WAAMH
Western Australian Association for Mental Health

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WA Market Review Submission

April 2019

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Contents

1. Introduction

The National Disability Insurance Scheme (NDIS) is a valuable social reform that will provide access to lifelong support for many people with psychosocial disability that have long sought support that is available, responsive and person-centred. There are however significant challenges in the NDIS for people with psychosocial disability, which will need to be overcome for the reform to improve participant outcomes and deliver it's promise of shared value for both individuals and our society.

The NDIS aims to enhance choice and control for people with disability and support their independence and social and economic participation through access to lifelong support. Fundamental to the NDIS model is the tenet that building strong, viable markets of disability services will create the opportunity for people with disability to have access to a choice of innovative, quality services enabling the objectives of the NDIS to be achieved.

In this context, disability service providers have a central role in the success of the NDIS. The Western Australian Association for Mental Health (WAAMH) thus welcomes the opportunity to contribute the collective views and experiences of Western Australian providers, consumers, and family members to the WA Market Review.

This submission focuses on the development of robust markets for people with psychosocial disability. It is informed by WAAMH's NDIS Sector Reference Group, comprehensive ongoing engagement with members and psychosocial stakeholders including consumer and carer representative organisations, and WAAMH's WA Market Review round table event held with David Cullen, Chief Economist to the NDIS, on Tuesday 26 March 2019.

This submission is framed around the 3 overarching questions of the review:

1. The state of the markets for disability goods and services in Western Australia including labour costs, services delivery costs in Western Australian and in remote areas, provider availability and competition, efficiency, and benchmarks from other related sectors
2. Whether the existing NDIS support catalogue, price controls and associated rules support sustainable efficient delivery of quality supports, appropriate for Western Australia and can accommodate service delivery models and innovative supports
3. Whether any material differences in the costs of delivering services in Western Australia compared to other jurisdictions will be sustained or temporary.

2. Significant reform in a context of state delays

Transition to a market led service delivery model is complex for service providers, consumers and family members with significant business model development, innovation and change required. Administrative burden has increased as providers straddle additional systems (particularly in WA due to NDIS implementation delays) and now need to acquit against each line item in the participant plan, rather than acquittal against participant outcomes set out in their plan.

The change requires innovative purposeful leadership, creativity, staff capacity and cash reserves. WA stakeholders report varying levels of difficulty with this change. Some are confident and capable, with the cash reserves to invest in the change processes required.

Others struggle to resource the change and respond creatively and effectively enough to remain confident and effective.

As such, WAAMH welcomes the previously and recently announced transition assistance for providers, including the Temporary Transformation Payment announced in March.

WA is experiencing additional complexity and delayed market development due to the history of the NDIS in this state. This continues to severely impact on support availability and consumer choice for people with psychosocial disability.

Providers have reported business decisions based on insufficient capacity and resources to straddle 2 new trials whilst managing the change to individualised services and the existing systems they were operating in. For some this led to a 'wait and see' approach with no NDIS market entry. For those providers that did enter the market, the majority entered just one trial in their primary service region/s. Those providers working in the WANDIS trial sites are now undergoing a second change process to move into the NDIS.

Despite participants with psychosocial disability comprising the second highest number of adult participants in WA and a significant proportion of new entrants to the scheme, Department for Communities (previously Disability Services Commission) has primarily focused on agency processes and transition support for those people with disability and providers previously within its remit. WAAMH notes little specific engagement in the well-identified challenges for psychosocial disability set out, for example, in the Joint Standing Committee report on NDIS services for people with psychosocial disabilities.

Additionally, stakeholders report little transparent engagement in this complex area by WA's mental health government stakeholders which have taken no publicly known systemic steps to support provider transition. WAAMH strongly supports the psychiatric hostel projects which have seen high government engagement but notes that until recently mapping of potential participants was limited to a small set of state funded programs and the mental health interface has not been systemically addressed. However, it should be noted that the engagement of the Mental Health Commission in the NDIS transition appears to be increasing.

