



Integrated Market, Sector and Workforce Strategy

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This paper was prepared by the Senior Officials Working Group for the Disability Reform Council.

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Glossary

This document uses a range of terminology to refer to key actors in the strategy, as well as to describe the current landscape of disability support in Australia.

Participant – refers to a person with a plan of support in place with the National Disability Insurance Agency who is eligible to receive Tier 3 supports through the National Disability Insurance Scheme.

Consumer – refers to a person with disability or family/carer of a person with disability who is able to access any Tier of the National Disability Insurance Scheme.

Provider – refers to an organisation currently funded to deliver disability support services, either through Commonwealth, State/Territory or local governments.

Supplier – refers to an organisation that will deliver or currently delivers National Disability Insurance Scheme supports.

Supports – interventions, services and assistance purchased as part of a participant's package of assistance through the National Disability Insurance Agency.

Services – assistance delivered through a current disability support provider.

Market – refers to the competitive marketplace for suppliers of supports through the NDIS.

Sector – refers to organisations and sole traders who deliver disability support services and the peak bodies that represent them.

Workforce – refers to people currently working in the disability support sector, or to new members of the disability support workforce.

Executive summary

The Integrated Market, Sector and Workforce Strategy provides a vision of what a robust and mature National Disability Insurance Scheme (NDIS) market will look like and how it will function. The strategy is also intended to provide guidance to the National Disability Insurance Agency (NDIA) and Commonwealth and state and territory governments in implementing the NDIS to improve the lives of people with disability, their families and carers.

This strategy seeks to support the development of an NDIS market where people with disability exercise choice and control and have access to a full range of quality supports. It focuses on three key actors to achieve this vision: consumers, suppliers and the workforce. Each is integral to the success of the NDIS. In recognition of this, the strategy centres on activities to:

- enable people with disability to plan and develop goals for a life they value and to exercise choice and control over their supports
- develop a diverse and sustainable range of suppliers
- ensure there is a diverse and flexible workforce supply to support people with disability into the future.

This strategy adopts an overarching view, and will recognise and leverage existing work at the local or trial site level, the work being undertaken by state and territory jurisdictions, and work at a national level.

It is anticipated the strategy will be supported by the establishment of flexible and action-oriented Industry Advisory Groups to provide advice on specific issues and identify potential solutions to achieve market maturity.

Overview

In April 2012, the Council of Australian Governments (COAG) agreed to high-level principles for an NDIS. One principle was that the NDIS should “maximise the benefits of a market-based approach to disability support services, including consideration of a costing structure that fosters competition and choice, and supports an individualised and localised approach and takes account of legitimate cost variations for different locations and client groups”.

Achieving the twin aims of consumer choice and sustainability for the NDIS will be influenced by future market structure.

The purpose of this strategy is to outline the national policy position on the future structure of the market, the sector and its workforce under the NDIS. The national strategy is a key element in embedding the three pillars that underpin the NDIS: insurance approach, choice and control, and community and mainstream.

The strategy provides a vision of what a robust and mature market would look like, and how it would function. It also provides guidance to the NDIA and governments in implementing the NDIS to support better lives for people with disability, their families and carers. The strategy also considers how to leverage existing work of jurisdictions to support the implementation.

The strategy applies a broad definition of the market to ensure that it is reflective of the diversity of existing and emerging markets under the NDIS and to ensure it recognises the evolving nature and different levels of maturity across markets.

The future NDIS market will be significantly different to the current disability service system. Existing providers of supports have developed a wealth of expertise about the sector and their local communities and have established positive relationships with people with disability and their carers. Under the NDIS, new and different forms of suppliers will enter the market, bringing diversity, competition and innovation. New suppliers will include community members, individual sole traders, organisations within the community and increased numbers of for-profit suppliers.

Developing a sustainable and efficient market for the future is a critical goal to ensure that people with disability can access supports that enable them to fulfil their goals and aspirations and the outcomes they require to live full and valued lives within their communities.

Existing providers will need to develop options for transitioning to a competitive market ahead of implementation of the full scheme. They will need to operate efficiently and competitively without requiring on-going subsidisation.

New suppliers are also expected to emerge from other sectors such as health and aged care and there will be a need to work closely across the different sectors.

Securing a sustainable workforce is central to delivering on the NDIS. It is anticipated that the disability sector workforce will need to more-than-double in size between now and full implementation, as a result of the NDIS. Building a diverse, innovative and well-equipped workforce requires collective effort if it is to be strengthened and extended through the NDIS.

In particular for rural and remote areas and for Indigenous communities, engaging local people and incorporating them into the workforce becomes all the more important.

The case for change

Achieving the vision of a vibrant market for disability supports will require an integrated strategy that brings together actions to support people with disability, suppliers, and the workforce.

Current support system

The Productivity Commission reported that the current disability support market is fragmented, with disability funding and delivery arrangements differing across jurisdictions. The current system is rationed, with a significant level of unmet demand, and the person with disability often has limited influence over the supports they receive or how they are provided.

Currently providers of support rely on funding through ‘block contracts’ from governments. That funding is allocated through programmes that define the services, access criteria, and the delivery of support to an agreed number of people with disability, with government regulatory arrangements in place to enforce safety and quality standards.

