Economics of the NDIS: It is broke and we need to fix it: demand-side questions…

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I am acutely aware that I am talking in an inter-disciplinary space here. It’s a bit like being on a high wire and as you can see I’m not well equipped for such feats. I’m trained to be sceptical about the truth claims of others, and especially in the context of social policy. It’s called the hermeneutic of suspicion. That we seek to understand something through critique rather than assertion. So nostrums are never enough here. I console myself with this (not my spelling error) and see that I am working in a space that manifests a series of creative stretches. Nothing is fixed, all is in a developing tension.

As well as being an academic, I have worked in disability politics and policy for over 30 years. And I agree with Bruce that the almost old model of disability service funding, with high ambitions in 1986, has produced some perverse outcomes that signal that the system is broken and we need to fix it. This is largely due to 3 things: the restriction of funding leading to a rationed system leaving many people waiting for services; rigid models of service that many people find confining and restrictive, even in some instances harmful and oppressive; and finally, an urging for something better and that something better is not a goal in itself but a means to a better life. And I know this from the research literature over many years, my own research efforts through to the present, and my participation in the policy advice mechanisms that emerged in the wake of the change of Federal Government in 2007.

Over the life of the Rudd-Gillard-Rudd Government 4 major national consultations sought to draw out the opinions and claims of people with disability, their close associates and advocates, service providers and policy developers. Simultaneously, I was involved in 2 statewide consultations as the South Australian government sought to develop related policies at state level. I contributed to design of those consultations, was present at many of the public meetings, contributed to the hearings of the Productivity Commission, analysed a lot of the ensuing data and played my part in design of the new approach. Now I know that consultations are not research… the sampling is all over the place and the analysis is no where near as rigorous as we would want. The interesting point here though is that the consultations findings do fit with the research in this field.

And of course those messages demand a remedy. We are here looking at aspects of that remedy. I approach this task with a joint position. Another manifestation of the tensions in trying to talk carefully about this reform. I am committed to doing what I can to make this new approach work, but that requires that I look at it as squarely as I can. As I said nostrums about market or consumer preferences or how to incentivise change won't get me over this terrain. I am going to ask a series of questions that highlight this ground of tension that must be covered in order to develop a mature scheme.

The national consultations conducted between 2008 and 2012 produced the bid for choice about services and activities within services and control over life-affecting decisions, including the nature of supports as key elements in a personalised system with a primary focus on the life goals of the person. The NDIS answers this bid with individualisation of funding and marketisation of services. As the entry point, the NDIA does it through the application of rigorous eligibility criteria, detailed functional assessments around capacity and support needs as well as existing informal supports, planning focussed on aspirations, expectations, lifestage and availability of services and supports (which is locationally pertinent). The supply-side of the system deals with it through a revised pricing structure, increased workforce flexibility and payment processes, service re-design and promotion and pitch. My aim here is to give you a perspective of the NDIS from the demand side. Block funding model has been used as the excuse for not being able to personalise. The assumption here is that changing the funding model …to individual allocation based on assessed need and expectations, will contribute to a change in service provision. We assume further that directing funding to individuals rather than persisting with the service provider being the purchaser from government will improve the outcomes for the person. The success of this model hinges on the question of attainable, sustainable quality of services.

Who are people with disability who are participants in the NDIS? Especially in the NDIA?

1. Diverse: impairments, capacity, capabilities, levels of depends and interdependency, needs, aspirations and expectations
2. Dynamic: Lifecourse perspective inherent in the insurance model makes us aware of changing needs, capacity, capability, aspirations and expectations across the lifecourse, with particular attention to be paid to transition points to ensure best possible entry into next stage of life (eg at early adult hood)
3. Differentiated: through the eligibility, assessment, risk analysis, and planning and budgeting processes…the allocation processes

When these people approach the market the critical issue becomes 'attainable, sustainable quality' with the central question being: **Does being in control of funds to purchase disability supports offer sufficient leverage in the growing market (specialist disability service providers, generalist support providers and private sector enterprises) to ensure and drive up quality?**

Does moving from client/consumer to purchaser/customer increase the possibility of gaining a quality product which is reasonable and necessary to support life goals?

We have to understand that quality is in the eye of the beholder. It is also diverse, dynamic and differentiated. Quality is variable and contingent on all the factors that produce heterogeneity among the people in the scheme but this conclusion does not limit our capacity to put some boundaries around it, because we know what people with disability and their associates have said in the national consultations between 2008 and 2012, and in published local and international research over the past 30 years or more.

What it is: an amalgam of availability, accessibility, suitability and flexibility as well as demonstrated facilitation of social, economic participation and effective interface with informal supports (families, communities) and other systems providers (health, housing, transport, education)

What it is not: we know that quality is absent when other things are present…high levels of service control, rigidity, threat, harm to customers;

poor value for money; absence of quality assurance regimens; poor or absent safeguards for particularly vulnerable customers.

The findings of the COAG consultations in 2015 into quality and safeguards within the NDIS, concluded with this statement:

Overall, there was a high-level of agreement among stakeholders about the quality and safeguarding measures that should be adopted for the NDIS. While stakeholders emphasised the need to focus on developmental safeguards, they also generally suggested a need for high-level regulation. Many were sceptical of the assumption that the development of a competitive market for disability care and support would empower people to make choices, particularly in the short-term, and they were concerned about any reduction in current quality and safeguarding measures given that cases of abuse and neglect have occurred even with these protections.

That means that from this perspective a number of questions must be asked of the supply side:

- What do choice and control look like in a market that is under-developed and offering services of variable quality?
- Because this quality will be in the eye of the beholder how can we understand it so that the system does it job and the supply side can be responsive and maximise their goals for market share?

Note that I said that the scheme has to do its job (which Bruce has said is to achieve both economic and social reforms), and I know that work is progressing in this area, especially in relation to:

- Registration of providers by the National Disability Insurance Agency;
- Systems for handling complaints;
- Ensuring staff are safe to work with participants;
- Safeguards for participants who manage their own plans; and
- Reducing and eliminating restrictive practices in NDIS funded supports.

I am particularly interested in a nationally coherent approach including the work of Office of Best Practice Regulation that takes us further into all levels of safeguarding quality and protecting vulnerable individuals, so from this perspective, the enduring questions for the overall scheme remain:

Which approaches might best help to protect attainable and sustainable quality when we are working with a population of people who have lived without choice and control?

Is self-regulation likely to be potent enough in this context, even in the longer term?

Does the system need to develop independent, external quality assurance mechanisms that go beyond the current proposals?

Where do the state-based systems of consumer safeguarding fit within this national approach?

I note that, in Bruce's presentation, he has acknowledged the need to do further work on a national quality and safeguards approach. He is right, and opportunities such as this keep those creative tensions alive sufficiently to drive the best possible innovations to ensure that the hopes of people with disability and their families are met through this scheme. A scheme which promises to be both socially responsive and fiscally responsible.