



Australian Psychosocial Alliance

Submission to the *NDIS Annual Pricing Review 2022-2023*

April 2023

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About the Australian Psychosocial Alliance

The Australian Psychosocial Alliance (APA) includes Flourish Australia, Mind Australia, Neami National, One Door Mental Health, Open Minds, Stride Mental Health, and Wellways Australia. We are the largest providers of community-managed mental health and wellbeing services in Australia, with most of our organisations being registered NDIS providers with a particular focus on psychosocial disability.

Members of the APA have extensive experience providing recovery-oriented care and support, which focuses on personal goals, participation and living a meaningful life. We have evidence of what works and combine this with service delivery wisdom to provide recovery-oriented services that support people to manage their symptoms and build their capacity to participate in society and manage their lives. This includes support to sustain a tenancy, build the skills to live independently, find fulfilling work, and build social connections.

The people who access our supports come from diverse communities across Australia, with each of our organisations having a clear commitment to promoting community inclusion and participation. We have experience providing services to at-risk groups, such as LGBTIQ+ individuals, culturally and linguistically diverse communities, and Aboriginal and Torres Strait Islander people, as well as young people. We recognise the value of lived experience and seek to co-design services and approaches wherever possible.

Executive Summary

The National Disability Insurance Scheme (NDIS) was introduced in Australia in 2013 to provide people with disabilities with greater choice and control over their support services. The current pricing structure for NDIS supports has been identified as a significant barrier to achieving the Scheme's objectives, including fulfilment of the Psychosocial Disability Recovery-Oriented Framework. The NDIS pricing structure has a significant impact on availability and delivery of NDIS services, as well as participants' experience of the NDIS, including their ability to access the supports. The NDIA itself has acknowledged a range of factors which affect the viability of NDIS pricing, such as economic conditions in Australia, salary/wage awards, the Aged Care minimum wage review, and other concurrent reviews.

The current pricing structure poses a range of issues which limit the capacity of NDIS service providers to deliver safe and high-quality NDIS supports, and so limit participant's choice and control over supports. These issues include:

- **No increase to NDIS support coordination and therapy support pricing for the past three years, despite increasing annual costs associated with providing NDIS services, specifically significant Award increases;**
- **Imminent Consumer Price Index (CPI) increases expected in Financial Year 2024 to address rising inflation;**
- **Pricing of supports delivered by Support Workers, Support Coordinators, and Recovery Coaches that are inadequate and inconsistent with the complexity and requirements of their roles;**
- **Unbillable costs associated with registration and maintaining compliance;**
- **Lack of financial incentives for sole/small business providers to become registered providers and achieve accountability for the quality and safety of the supports they provide; and**
- **Collapsing three levels of high intensity support line items into one by removing high intensity levels 1 and 3 and aligning pricing with level 2 supports in FY23.**

To address these issues, it is recommended that the annual pricing review commits to meaningfully addressing the inadequacy of the current pricing structure. This would involve the development of a pricing structure that accounts for the actual cost of providing safe and quality services, the specialty skills involved in delivering psychosocial supports, as well as the needs and preferences of participants with psychosocial disability.

Should there not be meaningful changes to the pricing structure to meet the increased operating costs, many quality and registered providers will exit the market.

By improving the pricing of NDIS supports, the NDIA can ensure that people with disabilities have access to the services they need to live full and fulfilling lives. Doing so also supports the growth and development of a high-quality disability services sector.

Consultation Process Feedback

The APA welcomes the opportunity to contribute to the NDIA's consultation on the National Disability Insurance Scheme 2022-23 Annual Pricing Review. The APA believes there are a range of opportunities to address systemic issues in the provision of NDIS supports through the pricing review and is committed to working with the NDIA to support this.

It is important to acknowledge that whilst the consultation period was open for 1 month, we suggest that the NDIA can significantly improve the effectiveness of its consultation and engagement processes. Notably, the consultation period took place during peak public and school holidays (Easter, Ramadan, Autumn school holidays), which limited the availability and capacity of organisations and participants to contribute to informing and providing submissions.

The timeframes for these reviews are inadequate and place unreasonable pressure on service providers and participants who are committed to providing considered feedback. These timeframes also significantly inhibit opportunities for sector collaboration in providing useful data and feedback for the NDIA.