The Productivity Commission found that this ‘block funding’ model led to economic inefficiencies, and it:

- impeded people with disability from obtaining supports most appropriate to them
- diluted the signals given by people with disability as to the relative value they place on different supports, reducing the capacity for efficient allocation of scarce resources
- diminished competition between suppliers by failing to appropriately reward suppliers who deliver good value, high quality, and responsive services.

In recent years, there has been a significant shift across most jurisdictions to more individualised and person centred funding arrangements, introducing new ways of engaging supports and increasing choice and control for people with disability.

The existing disability support system is primarily made up of not-for-profit providers with some private for-profit operators in services such as health care and nursing.

In most states and territories, the Government also has a role in specialist disability service delivery. Where governments decide to remain as a supplier under the NDIS, they will need to design their services in a manner that enables the desired innovation, competition and efficiency to be achieved in the full scheme.

National Disability Insurance Scheme

The core of the NDIS is about facilitating the best life outcomes possible for people with disability. The market that forms to support the implementation of the NDIS, therefore, has some features that are unique when compared with other support markets:

1. The supports that people with disability need to access will generally not be stand-alone products. They have to integrate with or leverage off all other supports in a person's life — natural supports such as family and friends, and mainstream services such as health and education.
2. There is no immediate view of what people with disability will demand from the market. The NDIS will open up possibilities for people that they may never have experienced before — choice, aspiration, and decision-making. In addition, existing and potential providers may be unsure of what to offer, and how to structure their business to be responsive.

Disability services must fulfil life-long objectives and deliver on immediate individual priorities.

Building the capacity of people with disability to aspire to better life outcomes and choose how they do this is fundamental to design and transition of the market.

The NDIS is a fundamental and radical shift that challenges people with disability, governments, existing and new suppliers and the sector workforce to adapt and take this unique opportunity to improve the way that supports are delivered.

The landscape of disability support services will also undergo considerable change in the NDIS roll out. There is a change in the role of providers from recipients of government grants to responsive suppliers, tailoring services to the needs of the individual. Supports being provided in the NDIS market will also expand beyond those currently available in the disability sector, and a new range of suppliers to deliver these supports will enter the market.

While existing disability service providers are skilled and experienced, the NDIS environment will require them to adapt from an existing model to an environment where they compete with other suppliers for business and are paid retrospectively for individualised supports via invoice. New suppliers entering the disability market may bring with them an understanding of other related sectors, but will need to build an understanding of the disability sector.

It is anticipated the disability sector workforce will need to double by full roll out in 2019-20, as well as, adapt to and increase its capabilities to better respond to participant choice and control. The growth of the disability sector workforce also faces competition from workforce demand and shortages in related sectors such as aged care, and child care. Suppliers will need to make choices around how to best invest in their workforces to meet the changed and increased demand expected as a consequence of the implementation of the NDIS.

Vision for the NDIS market

The vision for the NDIS market is that people with disability exercise choice and control and have access to a full range of quality services and supports.

The market to support people with disability is in a unique position. It is facing a fundamental level of change that requires people with disability, governments, potential suppliers and sector workforce to be aware of unknown possibilities. For people with disability there will be a level of choice and control not previously imagined. For existing providers and future potential suppliers there are new opportunities to provide supports to enable people to meet their goals. For disability workers, there are opportunities to deliver the goal of a sustainable and diverse workforce that provides good quality, tailored and affordable supports to people with disability. For Commonwealth and state and territory governments there is a change in role from service funder to assisting the NDIA to facilitate the development of a mature market.

The focus will be on enabling people with disability to meet their life goals, through the best use of all available resources and realising greater participation in social and economic life. The NDIS will take a life-long perspective to the needs of people with disability that considers the benefits of early intervention and prevention.

People with disability will be empowered to exercise choice and control and access a wide range of mainstream and community-based support, both formally and informally. This will require greater connectivity, integration and collaboration between suppliers across all market segments within the sector. People will have options to access technologies and equipment which may change the type of supports they need, in order to achieve a life goal.

The NDIS market, underpinned by a quality and safeguarding framework, will take time and require support to form, as people with disability need time and support to realise and exercise the full potential of their choice and control. There will be different roles and different levels of market facilitation required from the Commonwealth, NDIA and states and territories as the market matures.

The NDIS will have a broader reach than the current disability support system. It will require a range of existing and new market segments to link together and respond to the needs of people with disability. The components of the market will not become apparent until people with disability start to exercise choice and control.

Where there are thin market segments, such as rural and remote areas, providing choice will be more difficult and may require a greater level of market facilitation. It should also be acknowledged that there may be high personal and economic transaction costs to change providers, and these should be minimised.