Recommendation:

- State and federal transition support initiatives specifically prioritise market entry and sustainability for psychosocial providers to ensure that the large cohort of people with psychosocial disability entering the scheme have access to a choice of quality supports.

3. Pricing

Current capped price settings are hampering market development and growth; stakeholders indicate that this may particularly affect psychosocial service development due to the complexity of needs that many participants with psychosocial disability have, coupled with a frequently-inadequate response of other service systems.

Providers continue to repeatedly raise concerns about the viability and sustainability of doing business in the NDIS, with hourly rates are too low to enable the provision of a quality

services by suitably skilled staff. Providers also report that travel pricing rules are too restrictive and not reflective of WA's geography and population density.

Recent business decisions reported to WAAMH by WA providers include:

- Large psychosocial providers opting to provide only support coordination as it is considered viable but withdrawing from providing core supports;
- Large mental health and broader community sector organisations that have a small to medium psychosocial support component of their organisation considering whether to withdraw from NDIS provision completely;
- Small psychosocial / mental health providers delaying entry to the NDIS whilst monitoring the scheme and provider viability; and
- Disability providers new to psychosocial disability entering regional markets and then withdrawing in areas including the South West, Wheatbelt and Kimberley due to a combination of the price, inexperience in mental health and unforeseen complex needs of participants.

Additionally, providers report:

- Topping up NDIS pricing with reserves, which is commonplace but not sustainable;
- Not being concerned about competition but rather a lack of participant choice, with few new providers entering psychosocial markets including in metropolitan areas but even more so in regional and remote areas; and
- Concerns about quality, safety and experience for some disability providers not previously in the mental health space that now provide psychosocial supports, alongside concerns that mental health providers must comply with both disability service standards and the National Mental Health Standards, but disability organisations offering psychosocial support need only comply with the former.

3.1 Feedback on New Pricing Announcement

WAAMH welcomes the NDIA's recent announcements about price increases. Due to the recency of this announcement we have been able to secure some provider feedback with the broad view of the psychosocial support sector is that more still needs to be done. Significant concerns remain across the sector about the viability of the prices and impact on service quality, particularly in rural and remote WA.

There was a diversity of provider views offered about the announcements including:

- 'Both the attendant care price rise and the Temporary Transformation Payment will be significant and will mean that we can sustain NDIS services into the future'.
- 'More needs to be done to provide sustained pricing increases and realistic settings for rural and remote WA in the long-term'
- 'The new prices will not improve our appetite to move into regional, rural or remote areas as it does not address the cost of travel between participants'
- 'We already provide services in some major regional centres in the south west and great southern, but these price increases would not be enough to encourage us to provide remote or rural services' (beyond those areas).

- 'The suggested changes will possibly delay the exit from delivering NDIS services in Metro areas in the immediate future rather than lead us to expand our services into rural and remote areas'.
- 'Agree the price rise and temporary payment will help with quality and provider sustainability in metro, but this will not be sufficient for rural/remote market entry given transport costs. Additionally, significant start-up costs have an impact on a casualised workforce as without standard hours these costs take a significant time to recover'.

Feedback on recent pricing announcement from large metropolitan service provider, Ruah Community Services:

> *"The price rise is most welcome; however part of the increase is temporary and neither address the primary challenge associated with NDIS, the utilisation rate of 90%. It is challenging to provide staff with training and professional supervision within this utilisation rate and we believe these are essential for a quality service.*
>
> *A 5.6% increase in base is not sufficient to enable operationally break even services. When combined with the 7.5% Temporary Transformation Payment we are able to provide a service which breaks even on operational costs, however does not make any contribution towards corporate or management costs (including buildings, assets, risk and quality, IT). NDIS services generate no surplus to contribute to the organisation's risk reserves, indeed if NDIS was our only revenue stream, the organisation would not be viable. As the Temporary Transformation Payment reduces, our NDIS services would return to loss making.*
>
> *With the base increase and the Temporary Transformation Payment we are only able to get operational costs to break even by reducing or ceasing:*
>
> - *Training*
> - *Supervision*
> - *Paying for staff travel*
> - *Paying for technology for staff*
>
> *We feel this is of significant concern as:*
>
> - *It stifles development of the workforce*
> - *It threatens quality*
> - *It reduces choice. By removing organisation's capacity to develop staff, all organisations become the same.*
> - *It pushes the financial pressures of the NDIS down onto the lowest paid staff in the industry. Frontline staff take on the onus of paying for travel, their own equipment and development. This makes it less appealing to work in the sector and is a workforce risk when demand is increasing.*

WAAMH notes previous recommendations and calls of both independent inquiries and advocacy organisations for an independent pricing body. Given the significant budget for individualised support of $22 billion into the future and the complexities of the NDIA's responsibilities, we support the establishment of an independent body to assess and determine pricing. This body should make its assumptions and determinations for pricing

decisions clear and transparent so that providers and participants are all able to offer and access supports in ways that maximise value for all parties.

Recommendations:

- Government establishes an independent pricing body for the NDIS.

Recommendations for rural and remote provider travel are made in section 5 of this submission and for Workforce in section 8.

4. Consumer choice and quality

WA stakeholders have significant concerns about the limited choice of quality psychosocial supports available for participants in this state, especially but not limited to rural, remote and very remote areas. Where choice does exist, there are concerns about the quality of some psychosocial supports. Many consumers report that the quality of services they receive under the NDIS is lower than that of the community based mental health supports they have previously accessed.

WA mental health providers are at varying stages of their NDIS journey. While some have an established NDIS business model, are successfully growing their NDIS business and feel comfortable about quality, this primarily applies to providers in metropolitan areas. Other providers, while having an established business model and experience, have significant ongoing concerns about the impacts of NDIS pricing on the quality and sustainability of services they offer and whether they will continue as an NDIS Provider under current settings. Even confident providers report that the balance between quality and cost is a "daily angst".

A range of quality, market stewardship and pricing changes are required to improve quality and choice as the NDIS is progressively implemented, with a number of recommendations made elsewhere in this submission.

5. Rural and Remote Market Gaps

WA stakeholders hold deep concerns about the market gaps affecting consumer choice across rural, regional and remote Western Australia. While some of this may be exacerbated by delayed introduction of the scheme, primarily the issues are permanent and relate to inappropriate pricing for the conditions in this state. Large swathes of remote and very remote areas, significant distances between regional centres, and a spare population severely impact on provider viability and thus service availability.

The spread of the population and the likely numbers of participants providers may be engaged to support is a significant concern for viable business models for providers working on or considering entering these remote markets e.g. the Wheatbelt has spread of small populations across many small towns. few services and infrastructure; by comparison Queensland is more densely populated. A decision not to enter regional markets is reported by both passionate NDIS providers working effectively in metropolitan areas, and those more hesitant about the viability of the scheme for their organisations.

As a result, some places have no, one or few psychosocial providers actively offering supports. Areas of concern include the Pilbara, Wheatbelt, Goldfields, Mid West and

Kimberley with concerns both for the availability of choice in regional centres, and even more critically for rural towns and remote areas. Some communities have seen providers newly enter that market only to leave. This has included relatively close communities including Northam which is only 95mk from Perth amongst others, as well as places with high lifestyle appeal including the South West and Broome in the Kimberley.