Going forward, the APA recommends that the NDIA consider how it can better engage and consult the community, service providers, and participants and their carers. This will better enable the collection and synthesis of sector views, accurate and consistent data informing modelling and key decisions, and the opportunity more constructive and collaborative engagement.

Furthermore, we encourage the NDIA to detail the key messages and themes from the present consultation process, and their responses to such suggestions and themes. Doing so will support better transparency in the consultation process, and greater understanding of how feedback is being incorporated into the Annual Price Review.

Detailed Responses to Consultation Questions

In this section the APA provide our responses to the NDIS 2022-23 Annual Price Review (APR) Consultation Paper using the same sections and numbering system from the Consultation Paper for ease of reference. We have provided comment on each section of the Consultation Paper except for:

Section 9. Plan Management Supports – This is out of scope for the APA organisations as we do not provide Plan Management under the NDIS.

Disability Support Worker (DSW) related supports

The last APR’s recommendation to simplify the NDIS DSW Cost Model was implemented, taking into account the costs providers incur in delivering supports across base salary, leave loadings, direct on-costs, operational overheads, corporate overheads, and pre-tax margin. We have provided our considerations as follows:

Question	APA Response
<p>1. Has the simplified NDIS DSW Cost Model impacted you positively or negatively? Please provide evidence.</p>	<p>Overall feedback from the APA has been that the NDIS DSW Cost Model continues to impact each organisation <i>negatively</i>. The following are key issues:</p> <ul style="list-style-type: none"> ▪ Span of control (ratio of support workers per supervisor) is too high. ▪ Utilisation (percentage of a support workers time that is billable) is unreasonably high. ▪ Overheads remain a tenuous issue for all APA members. The NDIA defines overhead to mean all costs other than local service salary and wages costs. We have previously argued this must be split into corporate overheads (which don’t have a 1:1 relationship with local service costs) and local non-staff costs. ▪ The cost model does not allow for capital investment, e.g. IT infrastructure, vehicles, etc, which is becoming increasingly important to meet expectations of the NDIS, the NDIS Quality and Safeguards Commission and participants. ▪ As the number of people supported through the NDIS via self and plan managers increases so too does the time and costs associated with credit control. These costs have not been considered or included in the NDIA’s Disability Support Worker Cost Model.
<p>2. Are any further adjustments to the NDIS DSW Cost Model required since the SCHADS Award changes from 1 July 2022? If yes, what adjustments or consideration are required? Please provide evidence.</p>	<ul style="list-style-type: none"> ▪ The span of control needs to be decreased. This is to ensure effective supervision of staff. This is extremely important for psychosocial support workers to ensure their continued mental wellbeing, but also to ensure the safety and quality of supports. ▪ The simplified model does not support the episodic nature of a participant’s psychosocial support needs. The cost model needs a mechanism for periods of increased support.
<p>3. What other impacts have the SCHADS Award changes had on your business, including on areas such as costs, staff or rostering? Please provide evidence.</p>	<ul style="list-style-type: none"> ▪ Increase in award rates, superannuation, and other changes meant a significant increase in operating costs. To remain sustainable, many organisations would increase span of control and billable hours expectations (utilisation) to remain financially sustainable. This is not effective or sustainable in the long-term. ▪ Organisations are relying on SCHADS level 2 staff to varying degrees to try and reduce NDIS deficits due to current NDIS price constraints. This is