The characteristics of a responsive and effective market structure include:

- people with disability are informed and capable and have access to information about supplier quality, performance and pricing
- existing suppliers are supported to make the transition to the scheme and to ensure that social capital and skilled and experienced workers are retained within the sector
- multiple suppliers, including existing and new, generate a diverse, vibrant, sustainable, competitive and fair market place
- people with disability and suppliers lead the development and implementation of their own capacity building activities
- suppliers take a holistic view of the person with disability and offer supports that makes the most of the other features in the person's life
- transaction costs are minimised so people with disability can readily change who they choose to get their supports from
- effective quality and safeguards and level of market regulation to achieve a balance between providing protection, supporting choice and understanding risk
- identifying risks to the scheme to minimise unintended consequences that may erode the scheme's benefits
- adequate depth and resilience in the provision of supports to underpin fiscal sustainability of the scheme and give people with disability certainty that their future needs will be met
- adequate support for people with disability to influence the design of supports, facilitating new ways of engaging support, including assessing levels of risk for the individual
- rise of intermediaries
- transitional arrangements where there are supply gaps.

These essential characteristics provide a strong guide to the key actions to be taken to achieve this vision.

Achieving the vision for the NDIS market

In order to be fully realised, the NDIS market needs three separate but connected areas of action, which have a shared aim of building capacity to realise the full benefits of the NDIS. Firstly, an action plan focused on people with disability as informed and effective consumers; secondly, an industry/supplier focused action plan, and thirdly; a workforce action plan.

These areas of action will be supported and shaped by the national quality and safeguarding framework, which will replace the current range of state and territory based systems. Together, these areas of activity will support development of a vibrant market in which people with disability are able to achieve their goals.

Implementation of this strategy and subsequent action plans could be supported by Industry Advisory Groups that may provide advice to the Disability Reform Council, as required. It is anticipated the Advisory Groups would be made up of relevant stakeholder representatives to advise on and commission activities to address specific issues as they arise.

Vision: people with disability exercise choice and control and have access to a full range of quality services and supports

Consumers	Suppliers	Workforce
<p>Enabling people with disability to exercise choice and control over their supports by:</p> <ul style="list-style-type: none"> • building skills to engage with the NDIS • Enhancing consumer information • developing tools to promote skills in plan management • building quality systems and enhancing consumer safeguards • providing decision supports and other assistance. 	<p>Developing a diverse and sustainable range of suppliers by:</p> <ul style="list-style-type: none"> • enabling existing and emerging suppliers to mature at an appropriate and sustainable rate • providing an environment for innovation in planning and delivery of supports • building quality systems and ensuring effective safeguards are integrated into business systems. 	<p>Building the workforce to support people with disability into the future by:</p> <ul style="list-style-type: none"> • assisting the sector to build a sustainable and diverse workforce • encouraging innovative and efficient use of the workforce • enabling the development of a workforce with the skills, knowledge and values to support implementation of the NDIS.
<p>Industry Advisory Groups to provide advice on the strategy</p>		

A national approach to quality and safeguarding will underpin the strategy

Efforts to support the NDIS market will occur at the local, jurisdictional and national levels

The strategy will encompass efforts being made at the local level in trial sites, at the jurisdictional level, and at the national level. Many of the actions captured in this strategy will also be undertaken through the work of the NDIA in its market development work at the local level, by state and territory governments and the Commonwealth in Bilateral Agreements for Transition to the NDIS, and by the Commonwealth through the Sector Development Fund.

Potential role for Industry Advisory Groups

Achieving the overall vision of a vibrant market for disability supports would benefit from advice from Industry Advisory Groups that take an action-oriented, national perspective on how the different components highlighted in this strategy come together to achieve the key deliverables for an efficient and effective market structure. This may include convening specialist Advisory Groups, made up of relevant stakeholder representatives, to advise on specific issues as they arise, such as:

- feedback on particular topical issues or strategies
- consultation with organisations or groups on specific issues and potential actions
- strategic advice on issues associated with the achievement of actions set out in this strategy
- guidance on how suppliers can foster innovation and collaboration and build workforce capacity and supply
- advise on effective consumer advice mechanisms to give consumers, including families and carers, a voice and meet the needs of particular groups such as Indigenous people with disability and people with mental health conditions.

The Advisory Groups would also work to enable consumers, workforce representatives and suppliers to:

- develop and implement strategies to achieve the vision of the market
- facilitate a discussion on new supports and delivery methods
- create an environment for key actors to discuss and develop their own approaches to capacity building, growth strategies, information sharing, and industry development.

The objective is for these features of an effective market to be self-sustaining by full scheme. The Advisory Groups would have a key focus on developing and promoting the capacity of consumers to exercise choice and control and promoting the development of an engaged industry sector.

Membership of the Advisory Groups is intended to be flexible, issue and action specific and able to represent the interests of all relevant stakeholders in the NDIS market, sector and workforce.

Stakeholders may include but are not limited to:

- people with disability and NDIS participants
- families and carers of people with disability
- employers and employer representative groups
- suppliers including self-employed service providers
- disability support worker representatives
- Allied Health Professionals Association.

It is intended that the composition of the Advisory Groups should reflect the vision for the sector once the NDIS is rolled out, rather than the current nature of the sector. Advisory Groups should include representation from new and emerging segments of the sector, and should not be confined to established organisations, groups and representative bodies.

The Advisory Groups would be chaired by an independent sector or industry expert to be determined and aligned with the task at hand. Terms of reference, including flexible membership options and meeting frequency will be developed.

By the completion of national transition to the NDIS, the Advisory Groups will have established mechanisms for consumers and industry to lead ongoing capacity development and influence the market environment.

