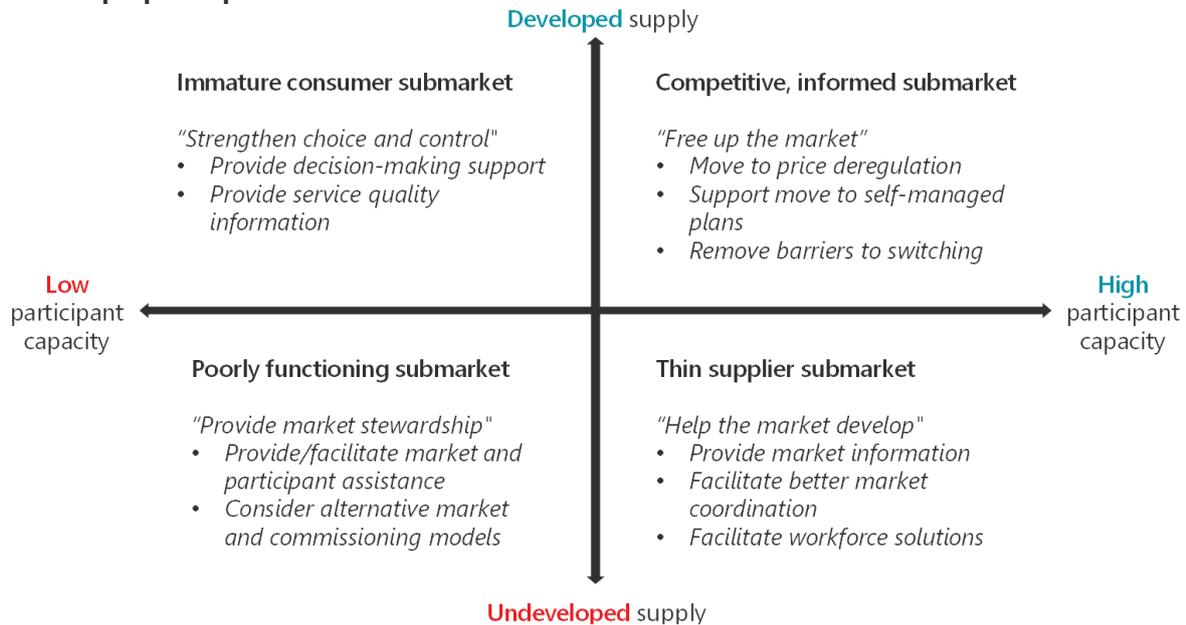
In other cases, a measured relaxation of regulatory settings would produce better performance—for example, by:

- supporting more participants to self-manage their plans when they are capable
- placing competitive submarkets on a pathway of price deregulation.

About 70 per cent of the Queensland market—mostly in South East Queensland—could be placed on a deregulation pathway within two to three years. This pathway would initially involve replacing price caps with more light-handed price regulation, such as price monitoring and information.

The Commission’s proposed plan to improve the performance of the NDIS market requires that different approaches be adopted for different submarkets (Figure 3).

Figure 3 A proposed plan for NDIS market reform



Reforms to facilitate participant choice and provider investment should include:

- making market information available, for example, on the needs and location of participants
 - development of the accommodation market, in particular, should be supported through better market information and efficient mechanisms to match participant demand with accommodation supply
- improving market coordination through eMarketplaces and better support coordination
- reviewing regulation to ensure it is the minimum necessary to achieve its objectives
- introducing alternative approaches in some rural and remote submarkets, such as demand pooling, to support market supply (or direct commissioning of support provision if other supply arrangements are not feasible)
- introducing a provider guarantee to improve engagement between NDIS agencies and providers.

The Provider Guarantee could be based around a set of principles, such as:

- Transparent • Responsive • Respectful • Consultative • Proportionate • Predictable

... and better governance

The current reform of intergovernmental forums presents a timely opportunity to reset the high-level governance of the NDIS. The new body of disability reform ministers should retain an important role for the states and territories, and be given the responsibility and capacity to effectively oversight and drive the development of the NDIS and its market, while preserving the independence of the NDIS regulators in operational matters.

The Commission is proposing a set of reforms to be undertaken by NDIS agencies and governments. These are summarised below. To provide feedback on these proposals, and for further information on the inquiry and the draft report, go to <http://www.qpc.qld.gov.au/inquiries>.