	<p>not optimal for participants with psychosocial disability who need more qualified and experienced personnel, which typically start at a SCHADS level 3 or higher.</p> <ul style="list-style-type: none"> ▪ Typically, member organisations in the APA have paid staff at a SCHADS level 3, which has been a business decision to ensure competitive wages to attract quality and skilled staff. However, the current level 2 high intensity support price limit does not cover this operational cost. The challenge is that the NDIS' expectations of service provision requires SCHADS level 3 to ensure the safe delivery of psychosocial supports (e.g. conducting assessments, developing plans, providing assistance with social and community participation). Without addressing this shortfall in pricing, it is financially unsustainable for service providers to deliver psychosocial support.
<p>4. Does the impact of COVID remain an unexpected cost or has it been built into part of the business-as-usual costs? If there are unexpected costs, please provide details on contributing factors to costs and cost amount.</p>	<ul style="list-style-type: none"> ▪ Overall, the APA members reported a reduction in costs associated with COVID-19 in the past 6 months. E.g. One Door have reported a 20% reduction in the past 12 months. ▪ However, each organisation has built into part of their business-as-usual Work Health and Safety related costs to cover expenses for PPE (mask, sanitisers, cleaning agents). ▪ There remain significant costs in the overhead burden (planning and implementation of COVID-19 responses) across HR, IT, supply and other areas, including efforts to ensure compliance against the new Emergency and Disaster Management Standard in the NDIS Practice Standards. ▪ Unexpected costs to be considered include: filling staff vacancies, relatively high rates of staff turnover, roster impacts within SIL, impacts of staff vacancies on wellbeing.
<p>5. Do you anticipate the increase to the aged care minimum wage, announced in November 2022, will affect your organisation's service delivery? If so, how?</p>	<p>The APA collectively believes that the adjustments to the Aged Care award do not apply to us, since we use a different award structure. The NDIS workforce shortage may, however, be impacted by the increase in Aged Care awards. Where the Aged Care sector provides a more attractive employment option due to higher wages, a further thinning of the market may occur. . This could result in the NDIS workforce moving to Aged Care, creating a greater strain on the NDIS sector. We urge the review panel to consider this issue and provide additional incentives to attract and retain workers in the NDIS sector.</p>

Further Recommendations

- To support the NDIA's goals in implementing the Recovery-Oriented Framework for Psychosocial Disability, the APA recommends amending price limits to make provision of recovery-oriented psychosocial support financially sustainable. This change should include minimum Certificate IV qualifications and Social, Community, Home Care and Disability Services (SCHADS) Level 3 funding for DSWs delivering psychosocial support.

Therapy supports

Question	APA Response
<p>6. What has been the main cost driver in delivering NDIS therapy supports over the past year? Is this different to the past few years?</p>	<p>Main cost drivers:</p> <ul style="list-style-type: none"> ▪ Increases in awards and superannuation rates, while price limits have not been increased in three years (currently \$193.99 per hour/unit). ▪ The need to pay higher wages to remain competitive because of a shortage of suitably qualified and experienced therapists, and competition with clinical and private sectors. ▪ Price per session instead of price per hour - The amount of time a service takes to provide may be highly variable depending on the participant and their needs. Tasks can take varying amounts of time to complete depending on the home, the client, and their overall situation. The therapist can match service delivery to the participant’s energy, availability, and clinical need(s). For example, one participant may need 30-minute consults for 6 weeks, whereas another may require one session of 3 hours.
<p>7. What proportion of your therapy revenue is derived from NDIS compared to other funding sources?</p>	<p>Generally, NDIS therapeutic supports revenue is much lower than MBS revenue for providers, predominantly due to the time MBS has been a part of the therapy supports funding landscape and how it is built into service models for grant-funded programs. As an example, for Stride, an average of 33% of total therapy revenue is derived from NDIS Therapeutic Supports (the remainder is drawn from MBS funding).</p> <p>Comparisons to other schemes:</p> <ul style="list-style-type: none"> ▪ Some other schemes only allow a 20-minute appointment, which is an insufficient length of time to provide quality therapy, especially for participants with complex needs. The complexity of NDIS participants means they require longer consultations and a higher level of skill. ▪ Some schemes, such as the Medicare Benefits Scheme, provide a rebate rather than fully funding the support, so providers can charge rates above the specified price in the schedule and recover the ‘gap’. ▪ Administration load on NDIS participants is more significant compared to private patients and other schemes. The transaction costs associated with being an NDIS provider are argued to be higher than in other schemes and providers in other schemes were not required to undergo quality reviews and have more limited auditing processes. It can also be argued that NDIS therapeutic supports providers are required to interact with more intermediaries such as Plan Managers and Support Coordinators. ▪ NDIS participants require significantly more inter-professional and multi-disciplinary liaison, carer contact, resource preparation, risk management, therapy accommodations/modifications, assessment, report preparation, as well as assistance with advocacy.
<p>8. Is there a price difference between rates for your NDIS participants compared to non-NDIS participants? If so, what is the rationale for the price difference?</p>	<p>Most of the APA member organisations are committed to providing “no-cost” supports to mental health consumers and avoiding “fee-for-service”. This is achieved through a range of funded supports based on eligibility, such as NDIS therapeutic supports for eligible NDIS participants, MBS-funded interventions to children, adolescents, and adults with a Mental Health Treatment Plan, and programs/services that are typically grant-funded via Primary Health Networks, State Health Departments, State Community Services Departments, etc.</p>