The Department of Social Services would provide the required level of secretariat support for the Advisory Groups.

Action Area 1: Enabling people with disability to exercise choice and control over their support

In a mature market, people with disability will have good quality information to inform their actions as consumers, and they will be able to access the supports they need to achieve their goals and aspirations.

Current environment

State and territory governments have taken a number of steps towards enhancing the capacity of people with disability to exercise choice and control, albeit within constraints, through initiatives such as personal budgets, Individualised Funding Plans, and some opportunities to self-manage. Some examples include:

- Victorian Government Leading, Education and Advocating for Disability (LEAD) initiative in Barwon to build the capacity of people with disability through sharing their personal experiences of the NDIS in forums including personal blogs, social media and speaking events.
- South Australia has launched the online resource MySupportAdvisor, mysupportadvisor.sa.gov.au, which provides centralised online information to better connect disability support users and providers. With the roll out of the NDIS and Individualised Funding, MySupportAdvisor assists a broad range of South Australians with disability to make informed choices about the use of their support budget. Users are also able to rate and post feedback on the disability services they have used, helping others to make better informed choices and enabling service providers to respond, as an opportunity for quality improvement.
- In 2013-14 the Tasmanian Government piloted a self-directed funding program which enabled a group of people with disability to increase choice and control and flexibility with some people experiencing an increase in service delivery and a broader range of services and supports. This pilot has since been evaluated and is now more broadly available to people who have expressed interest in self-directing their supports. This programme has been tested with the NDIA to ensure a smooth transition to the NDIS model.

While these existing initiatives have given some people with disability the experience and skills to exercise greater choice and control, many people with disability will not have had the

opportunity to exercise choice. Some people with disability may require additional support to effectively exercise informed choice, especially those with high and complex needs.

Key areas for action

Building skills to engage with the NDIS

At the local level, the NDIA has Local Area Coordinators whose role includes building the skills and confidence of individuals to engage with the full range of community supports, and in turn to ensure that communities are inclusive of people with disability and provide a range of options to meet the needs of NDIS participants.

Also at the local level, Disability Support Organisations are being piloted to work with people with disability, their families and carers to raise awareness and maximise their engagement with the NDIS.

Enhancing consumer information

At the local level, the NDIA undertakes a range of functions to support people with disability to access supports. For participants and prospective participants in the NDIS, NDIA's planning processes involve discussions on the range of support opportunities, which will help participants achieve their goals. As well, NDIA is developing a range of consumer guides to best practice in such areas as therapeutic supports or equipment.

Through the period of transition to full scheme, states and territories will continue to work with their existing disability service clients to build their understanding of, and capacity to engage, with the NDIS and to move to an individualised planning basis to engage with providers.

In addition, the NDIA will provide more general information on access to mainstream and community-based supports for people with disability as part of its responsibilities under the Information, Linkages and Capacity Building component of the NDIS.

Also at the national, state and territory levels, the Sector Development Fund could be used to fund and promote consumer advisory tools that would support the National Quality and Safeguarding Framework.

Developing tools to promote plan management skills

At the local level, the availability of intermediary services, described in the *National Disability Insurance Scheme Act 2013* as Plan Management Providers, can build peoples' skills to manage their NDIS plans by helping participants to source the supports they need, and to look for innovative ways of achieve their goals. Further development of this sector is a key action under the strategy.

At the national, state and territory levels, the Sector Development Fund could be used to fund and promote tools (particularly web-based solutions) that provide people with disability the information, tools, skills and networks to fully or partly self-manage their supports.

Building quality systems to enhance consumer safeguards

The National Quality and Safeguarding Framework will also support the market strategy through its focus to enhance consumer information and develop consumer capability through building networks of support and improving the natural safeguards of individuals.

Action Area 2: Developing a diverse and sustainable range of suppliers

In a mature market, suppliers respond to the behaviours and experiences of consumers, are sustainable, diverse, and innovative, meet industry standards; and are compliant with regulatory obligations.

Current environment

The expansion of the disability sector in response to the NDIS brings risks and challenges to existing providers transitioning to the scheme, and new entrants entering the sector. While many suppliers may thrive in the new individually-funded environment of the NDIS, others may take longer to adjust. A key element in the success of the NDIS market will be to acknowledge the existing value, experience, skills, knowledge and infrastructure in the current disability support service system in Australia. It should also highlight the demonstrated commitment of existing providers to people with disability and their families. At the same time, new entrants to the market will potentially bring dynamic and innovative ways to deliver services to consumers.

It is crucial for an effective transition to the NDIS that most existing providers meet these challenges and continue to provide services to participants through the transition period. It is also important to recognise the challenges existing providers face in the transition to a changed market, and to support them where Commonwealth, state and territory government facilitation is necessary and feasible. It should also recognise that not all providers will choose to make the transition or at least not in their current form.

States and territories have undertaken a range of supplier-focused action as part of moving to an individualised service system. A few examples of this include the:

- Queensland Government's Business Development Package to help non-government service suppliers to review and adapt their business processes to respond to cost-pressures and changing clients and community needs
- South Australian Government's consultancy to provide workshops and mentoring to assist organisations to individualise their services and business practices
- New South Wales Government Industry Development Fund, which has established a number of initiatives to assist service suppliers to prepare for transition to the NDIS
- Victorian Government's state-wide financial intermediary service, which is testing innovative models to support the choice and control of people over the management of funding, supports and providers.