Recent reports include:

- The Monash Model classification is inappropriate for the realities of service provision in regional, remote and very remote in Western Australia. For example, Kalgoorlie is classed as MMM3 because of its reasonably large population and thus does not attract a remote loading, despite the fact it is a remote location in terms of distance from major services and infrastructure, and has higher living costs, limited infrastructure, limited housing;
- In comparison, Busselton has the same classification but is an attractive lifestyle option for a new workforce and is 2.5 hours drive to Perth compared to 7 hours for Kalgoorlie;
- The low prices particularly affect workforce attraction and retention in the context of a casualised workforce and a mining economy: the social and community sector has struggled for years to staff some of these locations;
- Feedback from Providers in areas like the South West is that casual workers frequently leave for significantly higher paid seasonal work, leaving people with disability without support at these times;
- The price does not sufficiently factor in travel needs with 45 minutes insufficient when a round trip of several hours or even days is more realistic. This is the case even in many rural locations that are comparatively populated compared to remote areas, such as parts of the South West;
- The greater travel time that is paid for therapy providers compared to other support providers entrenches the relative disadvantage of lower paid workers compared to allied health professionals;
- Innovative scheduling and rostering arrangements being reported by metropolitan psychosocial providers to manage staff time and travel costs are insufficient to manage regional travel arrangements;
- Participant travel often does not reflect the reality of the rural or remote location, often compounded by limited responsiveness of mainstream agencies. For example, one participant has the capacity to catch a bus so was refused funding for travel, even though there is no bus;
- Many providers have reported that, based on their viability assessments, entering regional markets is not viable, particularly if they do not already have a footprint in that location and need to start from scratch;
- Within current pricing settings and with a limited population of potential participants providers exploring entering regional and remote markets report that they do not have sufficient capacity and reserves to establish a new service including developing local knowledge and networks and ‘upskilling’ clinicians, allied health, GPs etc.

Recent business decisions by providers not to enter rural and remote markets:

- Medium sized metropolitan based mental health and psychosocial support provider rapidly expanding its NDIS services in metro has decided not to enter any regional, rural or remote markets at all as the price and travel rules do not support viable operations.
- Large mental health and psychosocial support provider with services in metro and many regional towns is expanding its NDIS supports in metro, but will not offer NDIS services beyond major regional centres with significant populations in the South West and Great Southern regions.
- Medium sized mental health and psychosocial support provider that provides metro and regional services in Kimberley and Pilbara has assessed viability and determined that Broome and Karratha are viable, but Carnarvon is not due to a combination of population size, pricing and establishment costs.
- Established mental health service provider operating in both regional and metropolitan locations has decided to offer NDIS supports in metropolitan areas, but cannot offer psychosocial supports in remote areas, even where they already operate other services.

WAAMH welcomes the remote strategies being implemented to encourage Aboriginal Community Controlled Organisations into NDIS service provision, as an important way to offer choice and control and work to increase engagement by Aboriginal peoples. WAAMH however notes that to date this initiative only applies to the Kimberley. Providers considering entering regional and remote markets require more information about the remote strategies being implemented in WA, their intended outcome and likely timeframe. NDIA plans to enact the Market Enablement Framework should be undertaken through close working with people with disability and psychosocial providers.

Additionally, psychosocial and state-based specific data is also required for market viability assessments as outlined in section 10, Market Stewardship, of this submission.

Recommendations:

- The NDIA reclassifies remote loading for rural and remote areas in WA to reflect the realities of rural and remote service delivery costs.
- The NDIS allows provider travel payments for the travel time it takes to respond to participants' reasonable and necessary needs, including in-home supports, that enable equitable achievement of participant outcomes, rather than applying the current 45-minute travel rule.
- The NDIA urgently extend current initiatives to develop Providers in remote areas across all remote Western Australia, including through the Market Enablement Framework, extension of ACCO arrangements, and close engagement of the psychosocial sector in these developments.

Specific recommendations about workforce issues are made in section 8 of this submission.

6. Complex and fluctuating needs

The fluctuating support needs of people with psychosocial disability has long been recognised, with the Joint Standing Committee recommending the introduction of an

approach to build flexibility in plans, including allowing minor adjustments to be made without need for a full plan review.