Support Coordination Supports

Question	APA Response
<p>9. What has been the main cost driver in delivering NDIS support coordination supports over the past year? Is this different to the past few years?</p>	<p>The main cost driver remains the same as previous years, however, with increased costs. The overall consensus among the APA is that the cost has increased over the past year pushing organisations further to their operating margins:</p> <ul style="list-style-type: none"> ▪ The main cost driver in delivering NDIS support coordination supports has been wages and salaries, and even more so over the past year. To provide NDIS participants with the necessary quality supports, support coordination services require the expertise of skilled and experienced professionals. Additionally, the current NDIS pricing arrangements and price limits have not enabled providers to offer more competitive wages than other sectors, making it difficult to attract and retain quality workers. This impacts turnover rates, hiring and training new support coordinators, and ensuring continuity of supports for participants. As a result, service delivery costs have risen in the NDIS sector. This has put financial pressure on providers, making it difficult to sustain support coordination services in the long-term especially with no price increase in over 3 years. ▪ The main cost drivers of wages and salaries have worsened within the last year due to inflation, increases in commodities and services, and other factors contributing to the overall cost of living. Since providers have had to absorb the additional costs to account for these increases, this has directly impacted the cost of delivering NDIS support coordination. This has been especially difficult for providers as NDIS pricing has not kept up with cost increases for consecutive years. This has caused some providers to exit the NDIS market. As a result, participants are finding it increasingly difficult to access support coordination services (among other NDIS supports). This has also led to an increase in workforce risks such as psychosocial burnout. ▪ Non-billable hours – support coordinators often provide continuity of supports to meet duty of care standards for a participant even once a participant’s allocated funding has been exhausted but this comes at the cost of the organisation’s financial viability. ▪ There is an expectation by the NDIA that support coordinators will continue assisting participants between one plan and the next. Sometimes the new plan can take several weeks to be approved. However, there is uncertainty around being the preferred provider and therefore potential unbillable hours are accrued. ▪ Support Coordinators also undertake unfunded work following the death of a participant, including the administrative work associated with gathering information, returning equipment, and completing forms. ▪ Participants engaged with the Justice Department or on Forensic Orders require a certain level of support for court hearings etc. However, there are usually not sufficient hours in their plan for such needs. This becomes non-billable as there is not enough money to provide these services, especially when the person has no one else to assist. Mainstream support is not available because they are NDIS participants. The alternative is that participants do not receive the necessary supports. ▪ The cost associated with workforce capacity building including learning and development opportunities to enhance skills and knowledge is not adequately accounted for in the current pricing. Staff often do not have

adequate time to attend learning and development opportunities whilst also meeting thresholds for billable hours.

- Workforce attraction and retention: Price increases are needed to cover the costs of attracting, developing, and retaining a workforce that is focused on delivering quality and safe services for participants and driving continuous improvement. In particular, higher qualifications and experience are required for provision of psychosocial disability support due to the complexity and specialist expertise required to support participants with challenging behaviours.
- Supervision costs: The NDIS Disability Support Worker Cost Model acknowledges that staff require direct supervision of the care they provide, as well as management support. However, supervision is one of the key constraints of the current pricing model, which includes the wages and conditions of the supervisor as well as the supervision ratio. A second issue in the DSW Cost model is that the model provides for the immediate supervisor, but ignores economies-of-scale issues such as the fact that the supervisor also has a manager (e.g. a regional manager) and enabling/corporate support teams (e.g. HR, IT, Finance). As such, the cost model should not only factor in the wages and conditions of the immediate supervisor but also the wages and conditions of their manager to accurately reflect the cost of providing supervisory support. This adds to the total supervision cost.
- Support Coordination is being included in participants plans more frequently, but not at the specialist level which is often required for participants with complex psychosocial needs.
- A cost driver in delivering NDIS support coordination supports over the past year has been the increased demand and complexity of the participants, which requires support coordinators to spend more time meeting with participants and conducting intake and assessment to address their needs. Providers have found it takes approximately two hours per participant per month to attend all meetings and other such activities, leading to a perpetual state of playing catchup when caseloads become unmanageable.

