



VACCHO

Submission to the Joint Standing Committee on NDIS Inquiry into Market Readiness

Please note: In this submission the word “Aboriginal” refers to both Aboriginal and/or Torres Strait Islander People. Direct reference to Torres Strait Islander people and the word “Indigenous” has been used where these are part of a title or direct quote.

The Victorian Aboriginal Community Controlled Health Organisation (VACCHO) was established in 1996. VACCHO is the peak body for Aboriginal health and wellbeing and also represents Aboriginal community controlled organisations (ACCOs) in Victoria. The role of VACCHO is to build the capacity of our Members and to advocate for issues on their behalf. Advocacy is carried out with a range of private, community and government agencies, at state and national levels, on all issues related to Aboriginal health.

Nationally, VACCHO represents the community controlled health sector through its affiliation and membership on the board of the National Aboriginal Community Controlled Health Organisation (NACCHO). State and Federal Governments formally recognise VACCHO as the peak representative organisation on Aboriginal health and wellbeing in Victoria. VACCHO’s vision is that Aboriginal people will have a high quality of health and wellbeing, enabling individuals and communities to reach their full potential in life. This will be achieved through the philosophy of community control.

VACCHO and our Members welcome the opportunity to respond to the Productivity Commission’s “NDIS Inquiry into Market Readiness”. This submission responds directly to the Terms of Reference for the Inquiry, with an emphasis on equitable access to human services by Aboriginal people and those factors necessary to enable Aboriginal people to exercise informed choice and control over the care they receive. Responses to specific requests for information are incorporated where appropriate.

Our input is drawn from the experience and expertise of the VACCHO Membership in Victoria. Our Member ACCOs have a cooperative membership structure and offer a range of services to their local communities, including but not limited to primary health services. Other services vary across the Members but will often include housing, justice, child and family, social and emotional wellbeing, aged care and disability services. As such Member ACCOs have a core role in addressing the social determinants of health. VACCHO uses the term ACCOs (Aboriginal Community Controlled Health Organisations) which includes VACCHO Member ACCOs.

VACCHO acknowledges the Commonwealth’s concerns about scheme costs and the interests of the Commonwealth in managing cost pressures to ensure sustainability of the scheme. However, without further investment to ensure equitable access by Aboriginal people with disabilities, the existing investment will not be effective and will continue to fail the needs of this group.

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The transition to a market based system for service providers

VACCHO is funded through the Victorian Government's *Transition Support Package* to support Victorian ACCOs to transition from block grant funding through the Home and Community Care Program (HACC) to the individualised funding model and market based system of NDIS. Before full transition can occur however, each ACCO has to make an informed and considered decision about whether NDIS will be financially and operationally viable and/or whether it poses unacceptable risks to the wellbeing of the organisation or Aboriginal community. The final outcome of this work is not yet clear. Of the 22 ACCOs in Victoria who have actively engaged in whether to become an NDIS provider, only three have decided to proceed while at least 16 remain undecided.

Transitioning to a market based system will not be easy for Victorian Member ACCOs. For example, individualised funding models require economies of scale to be financially viable. Member ACCOs in Victoria are delivering to 'thin markets', supporting Aboriginal communities in small dispersed populations with highly complex needs, which means there are higher corresponding costs. There are also unique service requirements, cultural obligations and accountabilities to Community that will not translate well under a competitive and financially driven model. As they are holistic services juggling multiple government expectations and reforms, Member ACCOs do not have the internal staffing (including at Executive and Manager level) who can dedicate the necessary time and resources for effective NDIS set up. Even gathering the information required to make an informed and responsible decision requires a significant investment of time and resources, which has delayed the process in many Victorian ACCOs.

This Submission sets out a number of other factors (such as price, workforce, etc) which are further deterring Victorian Member ACCOs from transitioning to a market based system and registering as providers. To achieve the aspirations and outcomes specified by NDIS, the market must take these factors into account and yet can only do this if it is supported to do so.

