



# A thriving, balanced system of supports and services for people with disability

### THE PANEL'S VISION

We want to see thriving NDIS markets with a range of providers and services so people with disability have genuine choice and can find supports that meet their needs. Price setting should be independent, transparent and reflect realistic costs.

We want providers to be viable and to be incentivised to provide great quality services and improve outcomes for participants. To do that we need new approaches to pricing not just “fee-for-service”. There also needs to be the right balance between appropriate regulation to prevent harm and imposing excessive burdens on providers.

### What is the problem?

We have heard that NDIS markets aren't working. People with disability told us they find it hard to find supports. Providers don't always have the information, guidance or resources to understand what good services look like or how to improve their delivery. There is also not enough information about the availability and quality of supports.

The NDIS lacks integrity. We have heard there is a lot of over-charging, over-servicing and outright fraud. Processes to set prices are not working effectively. Price caps were intended to ensure “value for money” and prevent providers from driving up prices. However the process is blunt and not transparent. Providers have little incentive to compete on price or quality, with caps acting as a “price anchor” instead of a “price ceiling”. Price caps are higher for participants with complex needs, but we have heard they don't match the cost of delivering good quality support. Participants also find it difficult to negotiate based on price.

Market settings have encouraged a focus on the number of supports provided and have not given not enough attention to quality or outcomes. We heard this is partly due to providers not knowing how they compare with other providers, and a lack of incentive to invest in quality improvement. Inappropriate price caps are also contributing to the problem.

Regulation of providers is inconsistent and is not proportionate to the risk of the activity delivered (such as the intensity of the support delivery) or provider operations (such as the size of the provider). There are big gaps in regulatory oversight of NDIS markets, particularly with unregistered providers, who are able to fly under the radar. This leaves some participants potentially exposed to risk of harm - particularly participants who have complex needs or circumstances. Some providers are not aware of their requirements and obligations, for example in relation to restrictive practices.

We have also been told that when a provider chooses to register, the administrative burden is high, particularly for providers delivering lower risk supports. At the same time being registered is not necessarily a sign of quality and many providers told us they are thinking of de registering all or parts of their businesses.

### What is the solution?

NDIS markets are not like markets for other goods and services. Governments need to use a range of market tools to design and coordinate all NDIS markets. Coordination needs to take into account the specific needs of participants, providers, and the nature of supports being delivered. We recommend:

- A centralised online platform that provides real time claims management and information about providers so participants and their navigators can search and help select providers. This is essential for scheme integrity and an effective market.
- Providers should be able to benchmark their services against others in the NDIS market, learn what is working well and what participants value. This would inform service improvement and innovation.
- Better incentives for continuous quality improvement, including:
  - Targeted capacity-building initiatives to support providers to improve the quality of their services. This could include translating evidence about what works into practical guidance and resources.
  - Improved auditing that assesses the quality of support. Audits should ensure the voice of the participant is central to any assessment of quality.
  - Measuring and publishing provider performance against quality and safety metrics to encourage quality, as well as reward good performance.

## What is the solution (cont'd)?

- Price caps should reflect the market price for delivering supports, including for participants with complex needs, in different regions, in group settings, supervision and other indirect costs.
- A new approach to determining pricing that shifts from a “one-size-fits-all” approach, and explores how to move from the current fee-for-service model..
- Transition the responsibility for advising on NDIS prices from the NDIA to the Independent Health and Aged Care Pricing Authority, to enable transparency, predictability and better alignment of prices across the care and support sector.
- A risk-proportionate and graduated approach to the regulation of all providers delivering NDIS and foundational supports, with four broad categories:
  - 1. Advanced registration** for all high-risk supports (such as behaviour support and daily living supports in formal closed settings).
  - 2. General registration** for all medium-risk supports (such as high intensity supports that may require additional skills and training like complex bowel care).
  - 3. Basic registration** for all lower-risk supports (such as supports with limited 1:1 contact such as specialist transport).
  - 4. Enrolment** of all providers of lowest risk supports (such supports covered under general consumer law protections like equipment and technology).
- Streamlined registration processes so providers understand their obligations and regulatory burden is minimised, along with easier payments to providers through a fully electronic payment system.
- Improved access to supports for First Nations participants across Australia and for all participants in remote communities through alternative commissioning arrangements, such as place-based and community-driven approaches to ensure culturally informed, equitable and sustainable supports for First Nations and remote communities.
- Workforce strategies for a responsive workforce of sufficient size, capability and training to meet growing demand across the care and support sector. This should include improved worker screening requirements for workers so that they understand their obligations.

