



# Final Report

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Socio - economic impacts from the NDIS  
on regional local governments

for the

Legatus Group



*This project has been assisted by the Local Government Association of SA  
Research and Development Scheme*

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## Executive Summary

The roll-out of the National Disability Insurance Scheme (NDIS) in regional (non-metropolitan) South Australia is underway. Originally scheduled for July 2018, the National Disability Insurance Agency (NDIA) has confirmed that the roll-out is taking longer than expected, with Local Area Coordinators (LACs) only recently appointed in the Yorke and Mid North region.

This Local Government Association (of SA) Research and Development Grant, initiated by the Legatus Group and its 15 member Councils, sought to understand the socio-economic impacts of the NDIS on regional local governments in South Australia, with the aim of bringing together current knowledge about the effect of the roll-out, and providing a better understanding of the issues facing Local Government and how the sector might respond. Dr Kristine Peters of KPPM Strategy was engaged to undertake this research, with support by the Legatus Group, South Australian Regional Organisation of Councils (SAROC) and a Local Government Steering Group.

The research was undertaken during late 2017 and early 2018, and involved interviews, desktop research, online surveys, workshops and presentations. The findings were discussed, and recommendations developed with input from the Steering Group, from a project workshop, and via the 2018 Yorke and Mid North Regional Forum. This report presents the findings, implications and recommendations of the research project.

*At the time of writing this report (May 2018), Local Area Coordinators (who develop NDIS plans with registered NDIS clients) have only recently been appointed in the Legatus region. Hence the NDIS has not yet had a noticeable impact on the disability services market. As a result of this timing, the findings of this report reflect a 'pre NDIS' situation.*



Figure 1: Source RDAYMN - DCSI/KPMG

Local Government has a number of potential roles relating to the NDIS:

- As a direct (registered) service provider, typically in social development and inclusion programs funded under the NDIS Development of Life Skills provider category.
- As a provider of, or contributor to, a Community Passenger Transport Network for people unable to use other forms of transport to access services.
- As a provider and regulator of public infrastructure and facilities used by service providers and people with disability (e.g. swimming pools, community centres).
- As an employer of people with disability, including in a volunteering capacity.



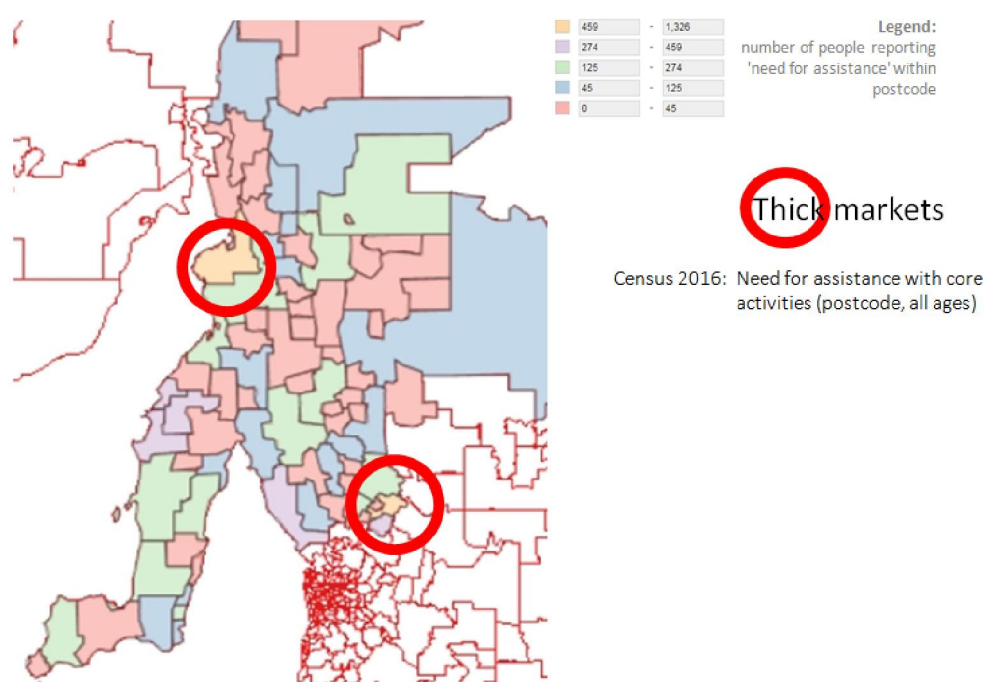
- In its community and economic development role, which includes advocacy, events and community initiatives.
- Through its Regional Public Health Plans which outline Local Government contribution to the delivery of health services.

This project primarily focused on the issue of direct provision of disability services, and the implications for Local Government and its communities. In the Legatus region, only one Council (Yorke Peninsula) is a registered NDIS provider. The financial viability of its Living Skills Program under NDIS will not be fully known until NDIS plans have been developed for existing program participants.

The critical difference in the way NDIS operates is that the funding is person-centred. Previously, disability services (particularly those provided by Local Government) were block funded, which meant that the service had a set budget that (largely) covered costs irrespective of attendance or NDIS eligibility. Under the NDIS, participants choose a provider for services set out in their individual care plan. Providers are paid after delivery of the service, for NDIS participants who actually attend, and at least 80% of the fee must relate to direct provision of services - not administration, marketing or coordination. In sparsely-populated regions (with large geographies and small populations - called 'thin markets' by the Productivity Commission), it may not be possible to achieve critical mass to cover costs.

Analysis of 2016 Census data for people who reported needing assistance with core activities revealed that across the Legatus region, only two postcodes could be considered 'thick markets' where there is sufficient concentration of people needing assistance to support financially viable disability services (Figure 2). Catchment size inflates demand in a number of other centres, but a sizeable part of the region falls outside of the maximum 45 minute NDIS paid travelling time for non-remote areas. It is in these thin market areas where Local Government is most concerned about the ability of NDIS participants to access suitable and equitable services.

Figure 2: Thick markets in the Legatus region



Current NDIS service modelling appears to be heavily influenced by the population structure of the eastern states, where 26 regional cities have populations over 50,000. In comparison, the total population of South Australia's six regional cities is only 114,199.

*As the roll-out matures, Local Government will have a key role in monitoring and advocating for sparsely-populated regions at risk of a sub-standard NDIS services. Lack of suitable services will have a range of implications for rural communities and their economic and social viability.*

### Implications for Local Government in regional areas

This section summarises the main implications for Local Government from the perspective of the current 'pre roll-out' situation:

1. **Local Government is not a passive receiver of policy** that affects its revenues, operations or communities. NDIS will raise and drive new priorities. SAROC, through the LGA Board, has an opportunity to lobby State and Commonwealth Government to address market failure in regional areas.
2. **NDIS is a risky investment in thin markets** where participation fees may not cover costs, particularly for small NDIS providers that cannot spread fixed administrative costs across large transaction/service volumes.
3. **The State Government proposal to cap Council rates will limit Councils' ability to provide unfunded community services.**
4. **Local Government is not the NDIS 'provider of last resort'**, it has neither the mandate nor funding for this role. If there is market failure in the provision of disability services, it is the responsibility of the State and Commonwealth Governments to address this issue.
5. Currently, Community Passenger Transport is an important transportation option for people with disability in rural areas where taxis and public transport are not available. **Limitations on transport funding in the NDIS pricing structure are creating significant concern for NDIS families and Community Passenger Transport providers.** While Community Passenger Transport funding has been extended to 2020 to allow for the NDIS roll-out, the future of this successful model is unclear.
6. One of the key outcomes of the NDIS is the expectation that people with disability will be more engaged in their communities via work, social connection and recreation. This raises the question as to whether **Council infrastructure (buildings, swimming pools) encourages participation of people with disability.** At this stage of the roll-out, families are more concerned with the immediate issues of NDIS eligibility and planning, however priorities (and pressure on Local Government) may shift in future.



