

A question of balance

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NDIS Review – Provider Webinar

Newcastle Exhibition and Convention Centre

22 August, 2023

I would like to acknowledge the Traditional Owners of the lands on which I am today – which is the Awabakal and Worimi peoples, here in Newcastle – and pay my respects to their Elders, past, present, and emerging.

I also want to thank everyone – particularly service providers and support workers – for taking the time to tune into this webinar.

I also know that many participants and family members are watching today and so my comments are addressed to you as well. After all, every market has two sides – the supply side and the demand side; the providers or workers and the consumers or clients.

The purpose of this session is to:

Brief you on the work of the NDIS Review, with a particular focus on markets and what is and is not working;

Share the emerging views of the Independent Panel;

And answer questions about future directions of the NDIS Review.

With that in mind let me take you back to October 2022.

Last October, the NDIS Minister, the Hon. Bill Shorten, established the NDIS Review to evaluate the design, operations, and sustainability of the NDIS.

He wanted us to: improve the outcomes for participants and families and improve their experience; ensure the NDIS is sustainable; and restore trust in the Scheme.

Since then, the Review has received more than 2,500 public submissions and heard directly from many thousands of Australians with disability.

We have also travelled to every State and Territory to listen and learn first-hand about what is – and is not – working.

The overwhelming message we have received is that the NDIS is life-changing.

It is uniquely Australian and something Australians are deeply proud of.

But, at the same time, we have been dismayed by some of the things we have heard and seen.

Perhaps the best way to explain is to summarise a speech I made this morning.

That speech was delivered here in Newcastle at a community event for NDIS participants and their families.

I deliberately chose to give the speech in Newcastle, because it is here that then Prime Minister Kevin Rudd officially launched the NDIS on 1 July 2013.

In essence, I said that – unless significant action is taken – the future of the NDIS will, sooner or later, be endangered.

That is why every part of the disability sector – from people with disability to families to carers to providers – along with governments has a responsibility to take action to protect the NDIS for future generations.

We need to reign in the growth in costs. We need to tackle systemic inequity. And – to deliver better outcomes – we need to start being much more innovative and improve quality.

This morning, I outlined the five key challenges faced by the NDIS:

1. It is an oasis in the desert for people with disability.
2. It's fundamental purpose – delivering reasonable and necessary supports – has become unbounded and, therefore, some service demands and types are increasingly unreasonable and/or unnecessary.
3. It supports far more children than projected.
4. Its markets are not working.
5. And, as a consequence, its sustainability is being questioned.

Those five challenges are not news. They were detailed in the NDIS Panel's interim report – What we have heard.

What is news is the air of unreality that seems to surround the NDIS.

Some people seem to believe that rising costs are not as significant as we have been told.

I am here to tell you that, they are and they are serious and we must change.

What I said this morning was that we all need to stop treating the NDIS as though it is a limitless Magic Pudding.

And when I say 'we' I mean governments, service providers, participants and families, even the NDIA itself because since this Review commenced everyone has been saying the NDIS must do more. Much more.

But unlike the Magic Pudding, the NDIS is finite and – due to unmet and still-unrevealed demand – the Scheme is in danger of overshooting its target of containing expenditure growth at 8 per cent.

And we have a responsibility to both this and future generations of Australians to get the NDIS back in balance.

That, in essence, is what I said this morning.

Right now, what I want to ask you is this:

Are you prepared to work with us to get the NDIS back in balance?

Because – since 2013 – the disability sector has swung like a pendulum from one extreme to another.

We have gone from a situation where – before the NDIS was introduced – almost everything was regulated to a situation where – a decade after the introduction of the NDIS – most of the growth is in unregulated services.

We have gone from an unacceptable situation where – before the NDIS was introduced – everything was rationed and block funded to a situation – a decade after the introduction of the NDIS – where the demands for supports to be individually funded on a 1:1 basis continue to grow seemingly without limit.

I believe this headlong drive for more and more supports has been fuelled by the market settings.

Instead of primarily driving up innovation, those market settings have largely driven up demand and costs.

Instead of primarily driving inclusion and participation, those market settings have led to new forms of segregation and exclusion and, in the worst cases, abuse and exploitation.

In addition, social and community capital has been eroded.

And what outcomes, in return for all this expenditure, have these market settings delivered?

Have they delivered services to people with disability living in remote communities?

Have they prepared for the demand surge that will come when aged carers are no longer able to support family members with disabilities?