Additionally, people with psychosocial disability that are eligible for the NDIS are likely to be affected by a range of multiple co-occurring challenges in their lives and need supports that can skillfully and capably respond to their needs (often termed complexity). Issues may include poverty and unemployment, homelessness, involvement in the criminal justice system and/or forensic mental health services, complex physical health problems and others. Many will also have other co-occurring disabilities. The need for quality clinical support and interface is essential for many.

The pricing cap as one part of the regulated market settings results in challenges for providers to offer flexible, personalised and innovative services that respond to people's needs, hopes and ambitions.

Examples of the impact on quality and safety offered by providers include:

- Insufficient support coordination to engage clinical mental health supports, post imprisonment corrective services and community reintegration, housing and employment;
- Inability to respond to the support needs of a participant, as the NDIS would not support staff safety requirements through approving a second staff member to attend home visits, even when supporting a participant with a forensic history living in a rural, sparsely populated area.

Recommendations

- A review of support payments for people with multiples co-occurring challenges and complex support needs including forensic history and justice engagement.

Other recommendations to improve quality of plan build and responsiveness of supports are outlined in section 7 of this submission.

7. Support Catalogue and Support Flexibility

While the Issues Paper asks whether the support catalogue (amongst other factors) supports sustainable delivery of disability supports, it is almost silent on the support catalogue itself and contains no engagement with current support descriptors and rules. However, providers frequently report that some aspects of the support catalogue, and the assumptions made in initial modelling about the proportions of core and capacity building supports, are a mismatch with the needs of people with psychosocial disability.

Inflexible supports are also cited by participants, family members and providers as a significant issue. Examples of the impact of inflexible supports offered by providers, participants and family members include:

- Capacity building supports being tied to a particular purpose rather than flexible;
- The 'splitting' of core supports, capacity building and support coordination in NDIS pricing and support types, compared to previous programs that offered psychosocial support that included all 3 elements, with capacity building and support coordination

(sometimes called case management) helping to underpin the effectiveness of core supports; and

- Insufficient flexibility built into support type descriptors to enable provider innovation and creativity when responding to the person.

7.1 Problems with plan build limit achievement of NDIS objectives

These issues are heightened by inconsistent quality at the planning stages. There appears to be a divergence between the insurance-based ethos and design of the NDIS and the average plan contents in psychosocial disability. This is evidenced by frequent reports of inconsistent plan build for participants with psychosocial disability with reports of significant range in what is deemed reasonable and necessary for people with similar functional capacity and support needs.

Providers also report a frequent imbalance in plan contents with stakeholders reporting that plan contents are heavy on core support but light on capacity building and support coordination. This is both not in keeping with recovery oriented psychosocial supports and limits the potential of the scheme to achieve its person centred and insurance objectives. The latter principles should encourage a greater focus on investment in capacity building and recovery in the context of psychosocial disability, to both improve outcomes and consequently reduce long-term reliance on the NDIS. *This is a major way in which we could create value for participants and society*.

Specifically, in WA we are aware of dozens of reports of insufficient support coordination in psychosocial plans, especially WA NDIS transfer plans. This is concerning in the context of national data, which indicates that only 50% of psychosocial packages are being spent, as support coordination is often required to enable people with psychosocial disability to access, use and navigate supports. If the support balance is not right, the NDIS will be unable to achieve its objectives in a holistic sense – employment, family, community connection.

The inconsistency in plan build not only affects the potential of the NDIS to achieve its outcomes for people, it also limits the ability of providers to make predictions about the quantum of support that people might choose to access from their agency, impacting on market viability assessments.

7.21 Support types

Recent work by Mental Health Australia, Optimising Support for Psychosocial Disability, was funded by the National Mental Health Commission and involved several mental health providers. It sought to describe typical support packages for people with psychosocial disability that would optimise their outcomes and help realise the objectives of the scheme. It made proposals to amend aspects of the NDIS Price Guide to recognise the distinctive characteristics of psychosocial support services including introducing new items and amendments to existing items. The Report recommended strong up-front investment in a Phase 1 to establish a foundation of support, followed by a balanced suite of investments at a later time to encourage social and economic participation.