7. **Lack of available services is likely to drive outward migration to areas with better NDIS options**, further exacerbating the problems of population decline experienced in many rural areas. Similarly the population revival in areas of high rural amenity - led by retirees, teleworkers and online/footloose businesses - may be jeopardised by poor access to services.
8. With up to 650 positions being created by NDIS in the Yorke and Mid North region, **Councils (and other employers) already struggling to attract and retain skilled staff, may experience additional labour pressures**, resulting in reduced productivity and service delays. Solutions like the KPPM/RDA Yorke & Mid North's *Aspirational Labour Market Model* that aims to grow the labour market through job matching may resolve some capacity issues, but Local Government will need to address its 'employer of choice' standing to compete in a more volatile labour market.
9. As the Baby Boomers age and are less able to volunteer, **reliance on volunteers to deliver core services (such as Community Passenger Transport, and assistance with disability programs) will become unsustainable**, adding to Council service delivery costs. Younger generations have different volunteering aspirations, and Councils will need to adapt volunteering models to attract new volunteers.
10. **Because NDIS service delivery is a competitive market based on 'pay per service', there is neither the incentive nor capacity for collaboration for the greater good**. Local Government is already finding that providers, which are paid only for services delivered, are unable to fund staff participation in working groups and networks, with implications for the way community and economic development activities are delivered.
11. Local Government is often cited as the layer of government closest to the people, with the expectation that it is aware of - and can advocate for - its local communities. However **Councils participating in this research reported that they are not receiving adequate information about NDIS, either from the NDIS website and other official sources, or from communities** who see NDIS as a Commonwealth Government program and direct their enquiries and concerns elsewhere.
12. Rather than accepting the disadvantages associated with thin markets, **Local Government can activate its community to become a region of choice for NDIS participants and providers**. Councils should review their community and economic development strategies to ensure they are maximising the potential benefits of NDIS.

*An important outcome of this review is the understanding that the NDIS may not deliver services to all participants in regional areas and therefore Local Government should act as a matter of urgency to identify areas of market failure and advocate for its citizens. The risk of not acting quickly is that NDIS participants who cannot access services locally may miss out, or relocate to larger centres with better service availability.*



## Project recommendations

### *For State/Commonwealth Government*

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#### RECOMMENDATION 1:

**Provide up to date and accurate NDIS data** to enable Local Government, service providers and communities to identify, understand and respond to market failure.

#### RECOMMENDATION 2:

**Review the model for provision and funding of NDIS transport in regional areas**, noting that transport arrangements are unique to each region.

#### RECOMMENDATION 3:

**Form stronger planning and service response alliances** between the National Disability Insurance Agency, SAROC and LGA SA that address the unique nature of South Australian population and geography.

### *For Local Government*

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#### RECOMMENDATION 4:

**Councils should be proactive in understanding and advocating for their communities by capturing information** about NDIS provision and about service gaps for eligible and ineligible people with disability, and using this information to advocate for funding and services that address these gaps.

#### RECOMMENDATION 5:

**Ensure that Local Government is not seen as the 'unfunded provider of last resort'** by developing and implementing regional NDIS communication and information plans that include FAQs and other tools that aid consistency and promote key messages.

#### RECOMMENDATION 6:

**Understand and respond to volunteering trends**, particularly addressing the loss of support as Baby-Boomers age and withdraw from volunteering, and the different styles of volunteering by younger generations.

#### RECOMMENDATION 7:

**Provide disability awareness training** so that staff and volunteers are more inclusive of people with disability and have a good understanding of the NDIS service model.

#### RECOMMENDATION 8:

**Collect, analyse and coordinated messages about NDIS transport** to influence State and Commonwealth Government decisions about Community Passenger Transport.

### *For regional organisations of Councils*

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#### RECOMMENDATION 9:

**Encourage and assist members to collaborate in the delivery of these recommendations.**



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## Introduction

With the South Australian roll-out of the National Disability Insurance Scheme scheduled for mid 2018, Councils in regional (non metropolitan) South Australia were keen to understand the implications of NDIS for local government, specifically the services that could be offered by local government as part of the NDIS mix, and the issues that may arise for Councils and their communities as a result of the NDIS roll-out.

Accordingly, the Legatus Group, with the support of a Steering Group, was successful in obtaining a Local Government Association (of SA) Research and Development Grant to identify the NDIS impacts on local government in regional South Australia, particularly in regions poorly serviced by larger service providers where there may be an expectation that local governments should step in and assist. The research aimed to identify the implications for councils and the potential socio-economic impact on their communities.

Dr Kristine Peters of KPPM Strategy was commissioned to undertake this research.

A similar research project aimed at metropolitan Councils was also funded through an LGA Research and Development (R&D) Grant, but with a much longer timeline on the metro project, it was not possible to cross reference the two projects.

The timing of the Legatus NDIS project was intended to capture the experience of Local Government as the NDIS was rolled out across South Australia, however delays in the roll-out mean that this research project is coming to completion before the new NDIS market has evolved.

The findings and recommendations of this R&D project therefore reflect an 'interim' situation, where the NDIS market remains largely undefined. As a result, this report brings together information about the experience of regional Local Government in places where the roll-out has already occurred; identifies the expectations, concerns and opportunities of regional Councils in South Australia in relation to NDIS; and makes recommendations that will assist regional Councils and the LGA to anticipate the impact of the NDIS and be proactive in responding to emerging issues.



## Methodology

The key stages in this research project were:

STAGE 1: Planning and communications.

STAGE 2: Research into the experience of other jurisdictions and regions, interviews with rural Councils that are registered providers in South Australia and use of this information to design a survey that was initially sent to Legatus Councils and subsequently extended to other Councils in Regional South Australia. The Legatus Group undertook to coordinate Council feedback throughout Stage 2.

Stage 2 findings were presented at an Options Workshop in Clare on 10th April 2018, attended by project Steering Group and Local Government representatives.

STAGE 3: Development of the Draft Report for consideration by the Steering Committee. The key findings were presented at the 2018 Yorke and Mid North Regional Forum on 27th April, with feedback incorporated into the Final Report.

## Local Government services for with people with disability

Inclusion and access for people with disability has been enshrined in South Australian legislation since 1993 (the *Disability Services Act 1993*), and updated through the *Disability Inclusion Bill 2017*.

Local Governments undertake a range of initiatives to support people with disability as described in the *How local governments can increase the social and economic participation of people with disability* report (Figure 3 sourced from this report):

- *Providing services directly to people with disability, their families and carers* - providing services (often in partnership), including those that assist accessibility and inclusion of people with disability.
- *Enabling or facilitating services and access to services and facilities* – enable and facilitate services or access to services and facilities, including provision of financial assistance, referrals to appropriate services, establishing governance committees and undertaking research.
- *Advocating for services or support* – for inclusion and accessibility including raising awareness across the community and lobbying to establish specific programs or grants.