## Who will this benefit?

**People with disability** and **providers** would benefit from a coordinated system that balances preventing harm, supporting choice and control, encouraging innovation and enabling markets to diversify and thrive. **Participants** should be able to choose from a wider range of quality supports with more appropriate safeguards to prevent harm and improve outcomes. Participants should also be able to pay providers more easily. This would also help reduce fraudulent activity by providers.

**Providers** would benefit from a consistently applied system of proportionate regulation that would streamline requirements and reduce administrative burden. More support, information and guidance should also improve quality and outcomes. The new pricing and payments system would reflect the actual cost of quality services, with different payment approaches to better reward providers for helping participants to achieve their goals.

## What happens next?

We know these are big changes, and you might be worried about what this will mean for you. That’s why we recommend that organisations, disability service providers, allied health professionals, disability support workers and unions are closely involved in designing and testing the changes to make sure they work well. We also recommend that they are introduced in stages so everyone has time to get ready.

**Want more information?** Read the final NDIS Review report and recommendations, NDIS Review Guide, NDIS Review fact sheets and FAQ at [www.ndisreview.gov.au](http://www.ndisreview.gov.au)

# Proposed risk-proportionate regulation of all providers delivering NDIS and foundational supports

<b>Provider obligations</b>				
	<b>A. Advanced registration</b> In-depth registration for high-risk supports	<b>B. General registration</b> Graduated registration for medium-risk supports	<b>C. Basic registration</b> Light-touch registration for lower-risk supports	<b>D. Enrolment</b> Basic visibility and requirements for lowest-risk supports
<b>Code of Conduct</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>
<b>Worker screening (Action 17.4)</b>	<b>YES</b> • Workers in risk-assessed roles.	<b>YES</b> • Workers in risk-assessed roles.	<b>YES</b> • Workers in risk-assessed roles.	<b>YES</b> • Workers directly delivering specified supports or services, or who have more than incidental contact with people with disability.
<b>Subject to complaints process</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>
<b>Report incidents</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>NO</b>
<b>Practice Standards</b>	<b>YES</b> • General standards and support-specific standards for all support types.	<b>YES</b> • General standards for all support types and support-specific standards where needed.	<b>YES</b> • Simplified general standards for all support types.	<b>NO</b>
<b>Performance measurement (Action 12.3)</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>NO</b>
<b>Processes</b>				
<b>Application, identity verification and Code of Conduct and worker screening attestation</b>	<b>YES</b> • Provider completes online application form, integrated with centralised online platform and NDIS payments system (Actions 10.1 and 10.3) to provide the NDIA and new National Disability Supports Quality and Safeguards Commission with visibility of all providers and data on payments. • Application form collects basic information (e.g. business name, ABN or Digital ID, bank account details, location, contact details, support types delivered). • Business identity is verified leveraging existing government systems and processes (such as myGovID). • Provider attests to understanding obligations under code of conduct and worker screening requirements.			
<b>Audit of compliance with Practice Standards</b>	<b>YES</b> • In-depth observational audit of compliance with relevant practice standard. • Streamlining where appropriate based on risk, such as the use of desktop auditing, self-assessment and attestation, and mutual recognition of compliance in other regulatory systems.	<b>YES</b> • Graduated and proportionate audit of compliance with relevant practice standards, including observational and/or desktop auditing. • Streamlining where appropriate based on risk, such as the use of self-assessment and attestation, and mutual recognition of compliance in other regulatory systems.	<b>NO</b> • But includes a self-assessment and attestation of compliance with Practice Standards, in place of an audit.	<b>NO</b>
<b>Suitability assessment of provider and key personnel</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>NO</b>
<b>Ongoing monitoring and compliance</b>	<b>YES</b> The National Disability Supports Commission undertakes: • Risk-based monitoring, investigation and regulatory intelligence gathering (including through provider outreach and information sharing with other regulators). • Corrective action in response to breaches of the code of conduct (registered and enrolled providers) and practice standards (registered providers only).			

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