Key areas of action

Enable existing and emerging suppliers to mature

Support existing providers to transition their business models to the NDIS

At the local level, the NDIA will undertake market monitoring, engage with local suppliers on the pricing of supports, business models and workforce challenges. They will also integrate their business processes with NDIA systems for approving purchasing and invoicing.

The NDIA will document and share learnings from trial site experiences to enhance the ability of the sector to adapt rapidly to the NDIS environment.

These local level initiatives will be supported at the state and territory level by a range of initiatives to prepare and support suppliers, including measures to ensure suppliers are able to understand the costs of their business and are able to operate within a contestable environment and interact with the NDIA in the transition to full scheme.

The Sector Development Fund could also be used to ensure key market segments transition effectively to new business models. The fund could also be used to develop and disseminate capacity building tools and services for time-limited supports during transition to full scheme.

Support to attract new suppliers

At the local, state, territory and national level, the NDIA will ensure information on demand/population and service data is available to suppliers to highlight market opportunity and support strategic supplier investment in specific market segments, such as specialist areas of allied health.

At the local, state and territory and national level, the strategy will look to enhance new sectors of the market such as Plan Managers, who can in turn broaden the range of supports that participants draw on to meet their needs.

The Sector Development Fund could be used to support the development of e-market platforms to help facilitate and match consumer demand with provider supply, potentially creating new and diverse models of meeting the support needs of participants.

Develop indicators and approaches to ensure supply of supports in critical areas

At the local level, the NDIA will build a robust framework to monitor local sector capacity, including the development of indicators in supply gaps.

NDIA will support the needs of specific cohorts in trial sites and local areas, such as Indigenous and CALD people with disability and rural and remote areas through initiatives such as specific working groups and bulk purchasing arrangements.

These local level initiatives will be supported at the state and territory level by a range of initiatives to monitor suppliers set out in transition Bilateral Agreements, schedules and operational plans; including measures to monitor supplier readiness.

The Sector Development Fund could be used to support innovative approaches to ensure critical support, and also to provide assistance across sectors where effective coordination will be needed to ensure participant needs are met.

Environment for innovative planning and delivery of supports

The Sector Development Fund could provide innovation grants to promote new business models that reduce the need for dedicated administrative or other staff services and enable new business relationships to develop. An Industry Advisory Group could provide advice on service integration and leverage across suppliers within, and in adjoining, industry i.e. across not-for-profit and for-profit suppliers and across adjacent markets to look for efficiencies and new support models.

Build quality systems and effective safeguards

The Commonwealth, states and territories have agreed that a nationally consistent approach to quality and safeguards in the NDIS is required. The National Quality and Safeguarding Framework needs to ensure that appropriate quality and safeguards achieve a balance between providing protection, supporting choice and control and understanding risk.

The Sector Development Fund could be used to support aspects of the introduction of a national framework including in relation to consumers, suppliers and the workforce.

Develop effective price signals

Experience in other sectors indicates that moving to a competitive market environment requires careful transition planning, including assessment of the incentives created by pricing. An interrelationship exists between pricing, provider financial stability, workforce capacity and scheme sustainability. The price used to build an NDIS participant's package is an important factor in relation to the development of the market, sector and workforce and the overall financial sustainability of the scheme.

Providers, particularly existing providers, will need to develop an understanding of the cost of doing business, especially the concept of unit pricing. It is important that pricing signals are clear and timely so that providers can prepare for transition in a timely manner and invest with certainty. For example, clear signals need to be provided about intended pricing policy, regulatory and reporting requirements and publishing performance data of providers operating in the NDIS.

Initial development of the NDIS in the trial sites recognised the need for some certainty in pricing through a price setting for each jurisdiction. The NDIA has indicated that it will consider moves to deregulate prices as the market matures. However, deregulation should only be considered when the market is determined ready for such a change. In the meantime, the NDIA will continue to monitor existing pricing arrangements.

Provide support in rural and remote locations and thin market segments

The risk of market failure remains an issue in many areas. Market failure can include the failure of individual suppliers or organisations, localised market failure or more systemic failures related to scenarios such as predatory practices, unbalanced supply and demand, unbalanced information about support, consolidation, decrease in participant choice, and decrease in the quality of service choices.

Issues facing the disability market, sector and workforce are intensified in regional and remote areas, where the market may not provide the sufficient level of range or competition

in support services because of insufficient demand in the area, limitations to the diversity of services, workforce shortages, and lack of infrastructure. In these areas, the limited choice for participants could result in providers having greater market power. Providers may be less likely to be responsive to participant feedback, charge higher prices for support, or deliver a poor quality service.

The particular challenges of rural and remote locations and other thin market segments will require enhanced local cross-sectoral coordination. The Commonwealth will support coordination across the disability, aged care and other community service sectors to address workforce challenges in these locations in a holistic way. This work will be complemented by jurisdictional and trial site initiatives, as well as through the NDIA's *Rural and Remote Servicing Strategy*.