These decisions will impact directly on access to the NDIS by Aboriginal people. One of the underpinnings of the NDIS market based model is its commitment to choice and control for people with disability. Any understanding of choice and control must take into account the unique cultural, social and health needs of Aboriginal people and the right to choose an Aboriginal organisation. However, while NDIA is legislated to take culture into account, it makes no investment in the viability and sustainability of Aboriginal organisations.

At the same time, there are also low incentives - or insufficient funding levels/profit margins- for non-Aboriginal providers to offer high quality and culturally appropriate services to Aboriginal people.

Participant readiness to navigate new markets

There are multiple barriers to access to the NDIS by Aboriginal people. Member ACCOs have provided consistent feedback to VACCHO about why the current scheme design is not well suited to the known service needs of Aboriginal people. Without well targeted investment in this area, many Aboriginal people will miss out on vital supports. The reasons for this include that many Aboriginal people with disability will either:

- not apply for NDIS, due to lack of information, practical support and/or trust of the scheme and its agencies
- start the process of applying and give up in frustration, again due to lack of information, practical support and/or trust of the scheme and its agencies
- be refused access by NDIS due to insufficient evidence, because they do not have access to specialists and/or culturally safe assessment tools, or
- be given plans that do not reflect the level and nature of support they require, because they do not understand the process, do not self-advocate, and/or do not have planners with the requisite cultural knowledge. For e.g. without a proper understanding of Aboriginal culture, planners do not offer or allow for Aboriginal people to choose

supports to participate in family, spiritual and traditional cultural practices that are of significant benefit to them.

Upfront investment in ACCOs is needed to identify individuals with disability and provide practical support for access to the scheme. This should include funding for Aboriginal staff to undertake extensive Community engagement and to provide assistance to participants for communication with NDIA, access request forms, evidence and assessment, pre-planning support and attending planning meetings.

Investment in supporting Aboriginal people to access the scheme will increase the size of the market, making it more viable for Aboriginal providers to operate sustainably in the longer term. This in turn will build confidence in the scheme by Aboriginal people and provide them with culturally safe choices when they do become participants. In addition, if participant access is funded effectively it will result in more equitable access, the insurance principles of NDIS can come into effect, the gap in outcomes for Aboriginal people can be narrowed and long-term financial savings can be achieved.

More broadly, Aboriginal people are more likely to present with complex and chronic needs. First Peoples Disability Network point out that intersectional aspects of institutionalised discrimination (such as when a person is discriminated against as an Aboriginal person and as a person with disability) can, if it is persistent and extreme, “result in multiple systemic failures, and can lead to catastrophic health consequences for the person affected.” A recent paper released by the Australian Bureau of Statistics confirms this is occurring, identifying many of the intersectional and compounding levels of disadvantage experienced by Aboriginal people with disability. For example, only one in seven Aboriginal people with profound/severe disability reported excellent or very good self-assessed health, which is around one-quarter of the rate by Aboriginal people with no disability. Similarly almost one in five Aboriginal people with severe or profound disability experienced four or more stressors in the last 12 months, compared to one in twenty Aboriginal people with no disability. Given the known gap in health outcomes between Aboriginal and non-Aboriginal people in the wider community, this data highlights the extreme impacts on this cohort.

VACCHO agrees with the Australian Council of Social Service that:

“Competition increases the risk of highly vulnerable clients ‘falling through the cracks’ due to the onus on the individual to navigate the market, and the fact that incentives are generally insufficient to engender sustained provider engagement with service users with complex needs”.

The Department of Prime Minister and Cabinet agree, noting that if “appropriate metrics for quality and appropriateness of services for Aboriginal and Torres Strait Islander clients are not in place (or if inappropriate metrics are in place)” then the specific needs of Aboriginal users may be overlooked by potential providers”.