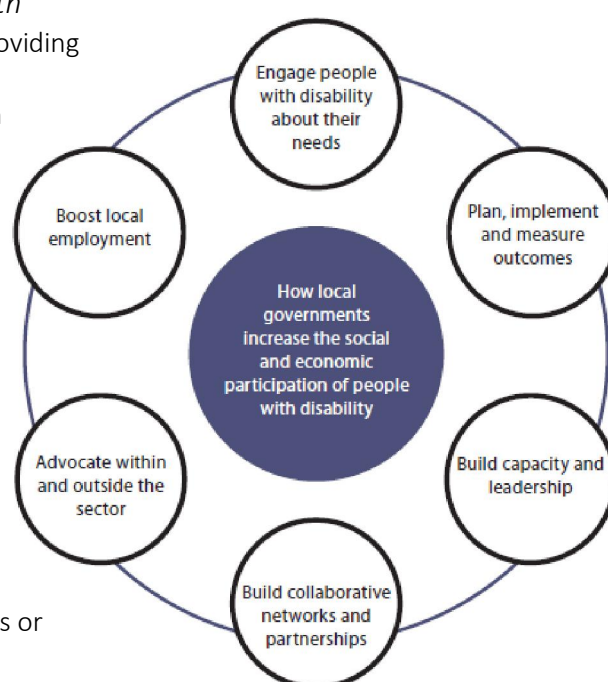


Figure 3: Place based framework



- *Employing people with disability* – local government is a potential source of employment of people with disability.
- *Providing accessible services and infrastructure* – integrate and embed inclusiveness and accessibility into planning practices and ensure essential services (e.g. public toilets, footpaths) are accessible for people with disability.
- *Developing Regional Public Health Plans* - that define the role Local Government plays in delivering health Services. There are eight Regional Public Health Plans across the Legatus region.

In summary, the Local Government disability interface is reflected in two roles:

1. **Direct provision of disability services**, which can be funded through registered NDIS services or block funded programs (which are transitioning to person-centred funding through NDIS) or delivered without external funding. While disability sector development programs are in place (see Attachment 1) these are unlikely to have a significant effect on Councils' capacity to provide NDIS services.
2. **The broader context of access and inclusion for people with disability**, which includes planning, infrastructure design, passenger transport, direct employment and community development activities. Councils in non-metropolitan regions of South Australia are, with a small number of exceptions, mainly addressing NDIS via this mechanism.

*This project focuses on the issue of direct provision of disability services as well as ancillary and support services (such as passenger transport), and the implications for Local Government and its communities.*

Larger city Councils, which have historically provided a range of block funded services for people with disability, are appraising their role as registered NDIS providers - including consideration of Competitive Neutrality issues - with some existing services being referred or contracted to non-government providers, and only those services not met by the market being retained by Councils, at least in the short term.

Very few regional Councils are direct providers of disability services. However in Councils that do provide services, the same appraisal is also occurring - specifically looking at the role of Local Government in addressing service gaps that, because NDIS service costs exceed revenue in sparsely populated areas, are not being taken up by the non-government sector.

Among other factors, this research explores the role of Local Government as a 'provider of last resort' in locations where non-government services are unwilling to participate.

### New demand for services (\$)

There will be an estimated growth in funding of \$80m, of which about \$60m will be spent on services to assist with daily life.

\* includes supported independent living

Figure 4: Source RDAYMN - DCSI/KPMG

NOTE THAT the DCSI/KPMG estimates provided in this and subsequent figures relate to the RDA Yorke and Mid North region, not the larger Legatus region..



### Transition from block to person-centred funding

Prior to the introduction of NDIS, funding for delivery of services to people with disability was provided under a number of block funded programs, with SA HACC, Disability SA and Community Passenger Transport funding the sources most commonly accessed by Local Government - see Attachment 2 for a summary of pre-NDIS funding programs.

Following the roll-out of NDIS, the primary funding source will be client-centred NDIS plans, although State Government funding may be available for:

- SA HACC programs (assistance with cleaning, personal care, home modifications or maintenance, social opportunities, meals, allied health and transport). Current programs are funded to 30/6/19. Some funding will continue for clients who are not eligible for NDIS, but arrangements have not been announced.
- Disability SA: early intervention and development services for children and young people, advice and respite help for carers, therapy. Some funding will continue for clients who are not eligible for NDIS, arrangements have not been announced.
- Community Passenger Transport Networks: Currently funded by the Commonwealth Home and Community Care program and the Department for Human Services, Minister Brock (27/10/17) announced that funds for Community Passenger Transport Networks will continue to 2020.

Councils are concerned that their communities will expect a continuation of existing disability and passenger transport services, while future funding of these services is unclear. KPMG/DCSI estimate that \$3.41m<sup>1</sup> will be spent in the Yorke and Mid North region on transport to access daily activities - however the structure of NDIS funding favours taxis (which are more suitable to urban environments), rather than passenger transport networks (which are the only form of public transport available in many rural areas).

### Demand for disability services

In the 2016 Census 7,329<sup>2</sup> residents of the 15 Councils in the Legatus region reported that they require 'assistance with a core activity' (see Figure 6). Of these, 3,500 are aged under 65 and may be eligible for NDIS. Because NDIS is yet to roll out in this region, service demand is based on the measures determined by KPMG in its regional projections (Figure 5).

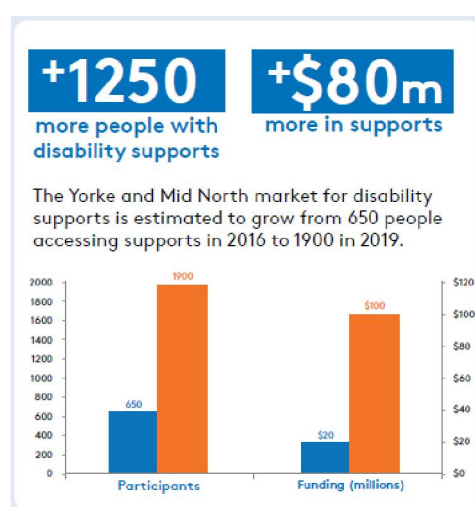


Figure 5: Source RDAYMN - DCSI/KPMG

<sup>1</sup> [https://www.yorkeandmidnorth.com.au/wp-content/uploads/2017/08/170720\\_DCSI-1002-NDIS-KPMG-stats\\_infosheet\\_Yorke-and-Mid-North\\_FA.pdf](https://www.yorkeandmidnorth.com.au/wp-content/uploads/2017/08/170720_DCSI-1002-NDIS-KPMG-stats_infosheet_Yorke-and-Mid-North_FA.pdf)

<sup>2</sup> Providers often rely on participation of both aged and people with disability to be viable - hence both cohorts are included in the postcode analysis.