While this strategy is focused on preparing the sector for a competitive market environment, it will include flexibility for the NDIA to develop special purchasing arrangements in regional and remote locations, for Indigenous and CALD cohorts and for specialist markets, such as aids and equipment, to address thin market conditions and service gaps. This may include continuation of bulk purchasing arrangements or government subsidies to give incentives to new entrants in high-risk market segments.

The Sector Development Fund could be leveraged to address these issues by:

- supporting innovative projects to develop the market in thin market segments
- providing start-up or maintenance support for suppliers in areas identified as at-risk
- supporting projects that encourage integration between disability services and other related service systems, such as housing, health and transport.

An important aspect of diversifying the disability workforce is to ensure the workforce can effectively engage with Indigenous Australians with disability. The NDIA will address this issue through its *Indigenous Engagement Strategy*. This issue will also be addressed at the jurisdictional and trial site level and could be considered by an Industry Advisory Group.

Action Area 3: Building the workforce to support people with disability into the future

In a mature market, the workforce will grow, diversify and adapt to enable it to respond to a person-centred approach to providing support.

Current environment

It is anticipated that the disability sector workforce will need to more-than-double in size between now and full implementation in 2019-20 as a result of the NDIS. The workforce will need to increase from approximately 73,600 full-time equivalent (FTE) workers, to an estimated 162,000 FTE workers. The introduction of the NDIS will also bring a need for different kinds of workers and a shifting workforce profile. Effective and engaged suppliers will be the key to sustained workforce growth and diversification.

In order to be responsive to strengthened consumer demand, service suppliers need to grow and develop the capacity of their workforce to recognise and communicate the needs of consumers through every level of their organisation.

The disability sector workforce will need to adjust to the NDIS person-centred choice and control model offering flexibility and adaptability. As part of building their capacity, suppliers should be encouraged to draw on their workforce as a valuable source of feedback on consumer experiences and life possibilities, and as a guide to how to improve service integration, efficiency and innovation.

Service suppliers can also play a key role in increasing the available workforce supply by, for example, offering flexible workforce options that encourage employment in the sector. To be sustainable, this natural development will need to occur independently of government intervention.

While the workforce has grown steadily in recent years to meet expanded funding for disability services, this growth will need to continue, and to bring a more diverse range of people to provide support for people with disability.

Key areas of action

Assisting the sector to build a sustainable and diverse workforce

The NDIS will require an expanded and diverse workforce that meets the needs of NDIS participants. It is imperative that the sector takes the lead in developing actions that attract a more diverse workforce, effectively trains and skills these workers and retains them into the future.

It is estimated that the highest rate of increase in the demand for disability workers will be for allied health professionals. The disability sector will need to work closely with related community service sectors, particularly health and aged care, to ensure the demand for allied health professionals is met.

To support the sector and enhance the supply of allied health professionals to the disability sector, the Commonwealth and jurisdictions will work with the sector, education authorities, and professional bodies to ensure that professional education prepares graduates adequately to work in the NDIS. At the same time, to encourage allied health professionals to choose the disability sector, the Commonwealth will work with these same stakeholders to strengthen the sector's capacity to provide high-quality placements and support continuing professional development for allied health workers.

To meet the increased demand for disability workers, including allied health professionals, it will be necessary to assist suppliers to promote the disability sector nationally as a career.

As well as seeking to increase the size of the workforce, the aim is also to develop a more diverse workforce, which more effectively reflects the diversity of the disability community. The Commonwealth will extend the Carecareers and ProjectABLE initiatives (developed by National Disability Services with funding from NSW Government) to encourage potential recruits, including school leavers, to transition to the burgeoning disability workforce. This

work will be supported at the jurisdictional and trial site levels by promoting disability work through training providers and job placement agencies.

Additionally, the Commonwealth Government could look at options through skilled visa programmes to support suppliers by attracting and facilitating people coming to Australia to work in the disability sector.

As well as encouraging new workers to the sector, it is crucial that the sector retains existing expertise. It is just as important to retain providers in the transition phase of the market as it is to retain experienced workers. A key factor in the development of the future workforce will be the retention of expertise of existing state government employees as some of their employers exit service delivery. As most state and territory governments are transitioning out of disability service delivery, it will be important to support this process to ensure that these experienced workers employed by state government services are not lost to the sector.

Encourage innovative and efficient use of the workforce

To meet the needs of participants under the NDIS, it will be important to support suppliers to develop new and differentiated support work functions and roles, including the capacity to support people with complex needs and to direct investment in skills that make a difference to participant outcomes.

For instance, to ensure the NDIS meets the needs of participants with mental health issues, it will be necessary to engage the sector to define mental health support roles, related job design and training requirements and establish how these roles differ from, and overlap with, other disability support roles. It is also important that the capacity of participants and their families is developed to confidently take an active role in selecting and directing workers.

To address these issues, the Commonwealth could establish a *Transforming the Workforce* programme to demonstrate learning models of service delivery that enable suppliers to make better use of the talent and skills of the workforce and to stimulate innovation. This programme could seed-fund innovative workforce and service projects to redesign and test new work roles and related models of supervision, deploy workforce, give more flexibility and improve outcomes through the use of technology. This programme could be funded nationally through the Sector Development Fund with the NDIA working locally to create a role to support workforce initiatives at the regional level.