While some stakeholders support introducing into the Support Catalogue additional support types for people with psychosocial disability, the majority of WA psychosocial stakeholders

instead seek greater flexibility, so that providers can be creative and innovative and best enable the development of people's capacity and offer relational approaches that are family aware and support people in the context of their lives – which we often talk about as 'complexity'.

The NDIS is founded on person centred principles through individual planning; for many participants with psychosocial disability there is a need to respond to greater variability in supports needs – to ramp up and ease down supports as needed. However, providers report a compromised responsiveness to people's needs due to a combination of a perceived inflexibility in pricing, alongside often inconsistent plan quality that often approves insufficient hours for the person's needs. A mechanism is needed to enable that level of variability to be accommodated and responded to. Plan reviews lack responsiveness and timeliness as a means of responding to variability.

NDIS could benefit from an 'out of policy' committee to support flexible funding decisions based on extenuating circumstances. This is needed for rapid and effective responses when a person is in crisis, to cover services/support that are not included in the plan or support catalogue and are difficult to access. This type of mechanism worked well in WA state government Disability Service Commission in their individualised funding streams.

> *Example:*
>
> *MIFWA has experienced some NDIS participants whose situations are extremely complex. For example a woman who experiences significant challenges in making good life choices and is unwilling to engage in any support other than what is provided by her mother in periods of crisis. This NDIS participant had a significant plan that other than coordination and support to the primary carer (her mother) was unwilling to engage in support. At times the participants choices and actions left her and her mother at significant personal risk and afraid for their safety. Several times her mother and the participant requested financial support to cover a bus fare to get out of town (attending extended family in regional WA) to be safe from retaliation from others in the community. MIFWA paid the person's bus fare however this could not be paid out of the plan. Essentially this participant had high resources however required a much more creative solution to try and impact on her life and situations.*

Where people's situations are complex, allocation of behavioural support, psychology and even complex coordination may not be enough to break through the situational challenges. An out of policy committee would allow for creative solutions and tailored approaches to progress people towards the principles the scheme seeks to achieve.

Recommendations:

- Implement consistent access to sufficient levels of capacity building and support coordination for people with psychosocial disability to enhance the potential of the scheme to achieve its person centred and insurance objectives, as a major way to create value for participants and society.
- Ensure effective psychosocial planning processes enable more consistent plans responsive to reasonable and necessary supports and balanced across support coordination, core and capacity building supports.

- Develop a mechanism outside plan reviews to enable the required level of variability to be accommodated and responded to, with appropriate safeguards created to ensure quality and value. This could take the form of flexible funding to respond to fluctuating needs or crises.
- Introduce an 'out of policy' decision process to support flexible funding decisions based on extenuating circumstances.
- Specify greater flexibility within the support types to enable creative, innovative responses to people's needs, including more flexible capacity building supports
- Explore removing the separation between core and capacity building supports to enable more responsiveness to people's needs including variability in support needs
- Publicly report on average plan build for people with psychosocial disability on a national and jurisdictional basis.

8. Workforce

While the NDIS workforce needs are vast and the ability to scale up a pressing concern across the NDIS and the nation, it appears that psychosocial providers may be experiencing additional challenges due to the nuances and complexity of providing quality supports to people with psychosocial disability, many of whom have multiple unmet and co-occurring needs and the need for clinical interface support.

Psychosocial providers uniformly report workforce attraction, development and retention as a very significant concern. Current pricing arrangements severely limit the attraction and initial and ongoing development of a new workforce equipped in psychosocial support. Prices also do not allow the retention of an existing workforce that is equipped to deliver mental health recovery supports with associated higher wages.