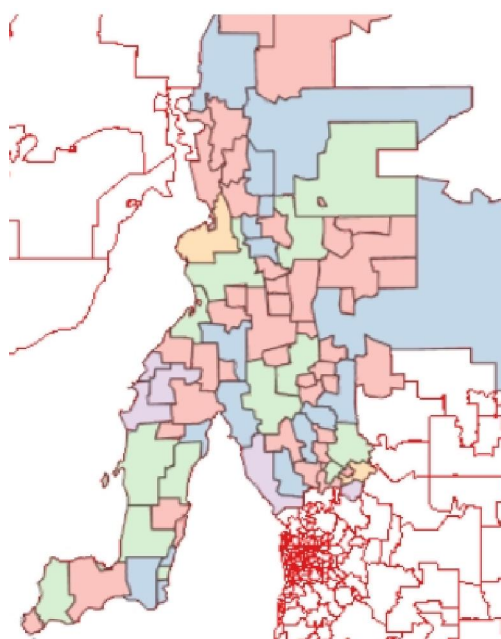


As government funding transitions from block to individual, several factors will challenge the viability of services in areas of thin population and large distances (i.e. regional South Australia) - described by the Productivity Commission as 'thin markets':

1. Not all people who currently access local government aged/disability services will be eligible to receive funded services under aged or NDIS programs.
2. Not all people who *are* eligible for aged care or NDIS packages will participate in these programs, and not all will know about or choose to include social support programs (typically run by Local Government) in their funded plans.
3. Many participants of Council aged/disability services who are ineligible or are unwilling to go through the care planning process will expect these services to continue. Local government will be under pressure (by State and Commonwealth governments as well as their communities) to continue to provide services to these individuals.
4. NDIS pays only for a 'delivered service', not the full cost of administration, transport to the service, nor for non-attendance at a booked service - further eroding the financial viability of disability services.
5. Until the provider market settles, it may be difficult for Local Area Coordinators to identify services that can be accessed within reasonable travel distances, and it

is unclear whether NDIS clients will miss out on services, or whether 'providers of last resort' can be engaged under special conditions.

Figure 6: Census 2016  
Need for assistance with core activity



Legend:  
number of people reporting 'need for assistance' within postcode

459	-	1,326
274	-	459
125	-	274
45	-	125
0	-	45

## Estimated current supply and expected future demand

Overall percentage growth is expected to be greatest in the District Council of Orroroo Carrieton LGA, while the Port Pirie Regional Council is estimated to have the largest number of new entrants.

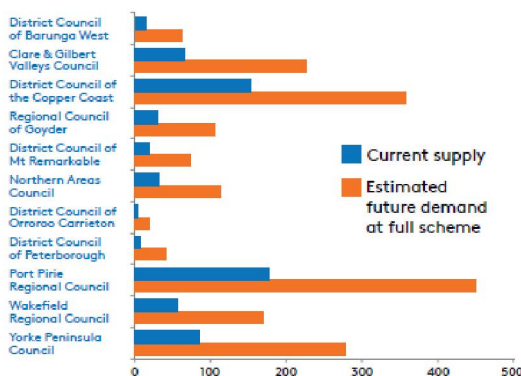


Figure 7: Source RDAYMN - DCSI/KPMG



6. Council staff involved in transitioning to NDIS services (see *After the roll-out* heading) report that the process of transitioning clients into the NDIS system is onerous, with significant additional record keeping and reporting requirements. The *Disability Inclusion Bill 2017* may add to this largely unfunded administrative load.

The LGA's *Beyond 2018: Aged Care Services Delivery* report reinforces these challenges from an Aged Care perspective:

*"While some Councils ... expect the Commonwealth to continue to provide block funding in some form, others suggested that a loss of Commonwealth funding would see their Council continue to fill any funding gaps or shift its focus to different models or services. Some Councils reported that they foresee (additional) resident co-payments and reductions in staffing, with a number noting a reputational risk as members of the public assume that these services are currently Council funded."*

Acil Allen Consulting<sup>3</sup>, in their presentation to the WA Local Government Association (August 2017), found that Local Governments in Western Australia expect an **increase in their provision of disability related infrastructure and information**, but a **decrease in the direct provision of care and support**.

### The population challenge

South Australia's regional geography and population are quite different to the eastern states, where a 'large country town' might have a population of 100,000, whereas the populations of the large rural cities in South Australia (Port Lincoln 14,064, Whyalla 21,828, Port Augusta 13,808, Port Pirie 17,365, Mount Gambier 26,276 and Murray Bridge 20,858) **together represent only 114,199 residents** (2016 Census). NDIS modelling based on the dense populations of capital cities and eastern Australia requires adjustment for sparsely populated South Australian regions.

It is understood that the NDIS pricing schedule is under review, and may address some issues associated with thin markets, however rural communities are concerned that an increase in service price to compensate for geography may erode the purchasing capacity of individual NDIS recipients.

Figure 8 illustrates this well, with South Australia (along with Northern Territory) having no large regional cities, compared to 26 regional cities with populations over 50,000 along the mainland Eastern Seaboard.

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<sup>3</sup> Attachment 3 provides more details about the areas of disability service that WA Local Governments are involved in, and their level of preparedness which is generally below the preparedness of non-government disability service providers.

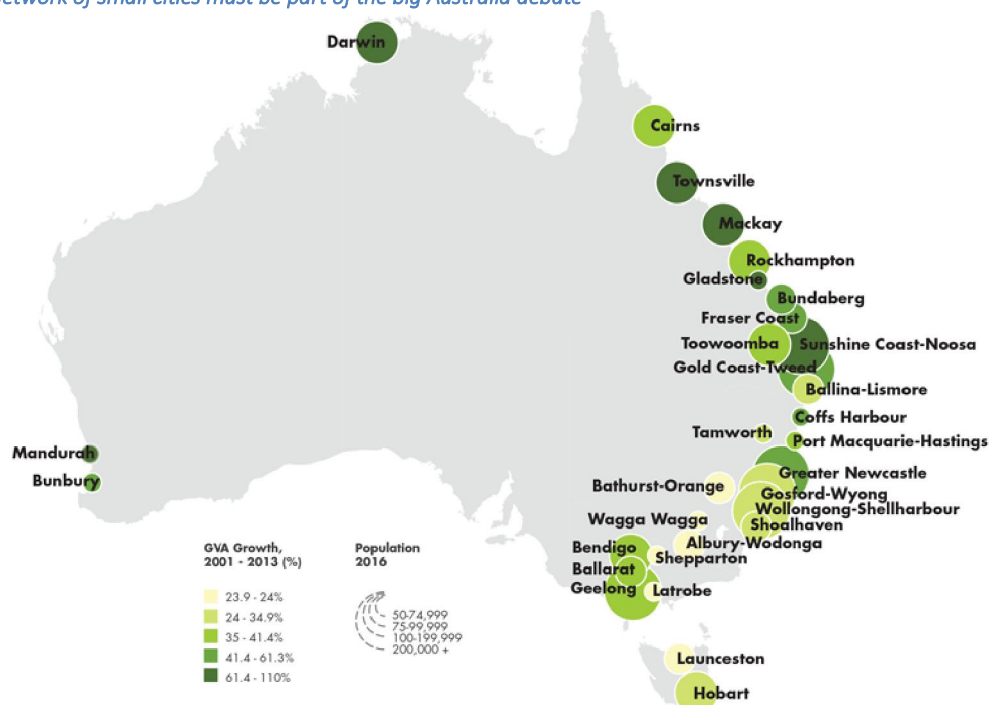




*NDIS modelling based on the dense populations of capital cities and eastern Australia requires adjustment for sparsely populated South Australian regions.*

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Figure 8: Regional Australia Institute, April 26th 2018 blog  
*Our network of small cities must be part of the big Australia debate*



### The experience of rural Councils

This section describes the experience of rural Councils that have been providing disability services prior to NDIS and continued as registered NDIS providers. Examples of NDIS preparation projects from the *How local governments* report are shown in boxes.