Further Recommendations

- There is a significant gap between Recovery Coaching and Support Coordination pricing. Despite their similar skill sets, Recovery Coaches are paid a lower rate than Support Coordinators (7%) yet are required to be provided with more professional supervision and assistance.
- Those receiving psychosocial support have the right to access all relevant support, including Recovery Coaching, Support Coordination, and Specialist Support Coordination. Due to the lower price limit for Recovery Coaching compared to Support Coordination and Specialist Support Coordination under the NDIS, many providers do not offer Recovery Coaching. As a result, it becomes less viable to provide this service at this rate. This highlights the need to ensure reasonable pricing for Recovery Coaching, so that NDIS participants can access the psychosocial support they need and deserve.
- Support Coordinators and Recovery Coaches have similar skillsets, yet Recovery Coaches attract a lower price rate. This could suggest that psychosocial (i.e. mental health) services are being under-valued in the NDIS, since the lower pay rate does not fully account for the additional time and resources required to provide Recovery Coaching services. It is important to ensure that all NDIS participants have access to the supports they need, regardless of whether they are provided by a Recovery Coach or a Support Coordinator. It is crucial that NDIS pricing structures reflect the true costs associated with providing these services.
- At a minimum, recovery coach should be funded at the same level as support coordination.

Registration Costs

Question	APA Response
<p>11. Please provide an estimation of time spent by your employees to complete administrative tasks associated with registration, audits and compliance relative to other sectors (private or public).</p>	<p>It is difficult to quantify the answer to this question, as considerable time is spent by staff and managers in an ongoing manner to ensure compliance and to maintain NDIS registration. This includes:</p> <ul style="list-style-type: none"> ▪ Requirements of registration such as completion of NDIS Worker Orientation Module (2 hours per staff member) and the NDIS Worker Screening Check (at least 1 hour per staff member per 5 years). ▪ Each organisation’s suite of training and learning that every staff member providing NDIS supports must complete to ensure high quality service delivery (at least 40 hours per staff member in their first year of employment, with additional ongoing professional development thereafter). ▪ Regular quality and safety activities such as workplace safety inspections, review of relevant policies and procedures, team meetings to address and learn from incidents, feedback, and quality improvement opportunities, as well as ongoing operational supervision, and others. These activities can account for 60 hours per member per year. <p>Within the APA member organisations, each organisation may employ several hundred staff to provide NDIS supports. As an example, accounting for average staff turnover rates of approximately 2.2 years, for an organisation employing 300 staff to provide NDIS supports, this means that the abovementioned requirements involve at least <u>14,045 staff hours per year</u>.</p> <p>For staff and managers who are then directly involved in an audit against the NDIS Practice Standards, there are a range of activities:</p> <ul style="list-style-type: none"> ▪ Logistical planning and liaising with the assessors for the audit, ▪ The desktop audit (review of documentation), ▪ Inviting participants to participate in the audit (and arranging any necessary transport and/or supports), ▪ The on-site/remote/hybrid audit itself, ▪ Review of the audit report, ▪ Addressing any identified non-conformities or opportunities for improvement. <p>Such activities vary depending on the size of the organisation, their NDIS audit scope, and the scale of the NDIS supports they provide. If we assume a 300 staff organisation is being audited, this process may involve at least 75 staff being directly involved (including service delivery staff, managers, and enabling staff), some to a greater extent. We estimate the time spent to be <u>at least 1,205 staff hours</u> for an initial certification audit (not including the mid-cycle audit).</p> <p>The above mentioned are currently unbillable tasks that are necessary to attain and maintain NDIS registration, and ensure safe and quality supports are provided to NDIS participants.</p>
<p>12. Has the time spent on NDIS administrative/registration tasks increased in the past year?</p>	<p>Overall, yes, the APA member organisations have found that the time and cost of administrative and registration tasks has increased in the past year, and certainly since the introduction of the NDIS Quality and Safeguard Commission and its oversight in each state and territory.</p> <ul style="list-style-type: none"> ▪ A relatively hidden administrative burden that registered providers must currently absorb is responding to the NDIS Commission in the course of their compliance checks (e.g. NDIS reportable incidents, complaints