In addition, a budget based approach to planning that treats everyone as ‘the same’ will not achieve equitable outcomes for Aboriginal people with disability. VACCHO recommends introducing a new support category for Aboriginal cultural support, weighting of packages supporting Aboriginal people with complex and/or cultural needs and applying an (appropriately trained) cultural lens across all the existing support categories. Consideration of culture must be included in the reference packages.

The development of the disability workforce to support the emerging market

VACCHO is concerned that the baseline prices in the NDIS Price Guide do not support the development of a long-term high quality workforce, but rather pressures organisations to engage entry level workers only, and on a casual basis. The combined impacts of the baseline prices and associated trends towards casualisation will have implications for the retention of Aboriginal staff who have developed trust relationships within Communities. This in turn impacts on the workforce’s capacity to work with participants with complex needs, including cultural needs. In addition, our Member ACCOs are a major employer of Aboriginal people so this pricing model will have flow on impacts into Aboriginal communities.

This occurs in a context of drastic workforce shortages for NDIS more broadly. In addition to mainstream strategies to address this shortage and the lack of cultural safety in mainstream service provision, significant investment is needed to grow the Aboriginal disability and allied health workforce specifically. Training is also needed for

Aboriginal Health Workers, GPs and other ACCO staff to build their knowledge of disability and the NDIS scheme.

We note that the Government has recently announced the appointment of a consortium, led by Ernst and Young and including First Peoples' Disability Network, to implement its \$33 million measure announced in the 2017-18 Budget, *Boosting the Local Care Workforce Program*. VACCHO is keen to know more about this scheme and what targeted services and/or resources will be available.

The impact of pricing on the development of the market

22 Member ACCOs have engaged directly in VACCHO activities over the last 18 months to support their transition to the NDIS. As participation in these activities is all self-nominated, this indicates the 22 ACCOs were at least open to considering participation as a provider. However, at the time of writing, 16 of those ACCOs have reported that they are still undecided about registering for the NDIS and a further three have advised they will not be registering.

A driving factor in this reluctance of the ACCO sector is that NDIS prices are far too low, especially for core support items such as assistance with self-care activities and assistance to access Community, social and recreational activities, and it is not possible for the ACCOs to break even delivering those and other services. This is because there is insufficient funding built in for overheads, billable hours (including travel), wages, management/supervision, intake and claiming processes, etc. While there is uncertainty in the client numbers and the efficiency rates that can be achieved, the costings (and the ACCO experience from the Victorian NDIS trial site) make it clear that the financial risk profile is extremely high.

Unlike specialist disability providers who must transition to NDIS to survive, the ACCOs have broader obligations to other programs and to all local Community members and this affects their capacity to accept the identified levels of financial loss and/or risk. In addition:

- Member ACCOs do not have the internal staffing who can dedicate the necessary time and resources for effective NDIS set up. They know that the NDIS pricing means that any investment in this cannot be recouped through the scheme.
- They know they will never achieve the efficiencies required without investment in

specialist IT. As above, they know that this investment will not be recouped.

- The Quality and Safeguards requirements in Victoria require them to make staffing and financial investments in accreditation, in some cases expecting them to meet multiple standards to deliver one type of service (e.g. the Victorian Government Human Services Standards and the National Mental Health Standards). This investment also will not be recouped.
- ACCOs cannot identify and adequately support Aboriginal people to access the scheme without funding to support participant access (see above). This has an impact on their client numbers and demand for potential services.

While some of these issues are unique to the ACCO sector, this experience is broadly consistent with feedback from the disability sector about the impacts of pricing on the market. It also brings into question the validity of assumptions underpinning the NDIS reasonable cost model. Submissions to the Productivity Commission by the Victorian Government and National Disability Services support both of these claims. The Victorian Government considers further "that there is also an immediate need to consider areas where NDIS pricing may be inhibiting market growth or risking provider failure (particularly in areas or services in which there are thin markets)".