#### CITY OF WHITTLESEA, VICTORIA – NETWORKS FOR SPECIFIC ISSUES (Urban Fringe)

Council convenes the Whittlesea Disability Network which has over 700 members from the community and non-government organisations. The network is chaired by the Team Leader-Access but is independent from Council. It advocates on issues such as state government Infrastructure projects, Council and state government development plans, and Australian Government Initiatives such as the NDIS. Working groups consider specific issues such as the new Mernda Rail extension project, to ensure that access for people with disability is considered in the planning process.

Council also established the Whittlesea Community Futures program which set up networks of organisations around specific social issues. This included a Disability Cluster to focus on the implementation of the NDIS. In addition, Council also established an 18-month NDIS Preparation Project which included a disability expo to connect community members with NDIS providers.

#### In the lead-up

Yorke Peninsula Council<sup>4</sup> is one of five South Australian Councils that are registered providers approved by Disability SA. It is the only small rural Council to be registered (all others are in Adelaide or rural cities - see Port Augusta example below).

Yorke Peninsula Council delivers a Living Skills Program to improve the daily living skills of people living independently and in group accommodation. 80% of the program is funded under State/Commonwealth ageing programs, and 20% from NDIS living skills.

With the introduction of NDIS, funding for the Living Skills Program diminished from approximately \$40k to \$30k per annum as many participants who were covered under block funding do not have NDIS plans and Council no longer receives funding for these.

Currently the program is cost neutral. However this is premised on volunteers driving Council vehicles to collect participants, with vehicle on-costs previously funded. Under NDIS, **transport costs are not adequately covered, and it is not clear how the transfer of these costs to Council will affect the program.**

No alternative service providers are available, but Council would reconsider service provision if other local providers could be identified. Economies of scale are difficult in a district with many small communities and large distances between towns.

#### After the roll-out

A search of the NDIS website for Councils with similar demographics to rural South Australia (and the Legatus region in particular) that have experienced the roll-out as NDIS providers for at least 12 months (as of January 2018) found only three Councils that met these criteria: Port Augusta in South Australia (for youth roll-out) and Goulbourn Mulwaree and Berrigan<sup>5</sup>.

<sup>4</sup> Conversation with Bobbi Pertini 18/1/18.

<sup>5</sup> The NDIS website provided dates for some rollout regions and not for others (e.g. no dates were listed for Queensland). Only regions with rollout dates prior to January 2017 were included as these were considered to give the best perspective on the longer-term effect of the rollout. The NDIS





The City of Port Augusta<sup>6</sup> is an approved NDIS service provider for the *Miriam High Special Needs Centre* which provides services to families who have a young child with a disability and/or developmental delay. South Australia's pilot NDIS roll-out focused on children, hence Port Augusta has a longer experience with NDIS than other South Australian Councils that provide disability services for older age groups.

In the past, the service received block funding. As an NDIS provider, the Centre receives payments through claims on the NDIS Provider Portal for services to eligible clients or through direct payments by self-managed NDIS clients.

**One of the issues faced by NDIS providers is that payment can only be claimed for direct service provision and only for clients who actually attend.** This rules complicate cost-recovery in areas with small client numbers as overheads, staffing and other on-costs must be met irrespective of attendance and payment - and with low numbers it is difficult for providers to cover costs.

There is a very real concern that the *Miriam High Special Needs Centre's* is not financially sustainable as the Centre saw a reduction in the number of children who are eligible for support or have the Centre identified as part of their NDIS plan, and participation has diminished as a result. The Port Augusta City Council subsequently commissioned a report into the commercial viability of the Centre which recommended discontinuation of Council operation<sup>7</sup>.

*The Centre reports that some economic commentators estimate that two-thirds of current disability service providers will not exist by 2020 due to market disruption as a result of the NDIS.*



### WUJAL WUJAL ABORIGINAL SHIRE COUNCIL, QUEENSLAND – REGIONAL PLANNING FOR DISABILITY (Rural and Remote)

Wujal Wujal is a small council bordering Hopevale Aboriginal Shire and Cook Shire Councils. As Aboriginal Councils, Wujal Wujal and Hopevale deliver the majority of disability and aged care services in their communities with significant Australian and State government funding. Cook Shire Council covers most of the eastern and central parts of Cape York. The majority of other service providers are based in Cairns, at least five hours away, and provide limited outreach services to the region.

Given their close proximity and service challenges, the three councils have historically shared assets and infrastructure and jointly made representations to the Australian and State governments for better services. For example, the councils currently share accessible buses and are advocating for an increase in accessible social housing stock in the region to avoid the extensive modification of existing stock.

With the implementation of the NDIS in the region from 1 July 2018, the three councils have undertaken a regional service review and capacity assessment to determine what services to register to provide under the NDIS. This has led to high levels of consultation and alignment of strategic and operational plans to create complementary strategies, actions and resourcing to support people with disability in the region.

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listing of providers for each state was then cross referenced to identify Councils that are registered providers. Only regions that are similar to SA rural regions and can be identified as having commenced prior to January 2017 were included in the research.

<sup>6</sup> City of Port Augusta *Miriam High Special Needs Centre* Report 16-10-17.

<sup>7</sup> *Miriam High deemed not financially viable*, The Transcontinental, 1st February 2018 9:30am.



**Berrigan Shire Council**<sup>8</sup> ran an Early Childhood Intervention Service that provided support and assistance to children with developmental delays and other disabilities to assist with their integration into schooling and the community. Prior to NDIS, Council received block funding from NSW Family and Community Services (FACS).

Council initially intended to maintain the service as it had not been able to attract a provider, but determined that the lack of 'guaranteed funding' made this unviable - particularly as NDIS requires that **direct therapy must account for 80% of funding, leaving only 20% per cent for overhead costs**.

The Council worked with NSW FACS to call for Expressions of Interest from selected non-government organisations within the region and a provider with a proven track record was engaged. A key criteria in the selection process was that services would continue to be provided locally, and that current staff would be retained.

**Goulbourn Mulwaree Council**<sup>9</sup> provides information, referral and centre-based respite activities for people with disability and their carers, with a number of activities at different locations each week. The program, which is supported by volunteers, has been running for decades.

The program was previously block funded by the NSW Government. When the NDIS roll-out began, block funding was extended for 12 months and then gradually reduced as participants registered with NDIS (all participants are now on NDIS plans).

The program Coordinator found it extremely time-consuming to encourage participants to register for NDIS. Some were slow to register and their costs had to be covered for a short time.

The program is financially viable with 60 participants, but needed extra resources to manage the additional work associated with NDIS. The NSW Government made systems development grants available for organisations transitioning to NDIS (similar to the DCSI grants delivered by the Community Business Bureau in South Australia - see Attachment 1).

The key issues experienced by Goulbourn Mulwaree were:



### MOUNT ALEXANDER SHIRE COUNCIL, VICTORIA – PREPARING FOR THE IMPLEMENTATION OF THE NDIS (Rural and Remote)

Council is a partner in the Mount Alexander Health & Communities Services Alliance together with Castlemaine Health, Castlemaine District Community Health and Windarrang (a disability services and support organisation). The purpose of the Alliance is to work together to provide effective and accessible primary community health and wellbeing services which meet the needs of the community.