Accessing the NDIS

- Simplify and streamline the access process, and provide additional guidance to people seeking to access the NDIS, while preserving the integrity of gatekeeping.
- Focus on reaching cohorts who face additional barriers accessing the NDIS, such as people of culturally and linguistically diverse backgrounds, people from rural and remote areas, Aboriginal and Torres Strait Islander people, and people with psychosocial disability.
- Evaluate programs in state government institutions and systems, such as hospitals, schools and criminal justice system, that identify potential NDIS participants and support people's access into the NDIS.
- Independently review the effectiveness of Independent Assessments.

Choice and control

- Increase participant, carer and advocate capacity to engage in the process of planning and plan use by:
 - providing further information, including on the meaning of 'reasonable and necessary supports' and 'choice and control'
 - supporting improvements in planning and support coordination through better training and role definition
 - facilitating better information on the quality of providers.
- Support participants to self-manage their plans, if they are capable.
- Help and encourage participants to build their capacity to be independent and reduce their long-term reliance on core supports.

Market stewardship

- Provide better market information to providers to help them make more informed investment decisions.
- Provide information on provider quality to participants to allow them to make informed consumer decisions in selecting providers.
- Support market coordination mechanisms so the market can better match participants and providers, and support participants if they want to collaborate in engaging providers.
- Allow longer duration service agreements to give more flexibility to participants and providers to agree mutually beneficial arrangements.
- Develop a Provider Guarantee to improve engagement between NDIS agencies and providers, and build investor confidence.
- Address workforce issues to help providers to hire and retain skilled workers, such as through:
 - mutual recognition of professional qualifications across relevant sectors
 - a pilot of Allied Health Assistants
 - temporary relaxation of eligibility criteria for the Certificate 3 Guarantee for disability sector related Cert IIIs.

Price regulation

- Where submarkets are competitive, place them on a pathway to price deregulation, replacing price caps with more light-handed price regulation, such as price monitoring and price information, as intermediate steps.
- Remove price caps from participants who are on plan-managed plans but have the capability to self-manage.
- Where price caps are retained, make price regulation more transparent by appointing an NDIS Pricing Commissioner to:
 - chair the independent NDIS Pricing Reference Group
 - directly advise the NDIA Board on pricing.

Accommodation

- Increase availability of market information on participant requirements for specialist disability accommodation and supported independent living supports to providers and investors so they can better direct their investment.
- Improve access processes to accommodation and supported independent living to reduce delays.

Participant employment

- Encourage participants to adopt employment as a goal in their plans, when the participant is able and willing to work.
- Expedite the development of performance measurement systems to understand what is driving performance and support innovation and the diffusion of knowledge on best practice.
- Improve information available to participants on the performance of employment placement providers so they have a better opportunity of successfully getting and retaining a job.
- Review NDIA rules and processes to allow participants and their providers to quickly accept employment opportunities when they arise.

Rural and remote areas

- Address thin market issues when the NDIS market is not viable by:
 - facilitating coordinated purchasing arrangements whereby individual participants can pool their funds to attract providers
 - adopting alternative commissioning approaches for the purchase of supports and ensure these are participant-driven and support competitive service delivery to the greatest extent possible.

Aboriginal and Torres Strait Islander people

- Support Aboriginal and Torres Strait Islander people with worker screening requirements.
- Consider the increased inclusion of support coordination in the plans of Aboriginal and Torres Strait Islander participants to help improve plan utilisation.
- Evaluate and report on initiatives undertaken to improve delivery of the NDIS to Aboriginal and Torres Strait Islander people with a disability.

Queensland Government-led reforms

- Reduce unnecessary compliance costs in the restrictive practices area by harmonising:
 - state restrictive practice definitions
 - content requirements of positive behaviour support plans
 with those of the NDIS restrictive practice regime.
- Remove the state monopoly on preparing positive behaviour support plans for seclusion and containment, while ensuring vulnerable participants are protected.
- Treat equivalent transport options equally in the Taxi Subsidy Scheme to help ensure broader competition in transport services.
- Evaluate state programs that support access into the scheme to determine which programs are most effective and efficient.
- Temporarily relax eligibility criteria for the Certificate 3 Guarantee for disability sector related Cert IIIs.
- Fund a pilot of Allied Health Assistants.
- Support Aboriginal and Torres Strait Islander people with worker screening requirements.
- Evaluate and report on Queensland Government initiatives undertaken to improve delivery of the NDIS to Aboriginal and Torres Strait Islander people with a disability.

Intergovernmental governance

- Improve oversight of the NDIS by ensuring the new Disability Reform Ministers' Meeting:
 - maintains a continued state and territory role
 - has a clearly defined purpose and role
 - maintains the independence of the NDIA
 - publishes regular reports on NDIS performance
 - has the information it needs to effectively oversee the NDIS.
- Commission periodic reviews of the NDIS's regulatory obligations.