	<p>received by the NDIS Commission, restrictive practice reporting, spot audits). We acknowledge that such functions of the NDIS Commission have an important and necessary role in safeguarding NDIS participants and the supports that they receive. However, these compliance checks and investigations require rigorous consideration by both managers and staff. This takes time, which is separate to regular service delivery, and therefore adds to non-billable tasks and overhead costs. Notably, NDIS providers who aren't required to be registered don't face these same administrative burdens. Our recommendation is that NDIS pricing consider these compliance and administrative tasks which are necessary to ensure safe and quality NDIS supports.</p> <ul style="list-style-type: none"> ▪ A growing issue relates to the process of certification and mid-cycle audits against the NDIS Practice Standards. The APA member organisations have experienced a growing prevalence of assessors lacking in adequate knowledge, skills, or relevant experience to the scope of the service providers' practice. The consequence of this shortfall in assessors' expertise is that NDIS service providers must spend more time to assist assessors in understanding how they comply with the NDIS Practice Standards. In addition to the unbillable time involved, this also can prove to be a stressful experience for staff and managers, given that the outcome of these audits determines the initial or continued registration of service providers.
<p>13. What do you see as the benefits and barriers to registration? If any, please provide more details.</p>	<ul style="list-style-type: none"> ▪ The APA acknowledges the benefits of registration in relation to safeguarding the supports that NDIS participants receive. This is unquestionably important. People with a disability often possess multiple vulnerabilities and the NDIS Quality and Safeguards Commission was established to address this very issue. We wholeheartedly endorse the fundamental principle of safeguarding the delivery of quality supports to NDIS participants. ▪ For registered providers, we can provide reassurance to the community and both current and prospective NDIS participants of the accountability and standards of practice we uphold. ▪ Unfortunately, there are a range of barriers and even disadvantages to being a registered provider. <ul style="list-style-type: none"> ○ Becoming a registered provider is expensive. At present, the cost of undertaking an audit against the NDIS Practice Standards for smaller/sole providers is prohibitively expensive. Even for larger organisations, the cost is significant. ○ An additional consideration is that many non-government organisations such as the APA member organisations are also required to be certified against a range of other standards, and each accreditation scheme bears additional financial costs and time in staff hours. ○ There is a considerable degree of overlap in the NDIS Practice Standards with other accreditation standards, however no scheme to recognise overlap with existing certification currently exists. This means that there is a substantial amount of duplication and repetition between standards and accreditation schemes which leads to accreditation fatigue among both staff and NDIS participants associated with "over auditing". ○ Unregistered providers present a range of risks to NDIS participants, and do not have the same accountability as registered providers. This actually detracts from registration, because the current scheme means many sole providers can choose not to become registered, and therefore hold less accountability for the quality and safety of

the supports they provide. As a result, NDIS participants, exercising their right to choice and control, may select an unregistered provider and receive unsafe or substandard supports, with little recourse.

Further Recommendations

- NDIS pricing must account for the financial and human resource costs associated with registration and compliance requirements necessary to ensure safe and quality supports. To achieve this, our recommendation is to either increase the base prices for registered providers or provide loading on base prices for registered providers to recognise the additional compliance costs they incur in delivering a higher quality of support.
- NDIS assessors must possess appropriate skills, knowledge, and experience relevant to assess the scope of practice relevant to the service provider. For example, in the psychosocial disability context, this often involves specialized knowledge of mental health, restrictive practices, and recovery-oriented and trauma-informed practices.
- Incentivise NDIS registration for sole/small business providers.
- NDIS service providers should be required to inform participants of their registration status so that participants (and their nominees) can make better informed choices.