The Alliance collaborates on local service planning, service integration, systems change development and implementation. The Central Victorian Primary Care Partnership (CVPCP) facilitates quarterly meetings; and in the context of NDIS, the Alliance has recently asked the CVPCP to investigate potential vulnerable community members, any possible market failure and the opportunities for local services. These findings will be reported back to the Alliance to determine what is needed to support people with disability.

In relation to the NDIS roll out, various officers within the Community Wellbeing unit are providing information to and actively advising people who may be eligible for the NDIS to learn about their options and make their planning experiences as successful as possible.

<sup>8</sup> Sourced from: NICOLA BELL, The Weekly Times, August 16, 2016 10:57am, and the Berrigan Shire Council website.

<sup>9</sup> Interview with Carolyn Lloyd.



- Developing service agreements and entering into a service agreement with each client once they had moved to NDIS. Clients had different levels of participation, some attended once a week and some four times a year - to draw up agreements the Coordinator had to review client files to find each person's pattern of participation.
- Invoicing for each client – some were self-managed, some had a plan manager and some were managed by a registered provider. The Coordinator had to learn how to use NDIS portal to claim as a registered provider, and apply an NDIS price schedule for different times of the day or week.
- Service bookings must go through the NDIS portal: previously activities were simply advertised in the newsletter and people would just turn up. Now each activity needs to be booked through the portal – if NDIS participants choose other providers there are no funds left for the Council service.
- There were initially some problems with Local Area Coordinators who did not fully understand local services – some clients with the same disabilities were getting different levels of services, sometimes Council had to advocate to LACs on clients' behalf to have plans amended. Many early client plans had to be reviewed because clients were missing out on services, now clients with less complex needs are getting two year plans, making it easier for providers to plan and book services on the NDIS portal.
- Transport costs are difficult to recoup as funds go directly to the client and include only a small amount for transport (the old mobility allowance). Clients don't know they have to pay for transport out of their plan.
- Providers must keep much more detailed records about the service – how many attendees, how long at the session, how often they attend.
- Providers must budget for Third Party Verification, which is a new system to replace the previously free government validation and accreditation service. Only NDIS approved Verifiers can be used.
- Promotion of the service is now much more important, particularly as new providers have come into the region with more aggressive marketing, especially in allied health.

*One of the outcomes of the NDIS is that providers are much more competitive. Previously, local service providers worked together and referred and introduced clients, now the attitude is "it's my client, my funding".*

This is particularly noticeable when planning for local events, in the past Council and other providers would get together to plan but now that the payment system is governed by billable hours, there's far less collaboration, other providers will attend events, but won't get involved in organising them.



### Implications for Local Governments in regional areas

This section of the report highlights the issues facing Local Government as the NDIS rolls out across regional South Australia.

It is unfortunate that there have been delays in the NDIS roll-out, as the timing of this research was intended to capture the Local Government situation after some NDIS plans were in place and the service market underway. However the experience of providers in rural areas where the roll-out occurred during 2016/17 indicates that, even after 12 months, supply of NDIS services is still fluid. This means that in regions of low population and large geography (thin markets), Local Governments that expected to be able to offer services as registered NDIS providers are finding that those services are not financially viable and are rethinking their role as providers.

*Local Government is not a passive receiver of policy that affects its revenues, operations or communities, NDIS will drive new priorities.*

### A risky investment in thin markets

It is useful to examine why NDIS is a challenge in thin markets. Considered singly, the following factors undermine the ability to plan for secure income from NDIS services. When combined, they make a financially viable service difficult to achieve:

- Some people currently attending Council block funded disability programs are not eligible for, or are not prepared to go through the process of applying for NDIS, but expect to continue to receive services at no cost.
- Forward planning for services advertised on the NDIS portal makes local flexibility difficult to manage.
- Limited capacity to cancel services due to low numbers, which means that there are high fixed costs that are not recouped if there is low attendance.
- NDIS only pays when clients attend, there is no payment for absenteeism.
- When compared to block funded programs (which provide certainty of funding and payment), NDIS services are only paid after the service has been provided and a successful claim submitted - so providers cannot be assured of covering costs and will only know this after the service has been delivered.
- Local Government Enterprise Bargaining agreements require advance rostering and minimum shift limits irrespective of attendance and payment.
- The cost of transport is not adequately addressed in rural NDIS plans, with a maximum allowance of 45 minutes travel in non remote areas, which means that Councils are subsidising this aspect of the service.
- There is significantly more documentation, more processes, and more client follow-up than block funded programs. Large national organisations with the capacity to develop and manage systems centrally have a lower cost-per-service than small providers that develop and manage their own systems.



- In areas where there are a number of providers, there is increased competition for services and a marked reduction in collaboration and activities like community events that were previously organised by a cross-sector working group are now left to Councils.

*It is reasonable that the NDIA monitors how the NDIS plays out in regional areas, however it is likely that adjustments to the pricing or delivery model will be needed to address the thin market dilemma. Local Government is a key advocate to ensure rural communities are not forgotten.*

### Rate capping and capacity to provide unfunded services

The proposed introduction of Local Government rate capping legislation in South Australia is triggering Council investigations into the range and level of services that can be funded through rates.

*Any limitation on Council ability to raise funds will result in a reappraisal of Local Government investment, with the traditional 'roads, rates and rubbish' likely to receive investment at the expense of unfunded community services.*

### Local Government is not the NDIS 'provider of last resort'

The key finding of this review is that, in non-metropolitan regions, Local Government is not currently a significant provider of services to people with disability. Because of the NDIS pricing structure (as it stands) and the combination of low demand/large geographies outside of rural cities, many NDIS services will run at a loss.

"One of the Victorian Councils presented at an LGA forum. Their message was that, rather than being cost-neutral, NDIS will be a cost burden to Local Government and to 'run while we still can!'"

*Local Government has a fiduciary duty to its constituents, addressing market failure generated by another level of Government is generally inconsistent with this duty.*

Whether Local Government has the mandate and capacity to deliver loss-making disability services is questionable, particularly as the intent of the NDIS is that responsibility for funding is covered under the 'Insurance' element of the Commonwealth Government NDIS program.

*An important outcome of this review is the finding that Local Government in regional South Australia is not establishing itself as the 'provider of last resort', and that State and Commonwealth Governments - which are responsible for funding disability programs - must address market failure in sparsely populated regions to ensure adequate options for people with disability.*





National Competition Policy and Competitive Neutrality, which require Local Governments to remove competitive advantages arising from public sector ownership of business enterprises<sup>10</sup> have not come into play, as small Councils are at a competitive disadvantage in the NDIS market.

### Community Passenger Transport

Many Councils in regional areas are partners with the State and Commonwealth Governments and community volunteers in delivering Community Passenger Transport - typically via regional networks. These networks provide information about and coordinate passenger transport services for people who are transport disadvantaged (unable to access public transport due to distance, mobility or availability of services, or unable to drive themselves or access another person to transport them)<sup>11</sup>. Most Community Passenger Transport Networks have a paid coordinator and are operated by volunteers.

Community Passenger Transport may be the only means of accessing services for people with disability in regional areas. However the current NDIS pricing structure does not provide separate funding for transport, which is bundled into the service charge. As the NDIS pricing structure currently stands, providers can recoup 45 minutes transport in non-remote areas - inadequate for many localities. Higher charges are possible in remote areas, but the Modified Monash Model used to determine remoteness can be inconclusive or lack consistency across comparable sites. While the NDIS pricing arrangement might be appropriate in cities and more densely-settled areas where taxis are available, it does not have a good fit with rural Community Passenger Transport services.