The delivery of a quality service is highly dependent on the competency and capability of the staff, and psychosocial providers have previously hired mental health support staff with higher qualifications (minimum Certificate IV in mental health as industry standard) with corresponding higher skills levels and award rates under block funded programs. One provider reported their 'concern that we are building a culture of underpayment'. In an individualised context, participants are able to choose their support worker; this has resulted in much greater casualisation of the workforce.

Several providers have reported it is as though they are running two organisations – one with higher qualifications, skills, experience and wages for staff in block funded or higher paid individualised mental health programs, and an NDIS workforce with lower wages, few qualifications, little development and casual contracts. The inequity between staff within organisations causes poor morale and further staffing losses.

Some providers have reported that staff burn out and turnover is high, and staff feel isolated. For other providers the challenges in providing for staff safety is extremely problematic, with inexperienced workers offering support to people with at times challenging behaviours and forensic mental health and/or justice system involvement.

The other major challenge is the utilisation rate which severely limits the ability to provide staff with the connection, training and professional supervision that are essential for a quality service. Indications that the utilisation rate may be reduced from 95% to 90% as indicated by the NDIA at WAAMH's WA Market Review consultation is encouraging, however psychosocial providers remain significantly concerned that this will be insufficient to provide quality services. In comparison, one mental health and psychosocial provider reports a 75% utilisation rate for both state block funded programs and for their federally funded PHaMS service. At this rate they are able to comfortably deliver on contractual requirements whilst being in confident in quality.

Examples:

- Some providers report several instances of recruiting and skilling up general disability staff into psychosocial support positions, only to lose them to other programs within their organisation that offer higher wages and better conditions.
- One psychosocial provider has reported how it has implemented a new and innovative focus on organisational culture as the key and reports positive staff commitment to mission and stronger retention. However, this organisation also reports significant challenges in how to maximise the new opportunity to grow a peer workforce, whilst offering the additional supervision and support that many peer workers will need within NDIS pricing constraints.

Even more experienced and innovative providers still describe a "daily angst" of the balancing act between staff retention, conditions, safety and communications, with quality and price.

Recent statewide recruitment for around 170 Local Area Coordinators has exacerbated workforce pressures, with psychosocial support providers competing with LAC providers that can offer better conditions such as longevity of contract and more secure part or full-time positions.

Sector commentary about the recently released Workforce Strategy is that the strategy does not address the problems outlined in this paper such as the utilisation rate which limits capability development, and provides insufficient tangible action, in particular for specific cohorts and regional and remote areas to make significant headway. Added to this is the lack of coordinated cross government strategy to address the mental health, disability and community sector workforce, which results in concerns that the challenges will be difficult to resolve.

More comments about workforce issues are outlined in section 3, Pricing and section 5, Rural and Remote of this submission.

Recommendations:

- Independent review to determine an appropriate balance between utilisation rate, quality and value, comparing to benchmarks from previously funded disability and psychosocial support programs.
- The NDIA works much more closely with state government stakeholders to coordinate workforce development and growth strategies.

Pricing recommendations that will improve workforce attraction, retention and development are set out earlier in this submission.

9. Participant Engagement

WAAMH supports the recommendation of the Joint Standing Committee (JSC) that DSS and the NDIA develop plans for ensuring advocacy and assertive outreach services are delivered beyond transition to ensure people with psychosocial disability and those who are hard-to-reach can effectively engage with the NDIS. This requires a new process staffed by skilled workers with mental health expertise.

Recommendations:

- DSS and the NDIA implement the JSC Recommendation to develop plans for ensuring advocacy and assertive outreach services are delivered beyond transition to ensure people with psychosocial disability and those who are hard-to-reach can effectively engage with the NDIS

10. Market Stewardship

While some providers report that they know what they want to do and how but cannot support it financially, others report that capacity, expertise, reserves and infrastructure limit their entry into the scheme itself and especially into new regional and rural areas.