If Aboriginal organisations specifically are not supported to enter the market, Aboriginal people with disability will not have the choice of an Aboriginal organisation. This means that many Aboriginal people with disability will not access the services they need. Even in metropolitan Melbourne, where there are multiple mainstream disability providers, VACCHO is aware that there are NDIS participants who are not using the funds in their plans because they are waiting for an appropriate Aboriginal provider. On the other hand, if Member ACCOs had an active role in the rollout of the scheme, this would build Community trust and understanding and achieve more equitable access to the scheme by Aboriginal people.

Where Member ACCOs are considering becoming registered providers, the pricing model means they are forced to prioritise the better funded activities, such as support coordination, behaviour support and therapeutic supports. In addition to weighting the service offerings at the clinical rather than the cultural end of the service spectrum, this will leave significant gaps in the market in

relation to critical service types. For example, if 'access to Community, social and recreational activities' was funded at more viable levels, the Member ACCOs could run a wide range of high quality cultural programs that won't be provided by mainstream (i.e. non-Aboriginal) organisations. This type of program, for which there is strong demand in Community as well as evidence of unique benefits, will be very rare under the current pricing model.

VACCHO submits that all of these factors have an impact on the market in urban as well as regional areas, and that a mainstream disability organisation should not be considered as a reasonable equivalent. In regional areas these impacts can be compounded due to pressures to increase wages and greater travel distances (though not necessarily travel time), etc. In some regional areas there are fewer or even no mainstream disability providers in the local area.

Market intervention to address thin markets

The Productivity Commission's Report on the Inquiry into NDIS Costs (October 2017) has found that more work is needed to address thin markets, including the disproportionate impacts on Aboriginal and/or Torres Strait Islander peoples, people with complex needs and people living in outer regional, remote and very remote areas. The paper also noted that block funding may continue to play a role, as well as provider of last resort arrangements. In the absence of effective government intervention, moreover, "such market failure is likely to result in greater shortages, less competition and poorer participant outcomes."

This is consistent with the Productivity Commission's earlier findings (in 2011) that a purely market based service delivery system would not deliver adequate care and support to Aboriginal people with disability and that it may be necessary to block fund some service providers in order to overcome the additional barriers that Aboriginal people face. It is also consistent with the second implementation plan of the National Disability Strategy, which identifies improved outcomes for Aboriginal people as one of its key action areas.

Investment which leverages the capacity of existing Aboriginal community controlled organisations in relation to both service delivery and participant access is an efficient and effective measure to address the needs of Aboriginal participants affected by thin markets across urban, rural and remote settings. Member ACCOS in

Victoria could be a critical point of supply to thin and undersupplied markets on the basis of:

- geography (with most Victorian ACCOs in rural areas)
- Aboriginal status (defining the market in urban as well as regional areas)
- participants with complex and specialised needs (including cultural needs and right to cultural safety).

Based on the experience and feedback of member ACCOs considering participation in NDIS, effective leveraging will require investment in targeted strategies, preferably through block grant funding to support NDIS infrastructure (e.g. IT), and dedicated on the ground staffing for the organisational transition and participant access.

More specifically, VACCHO's Submission to the Productivity Commission Inquiry into NDIS Costs includes a range of recommendations, including:

- Up-front investment in the viability and sustainability of Aboriginal community controlled organisations to facilitate choice and control for Aboriginal people with disability.
- Investment in community engagement and awareness strategies.
- Provision of resourcing for cultural workers to support the assessment and planning process.
- Introduction of Aboriginal Cultural Support as a funded Support Category.
- Training in assessment of cultural needs as they impact on disability needs for the purposes of plan development, approvals and reviews.
- Weighting of packages for Aboriginal people.
- Ongoing access to Support Coordination.
- Development of a national cultural safety accreditation standard.