The Department of Human Services, which monitors Community Passenger Transport and NDIS services in South Australia, requires Community Passenger Transport Networks to be registered as NDIS providers. At the same time, funding for these services has been extended to cover the transition period.

*The issue of NDIS client transport and Community Passenger Transport is of great concern to many regional Councils, and the future of this service and its capacity to service people with disability remains unclear.*

### Council infrastructure and disability access

One of the key outcomes of the NDIS is the expectation that people with disability will be more engaged in their communities via work, social connection and recreation. This raises the question as to whether Council infrastructure (e.g. buildings, swimming pools) are disability friendly.

All new facilities must comply with disability standards, but existing facilities - which form the vast majority of Council assets in rural areas - are not required to be

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<sup>10</sup> LGA SA *Guide to National Competition Policy and Competitive Neutrality*, Dec 2013

<sup>11</sup> <http://www.sacta.org.au/pages/home/community-passenger-networks-cpns.php>



compliant unless a significant upgrade is planned. Some Councils expressed concern that communities would start to expect facilities like lifting devices at community pools to enable better access for people with disability.

At this stage of the roll-out, NDIS clients and carers reported that any thoughts about disability access are vastly overshadowed by the difficulty and delays in registering for NDIS and getting NDIS plans prepared. Similarly their priorities relate to medical, health and daily living services, so increased access to recreation and community facilities is not an important consideration at this time.

Councils' responses to this issue were similarly pragmatic, and reflect the normal competition for funding under tight Council budgets: "If the community is asking for it, we'll put it up - it becomes part of the normal budget process". In small Councils with limited funding, the likelihood of investment in facilities and equipment that assist a small portion of the community is low, if rate capping further reduces Council revenues, this investment will be extremely unlikely without external grants.

*People with disability living in rural areas with small populations will be disadvantaged in their access to facilities in comparison to people living in cities and large centres.*

### Population attraction/retention

As populations gravitate to jobs and services in the city or larger regional centres, small rural communities have suffered a loss of retail, services and jobs, and carried the burden of creating social and economic viability with fewer residents.

With improved internet and lower property prices, some regions are seeing a reversal of this decline as families take up country lifestyles while continuing their work or business via online telecommunications.

*Availability of local services is a key consideration in tree and sea change decisions, and the current insecurity in the delivery of NDIS services is likely to reduce the appeal of rural living.*

Rural residents who previously accessed block funded services that operated despite low numbers may find that these services are no longer available because of the thin market challenges identified in this report. Some Councils expressed concern that market forces will result in additional loss of services that will in turn drive families with disabled members away from the region, further exacerbating population, skills and capacity challenges.

*There is a real concern that families will leave the region and relocate to towns and cities with a better range of NDIS services, taking valuable skills and further eroding the social and economic fabric of small rural communities.*



### Increased competition for labour and skills

One of the less obvious risks for Local Government in the regions is the challenge of attracting and retaining good staff.

*Already a problem for many Councils, the increased workforce needed to manage the NDIS (e.g. Local Area Coordinators) and service local needs (e.g. people providing in-home care) will place added pressure on labour markets that currently support the Local Government sector.*

#### More jobs

The workforce required for this increase in demand is estimated to grow from 150 - 200 full time workers (FTE) to 650 - 800 full time workers in 2019.

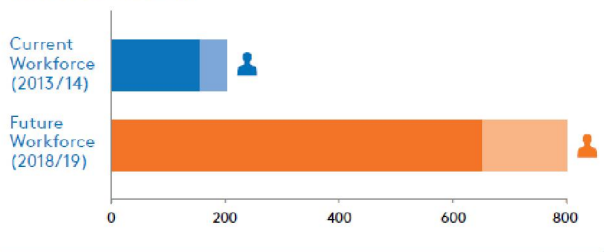


Figure 9: Source RDAYMN - DCSI/KPMG

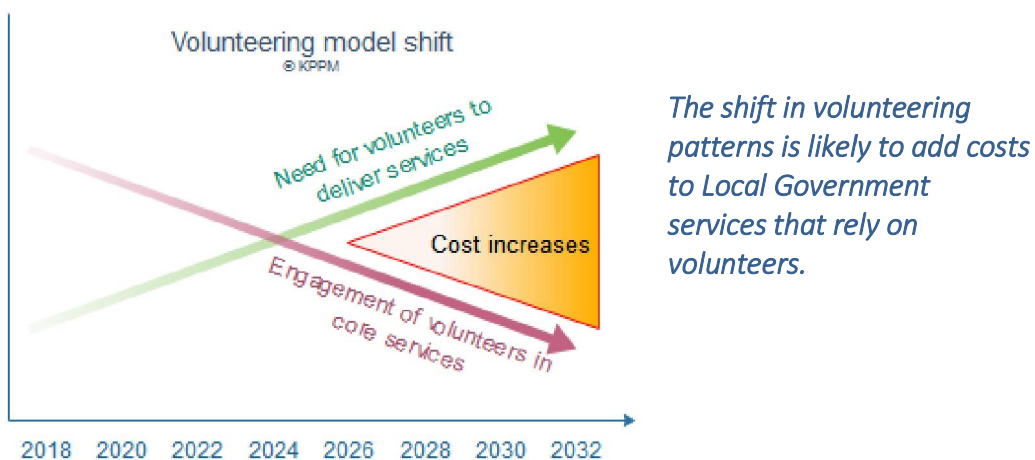
Regional Disability Workforce Hubs are assisting employers to recruit staff for NDIS services and identifying ways of expanding disability sector labour resources (e.g. the RDA Yorke & Mid North's *Aspirational Model* concept developed by KPPM Strategy<sup>12</sup>) which may relieve pressure on Council recruitment and retention.

### Diminishing volunteer base

Complicating the labour situation is the rapid drop in the level of volunteering in traditional service roles (e.g. community management committees, history and heritage groups, volunteer drivers) as the Baby Boomers retire from public life (see Figure 10).

Younger cohorts volunteer in different ways that do not necessarily provide the 'free labour' that older generations have contributed.

Figure 10: Volunteering model shift



<sup>12</sup> KPPM (2018) *Aspirational Model: Final Report* <https://www.yorkeandmidnorth.com.au/wp-content/uploads/2017/08/Final-Project-Report.pdf>





On the other hand, the 'emotional connection' volunteering motivations of younger generations can be harnessed to redirect energy into new initiatives such as those that support the inclusion of people with disability in work and community life.

### Reduced collaboration

One of the outcomes of the NDIS is that providers are much more competitive. NDIS participants choose services from a range of options listed on the NDIS portal. In order to attract clients, providers need to undertake active (sometimes aggressive) promotion. When combined with a pricing policy that only pays for the specific service (i.e. where funding does not cover community or network development), there is neither the funds nor the incentive to collaborate for a common good.

Councils have reported that activities (such as disability events) that were previously developed and organised by cross-sector working groups, are now being left entirely to Council - with associated cost and reputation implications.

*Some Councils are responding to an increasingly competitive environment by providing facilitation or brokering support to providers, Disability Workforce Hubs and Local Area Coordinators to increase the level of local service delivery - and withdrawing (at least temporarily until the NDIS market settles) from coordination of cross-sector activities.*

As a counter-measure to reduced local cooperation, cross-regional Council collaboration - particularly between adjacent rural/metro regions - may facilitate better service delivery outcomes by leveraging the benefits of larger populations.