A key issue is that there is very limited psychosocial specific data publicly available. The data that is, is not granular enough to inform provider planning and entry into service provision in new areas, nor effective monitoring of different disability cohorts. For example, data required includes supply and demand data by location, jurisdictional comparisons for psychosocial such as what underlies the significantly disparate average package costs across jurisdictions, and the degree of psychosocial participant satisfaction as compared to the satisfaction of all participants.

This is especially concerning as people with psychosocial disability comprise the second largest group of participants over the age of 25 and are expected to comprise a significant proportion of people newly accessing disability support.

There is limited knowledge about the specific plans and strategies being implemented by the NDIA in its market stewardship role to address current and future market gaps and earlier more explicit communications are warranted. This should include the specific strategies being implemented in Western Australia, including information by cohort and by region.

While, as David Cullen NDIA Chief Economist queried at WAAMH's WA Market Review consultation, an important question is how much more sector development is required for organisations to embrace the changes required to sustain NDIS services, the reality is that there has been little sector-wide stewardship and development support to enable organisations to provide quality services that effectively grapple with the additional challenges and nuances of psychosocial support provision. WAAMH takes the view that this has contributed to the diversity in readiness of mental health providers seeking to enter the NDIS. It is also likely to continue to have a significant impact on the quality of psychosocial

supports available, which are currently reported by many NDIS participants and their family members as of low quality. WAAMH has recommended in section 2 and section 11 that state and federal transition support initiatives specifically prioritise market entry and sustainability for psychosocial providers to ensure that the large cohort of people with psychosocial disability entering the scheme have access to a choice of quality supports.

WAAMH supports the approach of the NDIA to develop Aboriginal Community Controlled Organisations (ACCOs) as NDIS Providers in the Kimberley, which may require expansion to other regions. WAAMH also notes that only some ACCOs are experienced in providing mental health, social and emotional wellbeing and/or psychosocial supports. The latter has already been recognised as needing specific skills and capabilities within the NDIS, and ACCOs and other providers seeking to support Aboriginal peoples will experience the added challenge of bridging cultural security and NDIS rules and expectations. As such, to enable good outcomes for all NDIS participants through ACCO providers, psychosocial capacity building is an important area for comprehensive sector development.

Recommendations:

- More comprehensive data that enable jurisdictional and regional comparison is made publicly available about plan build and participant satisfaction for psychosocial disability. This should be available in less frequent process such as market position statements, as well as NDIA quarterly reports.
- The NDIA comprehensively engages with NDIS participants, mental health consumers and family members, WA psychosocial providers and ACCO's in market and sector development activities to rural and remote Western Australia.
- Market development opportunities for ACCOs incorporate activities to strengthen psychosocial capability.

11. Longevity of the issues

While it is recognised that many of the issues described in this paper affect the NDIS across Australia, there are some factors exacerbated by the West Australian context. The workforce costs for rural, remote and very remote delivery are considered as intractable, have been an issue for many years in other service settings and will be unresolved without a comprehensive cross government approach (see section 8). Provider transition support, such as grant funding incentives to establish in new regions, is an example of a transitory costs that would support the development of consumer choice in regional and remote areas.

While generalist provider support to develop new business models is widely available, the challenges in developing a new workforce that understands and is responsive to the needs of people with a psychosocial disability who are eligible for the NDIS and have complex needs is under-acknowledged and sector wide transition support, for both business model and workforce development that accounts for the unique nature of providing psychosocial disability support, is required. While Department of Communities and federal departments have funded individual mental health organisations with sector capacity building grants, there has been no system and sector-wide transition activity for psychosocial disability, which is severely limiting the availability of choice for people with psychosocial disability, particularly outside metropolitan areas.

Recommendations:

- Psychosocial disability transition and regional market development be a focus for future state and Commonwealth sector development grants and initiatives. This should include psychosocial capacity building for Aboriginal Community Controlled Organisations.

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