Have they helped children with disabilities to be supported in early childhood settings and schools?

Have they delivered innovations that give people with disability real choices and the best value to them and taxpayers?

While there have been pockets of innovation – and, interestingly some of the most innovative supports are unregulated – overall, they have not.

As I said, things are out of balance.

How, then, should we – rather than swinging back the other way – bring the pendulum into balance and secure the future of the NDIS?

The best way to answer that question is to outline the future directions currently under consideration by the NDIS Review in relation to markets and the workforce.

Let me start with pricing and payments.

It is clear that the conditions for deregulating prices do not exist.

But price caps are not working because they're based on poor or incomplete data, are not transparent, and do not reflect market realities. This is undermining confidence.

That is why we're considering how service types, participant needs, location, and other relevant data should inform the setting of price caps.

That is why we want price caps to reflect the additional costs of delivering services to participants with complex needs, as well as in regional and remote areas.

That is why we are considering how the administrative margin – which is now included in all prices and has fuelled a shift to unregistered providers – and price caps should be set.

That is why we're considering payment approaches – other than fee-for-service – that deliver better outcomes for people with disability.

And that is why we're considering market reforms that would enable participants to make more informed choices, give them voice, reduce information asymmetries, improve quality, foster innovation, and give governments a more active role in stewarding the NDIS market.

Since the Review commenced, the constant feedback and evidence from service providers, particularly traditional providers, is that NDIS prices are not high enough and that many providers are teetering on the edge of solvency.

The Review recognises these pressures.

However, we have also heard that many providers are over-charging and over-servicing, that there is collusion and, in some cases, outright fraud, and that plan management and support coordination are not always playing the roles that were intended.

That is why the Review will be recommending a major investment in Scheme integrity, which will ensure efficient administrative processes, transparency of payments, better data to underpin analysis of scheme performance, and reduce risks of exploitation and abuse.

The NDIS workforce is another area we have under consideration.

The NDIS workforce has doubled over the past decade, and delivers a wide range of critical services.

The biggest change is the growth in unregistered providers, which now sit at around 140,000.

This is an area where the Review has received very strong feedback – with the unregistered market attracting strident critics and passionate defenders.

The Review has also heard that, overall, the workforce is struggling.

People are burnt out. Pay does not always reflect the difficulty of the work or experience or qualifications.

Workers using an ABN can receive almost twice the pay for taking a participant shopping, under the guise of community inclusion, than providing complex personal care to a person who has behaviours of concern or needs specialised feeding.

Currently, there are almost no training incentives; in addition, training courses are not fit-for-purpose.

We should, therefore, not be surprised that we have high staff turnover and a skills shortage. Not only that, it is estimated that the Scheme will need another 128,000 workers by mid-2025.

A key requirement for an effective NDIS is a well-trained workforce.

The Review would therefore like to see more micro-credentials and a portable training allowance, which would grow and travel with workers who are employed casually.

It is also essential for the NDIS to have integrity.

For the sake of integrity, we need an effective quality and safeguards system that has visibility of workers and businesses.

Currently, though, around 140,000 workers and small businesses are flying under the radar of the quality and safeguards system.

That's not good enough.

Tomorrow, my Co-Chair, Lisa Paul, will be speaking at an ASU conference and will have more to say on these important issues.

The bottom line is that the NDIS cannot reach its social and economic potential without a skilled and engaged workforce, which contributes to quality outcomes and a sustainable NDIS.

In conclusion, let me come back to the purpose of the NDIS.

The Scheme is – as Minister Shorten has said – a monumental socio-economic reform on a par with Medicare.

It has transformed the lives of hundreds of thousands of Australians with disability and their families and carers and its impact will only grow in the decades to come.

In fact, the biggest social and economic gains from the NDIS are ahead, rather than behind us.

The challenge before us is to ensure that future is fully realised.

To do this, we must put an end to Magic Pudding thinking.

Every person with disability, every family member, every carer, every service provider, and all governments have a role to play in this change.

After all, it was a united disability sector that gave Australia the NDIS.

Disability service providers were part of that campaign.

You supported the Every Australian Counts campaign and stood side-by-side with people with disability, their families and carers.

I think it is very important to remember what we achieved together.

That's why I want to thank you most deeply for that solidarity. We would not have the NDIS without you.

I also understand your fears and anxiety, as well as the fears and anxieties of your staff.

However, now, more than ever, we need to remain united and resolute.

We need to restore balance.

Because only then – through our united efforts – will the future of the NDIS be secured.