The *Redfern Statement* was released on 9 June 2016 by Aboriginal and/or Torres Strait Islander leaders from health, justice, children and families, disability, and family violence prevention sectors and includes recommendations for equitable access to the NDIS by Aboriginal and/or Torres Strait Islander people. It is supported by more than 120 major mainstream organisations including the Australian Medical Association and Law Council. The Redfern Statement

Disability Workshop Communique, which followed in May 2017, calls for “the establishment and resourcing of an Aboriginal Community Controlled Disability Service Sector for the provision of disability supports by Aboriginal and Torres Strait Islander people with disability for their communities”. It calls on government to address the systemic barriers facing Aboriginal people in accessing NDIS, which may require direct outreach to Aboriginal people and their communities and culturally specific individual advocacy support for Aboriginal people with disability and their families.

Where no ACCO exists, consultation should be undertaken with the local community to identify preferred suppliers and business models in the region.

The impact of the Quality and Safeguarding Framework on the development of the market

Until the National Quality and Safeguarding Framework is implemented, states, territories and the Commonwealth remain responsible for quality and safeguarding arrangements, along with the National Disability Insurance Agency (NDIA).

The Quality and Safeguards requirements in Victoria will require many Member ACCOs to make significant staffing and other financial investments in accreditation which, as a significant deterrent to registration, produces a further barrier to Aboriginal organisations entering the market.

In many cases Member ACCOs will need to meet multiple standards to deliver a single type of NDIS service. For example, as holistic, wrap around services they are neither specialist disability providers nor exclusively mental health providers, but are often keen to offer an inclusive model to their Communities. If they have delivered mental health services before, they will have to meet the Victorian Government Human Services Standards and the National Mental Health Standards if they want to deliver some service types to people with psychosocial and other disabilities. If they want to deliver Early Childhood Intervention Services they will need to meet these standards as well. For Victorian ACCOs this occurs in a context of multiple accreditations undertaken for a range of services they currently provide, and highly stretched resources, and is very difficult to justify against the expected income and client numbers.

While VACCHO supports the delivery of quality services, the requirement to meet two standards for one service is extremely onerous and should be reviewed in light of the

diverse service delivery contexts in which it applies. That is, while much of the sector transitioning into NDIS is either a specialist disability service or a specialist mental health service, the implications for and service delivery experience of more holistic service models must be taken into account.

In relation to the future National Quality and Safeguarding Framework, VACCHO also recommends the inclusion of a national cultural safety accreditation standard. The NDIA, Local Area Coordinators (LACs) and mainstream disability agencies need to ensure cultural safety in service delivery to be effective for Aboriginal people. Provisions to ensure clear accountability are needed in relation to cultural competency of the organisations and individual staff and a range of specific measures such as employment of Aboriginal staff, cultural safety training which is specific to the cultural protocols of local communities, effective community engagement and partnerships and/or co-location with Aboriginal organisations. It is not adequate to rely on the goodwill or priorities of the organisations. The best way to do this is through the development of a national cultural safety accreditation standard, and inclusion of this standard in the National Quality and Safeguards Framework for all NDIS providers, including NDIA and the LACs.

While this standard is under development, it would be appropriate to apply the Cultural Respect Framework 2016 to 2026, which commits the Commonwealth Government and all states and territories to embedding cultural respect principles into their health systems; from developing policy and legislation, to how organisations are run, through to the planning and delivery of services. These domain areas “provide an overarching platform of activity to strengthen the cultural respect of staff and organisations.” This framework could guide NDIA as well as the LACs and other NDIS providers through the National Quality and Safeguards Framework.

VACCHO acknowledges the commitments to Aboriginal recruitment and cultural competencies made in the NDIS Aboriginal and Torres Strait Islander Engagement Strategy but asks that the efforts go further to ensure effective engagement and outcomes for communities.