Nationally there is a potential role for an Industry Advisory Group in providing an environment for parties to discuss and develop different approaches to resolving real challenges through a non-bargaining forum that would allow suppliers, consumers and the workforce to consider and work together on a range of industrial arrangements in a setting that promotes collaboration and problem-solving.

Development of a skilled workforce to support the NDIS

Given the expected expansion of the workforce, as well as the cultural change affecting existing workers as the market moves to a client-centred model of delivery, it will be necessary to support suppliers to ensure that all workers involved in service delivery have a fundamental understanding of the NDIS. Therefore, the Commonwealth will support the sector in the development of induction training that can be provided to the workforce.

It is crucial for market development that workforce training and development priorities for the sector are clear and understood as the market transitions to the NDIS. It is therefore proposed that the Sector Development Fund be used to support the disability sector through funding analysis of training and skill requirements. This will then enable the sector to develop specific methods and approaches to ensure the workforce has adaptable and relevant skills. This will take into account: new workforce roles; allied health workers and other areas with potential shortages; quality and safeguards; and career pathways. This work should be driven by the sector, for the sector.

In addition, through their local level market activities, the NDIA could look to support the sector in transition by strengthening senior management and sector leadership capacity and maintain investment in workforce skills and training by suppliers.

It will also be necessary to balance low barriers for entry to the workforce with appropriate levels of workforce screening through the development of the National Quality and Safeguarding Framework.

A significant range of initiatives to prepare the disability sector workforce will also stem from existing work within jurisdictions. These initiatives include arrangements to support readiness of the disability services market and to ensure that the workforce delivers quality services by ensuring workers have appropriate skills and understand the needs of participants. It is expected that the Transition Bilateral Agreements will also include monitoring of market readiness.

The NDIA will put forward a strategy to address the challenges specific to rural and remote service provision, which will guide approaches for the sector to workforce issues in these areas. A range of nation-wide initiatives could also be pursued in parallel with the work being undertaken by jurisdictions to support providers to prepare the disability support workforce for the NDIS.

Implementation Principles and Considerations

Once agreed by Ministers, this strategy will continue to inform policy development and areas of action for the future structure of the market, sector and workforce under the NDIS.

Specific areas of action toward implementation of this strategy could be considered by relevant, task-oriented Industry Advisory Groups that may provide advice to Disability Reform Council as appropriate.

Jurisdictions have invested in a variety of initiatives to develop and strengthen the workforce, market and sector. Implementation of this strategy should leverage existing initiatives, with the NDIA working with jurisdictions to identify effective existing investments, determine their applicability on a wider scale and share strategies across jurisdictions.

Implementation Principles

This strategy is focussed on:

- providing support, where required, for people with disability, their families and carers to develop life goals, and exercise choice and control

- improving the capacity and capability of the sector to deliver quality supports within the NDIS that meet consumer demand
- identifying the skills required of workers in the sector and assisting workers and organisations to develop these skills
- providing an appropriate balance of regulation to ensure adequate protection for consumers while supporting choice and control, and a person's capacity to assess the level of risk
- encouraging and building the capacity of individuals, and the developing industry, to take the lead in shaping the NDIS market into the future.

This strategy has been prepared to promote an environment where:

- the market, sector and workforce are sufficiently developed to respond to and address issues that occur during and after transition to the NDIS
- the market, sector, workforce and participants are prepared for the transition to the NDIS and can adapt, as required
- the market, sector and workforce enable participants to exercise choice and control
- the market, sector and workforce respond to the needs of NDIS participants
- the market, sector and workforce deliver quality support and services
- the market can sustain itself, grow and diversify in the long-term without ongoing development work by governments
- participants can signal their needs to the market
- philanthropy and social investment continue to be encouraged as a source of funding for community priorities.

Inter-sectoral collaboration

Implementation of this strategy will consider inter-sectoral collaboration and appropriate linkages to other related industries/sectors.

There are concerns that the lack of integration between disability services and other related service systems, such as housing, health, aged care and education, will continue under the NDIS, and unless this is addressed will lead to continued inefficiencies, delays and red tape.

A prerequisite for the success of the NDIS is that there will be clear lines of responsibility between the scheme and other service systems, known as mainstream services. These lines of responsibility are outlined in the Applied Principles and Tables of Support, which was agreed to by COAG in 2013, and is currently under review.

Mainstream services have a responsibility to address structures and systems that are barriers to access, including responsibility to put in place reasonable adjustments to ensure that services meet the needs of people with disability.

It is important that the NDIS does not become responsible for support that is not within its scope, and equally important that mainstream services do not become responsible for support that is the intended responsibility of the NDIS. Effective interaction between the NDIS and mainstream services is critical to ensure smooth transitions for participants and to avoid cost-shifting, duplication and the emergence of service gaps.

This interaction remains a key priority for the Disability Reform Council. In April 2015, the Council considered a report on the interaction between the NDIS and mainstream services. The council looked at how the NDIS ensured support was appropriately defined as either the responsibility of mainstream services or the NDIS, and whether it was funded accordingly.