Question	APA Response
<p>14. How have NDIS pricing arrangements and price limits assisted your ability to hire and retain workers compared to other sectors and the private market? Please provide evidence.</p>	<p>The NDIS pricing arrangements have largely <i>constrained</i> rather than assisted our ability to hire and retain workers. Some considerations include:</p> <ul style="list-style-type: none"> ▪ Current retention rates for NDIS staff range from 2-2.5 years. Vacancy rates are between 25% to 30%. ▪ Due to the price limits and limited overhead margin, there is pressure for new support coordinators to quickly become productive. ▪ Providers have had to close their doors or reduce services due to the price limits which has a flow on effect to other providers (e.g. fewer service provider options in the market). Some providers are also operating at a loss which is financial unsustainable. This creates a market that is thinning out which reduces choice and control and the very basis of the NDIS. ▪ The NDIS pricing arrangements and price limits do not provide enough time for learning and development, reflective practice supervision, and other activities that would ensure and improve the safety and quality of services. This, in turn, makes it difficult to attract and retain workers, as they are not able to access the necessary resources to develop their professional practice. Additionally, the pricing system does not allow for competitive salaries and wages, which makes it difficult to attract and retain workers with the necessary qualifications and experience.
<p>15. How have NDIS pricing arrangements and price limits assisted in meeting the sector demand and/or supply for NDIS supports? Please provide evidence.</p>	<p>The NDIS pricing arrangements and price limits have <i>not</i> assisted in meeting sector demand. In addition to the factors previously outlined, it is important for the NDIA to consider:</p> <ul style="list-style-type: none"> ▪ There has been a decrease in the number of specialist providers willing to operate in the NDIS space, whilst there remains a steady entry of participants with psychosocial disability into the Scheme. Additionally, the costs associated with providing services have increased, making it difficult to remain competitive.
<p>16. In your view, what is the best way(s) to address workforce issues?</p>	<p>We propose two considerations to address workforce issues:</p> <ul style="list-style-type: none"> ▪ Ensure that providers are adequately funded and that they have access to the resources they need to provide safe and quality care. To do this, the price limits should be meaningfully increased to better reflect the true cost of providing psychosocial disability services. This would provide providers with the necessary funding to hire and retain qualified staff, as well as pay competitive wages and provide necessary training that will improve the quality of supports for participants. ▪ Secondly, ensure that the pricing accounts for adequate supervision, and training and development opportunities. Providers should have the funding to invest time and resources into training and development programs, both on-the-job and off-the-job, to ensure that employees are equipped with the skills, knowledge, and attitudes required to perform their jobs effectively. <p>Both of these options would significantly increase the availability of high-quality psychosocial support for participants and potentially increase the availability of recovery-oriented support in the NDIS.</p>

Further Recommendations

- NDIS pricing must account for the need to provide appropriate continuing professional development opportunities and reflective practice supervision to ensure safe and quality supports. This applies to disability support workers, support coordinators, specialist support coordinators, recovery coaches, and therapeutic supports.

Conclusion

As illustrated in our responses, many costs are not included or are inadequately covered in the current NDIS pricing model. These costs are directly related to the provision of quality and safe supports, including providing adequate staff supervision at a reasonable management ratio and the cost of safety and quality activities, including costs of NDIS accreditation, compliance requirements, and reporting to the NDIS Quality & Safeguards Commission.

In addition, driving for unreasonably high utilisation rates when working with complex participants adds significant risks both to client safety and to worker wellbeing. The NDIA's pricing approach is driving the sector towards a highly casualised workforce with less supervision, reduced training and qualifications, and reduced quality and safety support systems. This poses a range of key risks across NDIS services but especially in support of participants with complex needs.

The APA strongly recommends that the NDIA considers the following factors in its review of the current pricing structure:

- The lack of increases to NDIS support coordination and therapy support pricing for the past 3 years, despite increasing annual costs associated with providing NDIS services;
- Imminent CPI increases expected in FY24 to address rising inflation;
- Inadequate pricing of supports provided by Support Workers, Support Coordinators, and Recovery Coaches that are inconsistent with the complexity and requirements of their roles;
- Unbillable costs associated with registration and maintaining compliance;
- Lack of current financial incentives for sole/small business providers to become registered providers and achieve accountability for the quality and safety of the supports they provide; and
- The need to reinstate high intensity level 3 support (with appropriate increases to the previous price limit) to ensure that people living with complex needs have access to workers with the necessary experience and skill. By extension, NDIS psychosocial support providers should be identified in the price guide as an example of providers that can provide high intensity level 3 support.

As the NDIA will already be aware, there are widespread issues of thin markets in NDIS service provision due to inadequate NDIS pricing. Indeed, members of the APA have had to make the difficult decision to exit the provision of some NDIS supports, because of the increasingly compromising position that inadequate NDIS pricing places on organisations to provide safe and quality supports. Our organisations have a moral duty to provide safe and high-quality care to participants.

Without meaningfully addressing the above factors in the NDIS pricing review, there is a very real and substantial risk of organisations further exiting the delivery of NDIS supports. This will lead to further thinning of the NDIS market and reduced service provider options for NDIS participants.

As the NDIA continues to evolve towards a sustainable scheme that best serves the needs and outcomes of participants, we invite and encourage further collaboration with the service provider sector. The APA welcomes the opportunity to be consulted on the NDIS pricing review. The APA calls on the NDIA to commit to improving the current structure of NDIS pricing through the recommendations we have outlined. The APA is committed to working further with the NDIA to ensure that NDIS pricing enables the provision of safe and quality supports to NDIS participants.