Endnotes

1. First Peoples Disability Network (2016) *Intersectional Dimensions on the Right to Health for Indigenous Peoples – A Disability Perspective*, Prepared for the Expert Mechanism on the Rights of Indigenous Peoples (EMRIP) study on ‘The Right to Health for Indigenous Peoples’, First Peoples Disability Network, Sydney, p. 2.
2. Australian Bureau of Statistics (2017) *Social and Economic Wellbeing of Aboriginal and Torres Strait Islander People with Disability* [http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4714.0~2014-15~Feature%20Article~Social%20and%20economic%20wellbeing%20of%20Aboriginal%20and%20Torres%20Strait%20Islander%20people%20with%20disability%20\(Feature%20Article\)~10000](http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/4714.0~2014-15~Feature%20Article~Social%20and%20economic%20wellbeing%20of%20Aboriginal%20and%20Torres%20Strait%20Islander%20people%20with%20disability%20(Feature%20Article)~10000) Accessed on 12/10/17.
3. Ibid.
4. Ibid.
5. Australian Council of Social Service (2016) *ACOSS Response to Productivity Commission Preliminary Findings Report: Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform* Sub377 into Inquiry into Human Services: Identifying Sectors for Reform. Productivity Commission, Melbourne, p. 2.
6. Department of Prime Minister and Cabinet (2016) *Submission to the Productivity Commission Review of Human Services* Sub265 into Inquiry into Human Services: Identifying Sectors for Reform. Productivity Commission, Melbourne, p. 4.
7. In their submission to the Inquiry into NDIS Costs, National Disability Services note that inadequate pricing “adds to the risk of market failure”. National Disability Services (2017) *National Disability Insurance Scheme Costs: Submission on Position Paper* Sub PP295 into Inquiry into National Disability Insurance Scheme (NDIS) Costs, Productivity Commission, Melbourne, p. 5. See also Victorian Government (2017) *Victoria’s second submission to the Productivity Commission Review of NDIS costs* Sub PP298 into Inquiry into National Disability Insurance Scheme (NDIS) Costs, Productivity Commission, Melbourne, p. 3.
8. Victorian Government, Ibid, p. 3.
9. Productivity Commission (2017) *National Disability Insurance Scheme (NDIS) Costs: Productivity Commission Study Report* Productivity Commission, Melbourne. p. 36.
10. Ibid, p. 36.
11. Productivity Commission (2011) *Disability Care and Support Productivity Commission*, Melbourne. p. 531
12. Department of Social Services (2016) *National Disability Strategy 2010-2020: Second Implementation Plan Driving Action 2015-2018*, Australian Government, Canberra. p. 8.
13. Victorian Aboriginal Community Controlled Health Organisation (2017) *Submission to the Productivity Commission’s Inquiry into National Disability Insurance Scheme (NDIS) Costs* Sub 162 into Inquiry into National Disability Insurance Scheme (NDIS) Costs, Productivity Commission, Melbourne; See also Victorian Aboriginal Community Controlled Health Organisation *Submission to the Productivity Commission’s Inquiry into National Disability Insurance Scheme (NDIS) Costs: Information Request 6.1* Sub PP223 into Inquiry into National Disability Insurance Scheme (NDIS) Costs, Productivity Commission, Melbourne.
14. First Peoples Disability Network Australia (2017) *The Redfern Statement: Disability Workshop Communiqué*, First Peoples Disability Network, Sydney. p. 4
15. Ibid. See also First Peoples Disability Network Australia (2017) *The Redfern Statement Disability Workshop* First Peoples Disability Network, Sydney. p. 2.
16. Australian Health Ministers Advisory Council (2016) *Cultural Respect Framework 2016 to 2026 for Aboriginal and Torres Strait Islander Health* Available at https://nacchocommunique.files.wordpress.com/2016/12/cultural_respect_framework_1december2016_1.pdf
17. National Disability Insurance Agency (2017), *Aboriginal and Torres Strait Islander Engagement Strategy* Available at <https://www.ndis.gov.au/Aboriginal-and-Torres-Strait-Islander-Strategy>. p. 11.