Both the disability and aged care sectors are undergoing significant change. Both sectors are transitioning to client-centred service delivery models. The introduction of the NDIS and contestability in the Commonwealth Home and Community Care (HACC) programme are likely to lead to increasing number of suppliers operating across both sectors. It is important that both sectors recognise and capitalise on opportunities for cooperation and coordination of policy as their respective sectors change and grow. This is particularly relevant in relation to the delivery of services in rural and remote areas where workforce shortages, particularly for more specialist services, will be most acute.

In both cases, increasing demand for services, due to an ageing population and the introduction of the NDIS respectively, is resulting in substantial increases in demand for workers. While the size of the aged care workforce is predicted to grow at a slower rate than the disability workforce over the next decade, the number of workers required will still represent a substantial increase over time.

The aged care workforce is also undergoing structural change and significant growth. Adequate numbers of suitably skilled workers are fundamental to delivering high quality, individualised support in both sectors. Reforms to the disability and aged care sectors are likely to increase the number of suppliers who operate in both systems, which will generate opportunities for those working in both sectors and increase the risk of competition for the same pool of workers. Coordination of disability and aged care workforce initiatives is important, given the interdependencies between the workforces to ensure successful policy outcomes.

Intersections across policy areas

Implementation and operation of this strategy will also consider intersections with other related policy areas, for example: quality and safeguarding and Information, Linkages and Capacity Building (ILC, formerly known as Tier 2).

Quality and safeguarding

Governments across Australia are working together to develop a new Quality and Safeguarding Framework for the NDIS. A public consultation process was launched by the Disability Reform Council to discuss quality and safeguards for the NDIS. While flexibility and red tape reduction is critical to the NDIS, if adequate quality and safeguarding arrangements are not implemented, participants, particularly those with complex needs, could be left without sufficient protection.

A critical component of a new Quality and Safeguarding Framework will be to ensure participants are empowered by access to information about the quality and outcome record of providers and different support types.

Existing arrangements for quality and safeguards are generally based on legislation and funding agreements between governments and providers of support. Similarly, under the

NDIS legislation, providers of supports will need to meet prescribed criteria through registration requirements. However, under the NDIS, service providers will generally not have contracts with the NDIA and funding will be provided to individual participants (or held on their behalf by plan managers), who then make choices about the purchase of their supports.

These decisions will have the protection given under existing consumer protection legislation and any further regulation required to establish a new national Quality and Safeguarding Framework. Central to the framework is developmental safeguards designed to make sure participants have the capabilities and support to choose quality supports and to build good and safe lives.

The consultation paper outlines a range of options for registering providers, handling complaints and screening staff to ensure they are safe to work with people who may be vulnerable.

Development of a new quality and safeguarding framework is an opportunity to streamline the rules across all states and territories to make it easier for people with disability and service providers.

The Commonwealth, states and territories have agreed that a nationally consistent approach to quality assurance and safeguards in the NDIS is required to:

- advance the rights of participants to dignity and respect
- provide protections against abuse, neglect and exploitation
- support the aims of choice and control, both as a means of empowering individuals and a driver of quality improvement in the scheme.

Information, Linkages and Capacity Building (ILC)

A policy framework for ILC, formerly known as Tier 2, was agreed by the Disability Reform Council in December 2014. ILC is a key component of the NDIS insurance model and will contribute to the sustainability of the NDIS by building the capacity of the community, people with disability, their families and carers. The framework will guide the NDIA in developing a transition and implementation strategy for ILC. ILC will consist of five streams of support, which focus on capacity building for people with disability, families, carers and the community.

ILC support can be funded through a range of mechanisms, provided they are outcome-based and encourage the development of a competitive and innovative market that allows the NDIS to target its funding to achieve intended outcomes transparently and efficiently.

Sector Development Fund

The Commonwealth Government has provided funding of \$146 million for the Sector Development Fund to contribute to assisting individuals and organisations to transition to the new NDIS operational environment. The Sector Development Fund is a pool of funds dedicated to support NDIS transition and is complemented by activity funded by jurisdictions and initiated by the disability sector. Funding will support activity at the national, state and local levels that will lead to a strong and self-sustaining market in the future.

To date, funded activities have been aligned with the following outcome areas, which were identified by the NDIA and are consistent with priorities previously agreed to by the Commonwealth, state and territory governments:

1. building participant capacity for choice and control
2. developing the market
3. workforce growth and development
4. research and data.

Future funded projects will align with these four outcome areas and support the priorities outlined in this strategy and market, sector and workforce activities set out in the transition bilateral arrangements and operational plans. Consideration will also be given to activities to address the challenges facing rural and remote areas and thin markets. Projects will also be considered in relation to the implementation of the National Quality and Safeguarding Framework. Decisions on allocation of the fund will also take into account evidence from trial sites and the NDS Report *Roadmap to a Sustainable Workforce*.

Current Sector Development Fund projects will continue. It is important to ensure some funding is retained for emerging issues for the developing market as the NDIS moves closer to full scheme. Funding may need to be directed to projects that address issues specific to individual jurisdictions and that will not be addressed through national projects funded through the Sector Development Fund. Governments also will need to ensure future funded projects do not duplicate any activity previously or currently funded by jurisdictions, the Commonwealth or the NDIA.