### Communication and advocacy

Anecdotal feedback indicated that where disability services are not currently being provided by Local Government, communities are not seeing Councils as a key information source about NDIS, nor expecting Local Government to fill NDIS service gaps. This does not necessarily hold true in Councils that currently provide disability services, with clients expecting Council to continue to provide a service even if unfunded<sup>13</sup>. However it has been reported that good communication with existing clients of Council disability services is effective in helping communities to understand the NDIS roll-out and to manage expectations about Council services.

*Regional Public Health Plans* require Local Governments to develop Disability Action Plans to improve access to services and infrastructure. These Plans reflect the need for governments to comply with national standards in the design and construction of Council-owned infrastructure, as well as how each Council will work with its

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<sup>13</sup> The option of 'user pays' or participant co-contribution was also considered, but the generally lower incomes of people with disability are unlikely to provide payment levels that cover service delivery costs - particularly in an environment of reduced service-delivery volunteering.



communities to design assets and services that meet the needs of local people with disability. *Regional Public Health Plans* are in revision and while it is unlikely that these revised plans will significantly affect Local Government thinking about NDIS service provision, the revision process will create an opportunity to look at the social and economic contribution made by people with disability and to incorporate this more holistically into the public health framework; and to use the combined power of the *Regional Public Health Plans* to lobby for regionally-focused NDIS service provision via SAROC and the LGA.

KPMG's 2017 report *Shaping the Future of South Australia 2017: Maximising the social and economic benefit of the disability sector* identifies, as one of its five priorities, the need to "define tangible mechanisms to empower demand-side customer voice and genuine engagement". While KPMG's focus is on a 'collaboration centre', toolkits and open source platforms, Local Government can exert influence by capturing community experience and advocating for better regional service outcomes. Feedback to this review indicated that rural Councils are not receiving many enquiries about NDIS, nor are non-provider Councils likely to capture consistent information about the community experience of NDIS that can be used for advocacy purposes.

*Complicating a potential communications and advocacy role is the repeated concern that official information about the NDIS is conflicting, not binding and significantly out of date. Without good up-to-date information, Local Government's capacity to inform its citizens about NDIS is severely curtailed.*

More remote Councils participating in this review were calling for the provision of NDIS information sessions in small communities, and were happy to promote these sessions to increase attendance numbers and make the delivery of these sessions more cost-effective.

### Aspirational communities

A presentation of the research findings at the Yorke and Mid North Regional Forum in April 2018 elicited some useful discussion about Local Government capacity to influence community outcomes.

It was suggested that, rather than simply accept the disadvantages associated with thin markets:

*Councils can act to make their region an aspirational hub for NDIS services - by offering space, brokering service partnerships, attracting and developing small businesses to deliver NDIS labour requirements, and attracting NDIS residents and thereby increasing the financial viability of services operating in the district.*



## Recommendations

### *For State/Commonwealth Government*

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#### RECOMMENDATION 1:

**Provide up to date and accurate NDIS data** to enable Local Government, service providers and communities to identify, understand and respond to market failure.

#### RECOMMENDATION 2:

**Review the model for provision and funding of NDIS transport in regional areas**, noting that transport arrangements are unique to each region.

#### RECOMMENDATION 3:

**Form stronger planning and service response alliances** between the National Disability Insurance Agency, SAROC and LGA SA that address the unique nature of South Australian population and geography.

### *For Local Government*

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#### RECOMMENDATION 4:

**Councils should be proactive in understanding and advocating for their communities by capturing information** about NDIS provision and about service gaps for eligible and ineligible people with disability, and using this information to advocate for funding and services that address these gaps.

#### RECOMMENDATION 5:

**Ensure that Local Government is not seen as the 'unfunded provider of last resort'** by developing and implementing regional NDIS communication and information plans that include FAQs and other tools that aid consistency and promote key messages.

#### RECOMMENDATION 6:

**Understand and respond to volunteering trends**, particularly addressing the loss of support as Baby-Boomers age and withdraw from volunteering, and the different styles of volunteering by younger generations.

#### RECOMMENDATION 7:

**Provide disability awareness training** so that staff and volunteers are more inclusive of people with disability and have a good understanding of the NDIS service model.

#### RECOMMENDATION 8:

**Collect, analyse and coordinated messages about NDIS transport** to influence State and Commonwealth Government decisions about Community Passenger Transport.

### *For regional organisations of Councils*

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#### RECOMMENDATION 9:

**Encourage and assist members to collaborate in the delivery of these recommendations.**



## Summary of sources

The following sources have been investigated:

- ABS Census 2016 data
- City of Port Augusta *Miriam High Special Needs Centre* Strategic Management Committee Report 16-10-17
- Communication with Silvia Fotinakis - NDIS Contracting and Sector Liaison Project Officer, Department for Communities and Social Inclusion (referred by project steering group)
- Communication with Victoria Brown - Senior Policy Officer LGA SA (referred by project steering group)
- Conversation with Anne O'Reilly, Director Corporate and Community Services, Port Augusta City Council
- Conversation with Bobbi Pertini, Manager People and Culture at Yorke Peninsula Council
- Conversation with Co-ordinator Leisure Link Services at Goulburn Mulwaree Council
- Conversation with Danny Broderick - Public Health Program Manager LGA SA
- DCSI (2018) *NDIS reporting tool*, <http://www.dcsi.sa.gov.au/agencies/ndis-reform>
- Hunting, S.A., Pavkovic, I., Alvarez, T, Wortley, L., & Ryan, R. 2017. *How local governments can increase the social and economic participation of people with disability*. University of Technology Sydney Institute for Public Policy and Governance, Sydney, NSW.
- KPMG (Dec 2017), *the Future of South Australia 2017: Maximising the social and economic benefit of the disability sector*, <https://www.cbb.com.au/wp-content/uploads/2017/12/Shaping-the-Future-of-South-Australia-2017-Final-Report.pdf>
- LGA SA (June 2016) *Beyond 2018: Aged Care Service Delivery. Issues Paper: A Role for Local Government*.
- NDIA *Rural and Remote Strategy 2016-2019*
- NDIS website - [www.ndis.gov.au](http://www.ndis.gov.au)
- Nicolaou, J: Acil Allen Consulting (Aug 2017) *The Role of Local Government under NDIS*, presentation to the WA Local Government Convention and Trade Exhibition.
- Peters, K. & Lloyd, C. (Jan 2018) *Final Report: Aspirational Model*, for RDA Yorke & Mid North, <https://www.yorkeandmidnorth.com.au/wp-content/uploads/2017/08/Final-Project-Report.pdf>
- Productivity Commission (June 2017), *National Disability Insurance Scheme (NDIS) Costs*, Productivity Commission Position Paper
- RDA Yorke & Mid North, KPMG DCSI-NDIS-stats\_infosheet\_Yorke-and-Mid-North,
- Yorke Peninsula Alliance (2014-2020) *Regional Public Health Plan*, <https://www.wakefieldrc.sa.gov.au/webdata/resources/files/Regional%20Public%20Health%20Plan%202014-2020.pdf>



## Attachments

### 1: Sector development

Two programs assist providers (including Local Government) to prepare to transition to NDIS.

#### Information Linkages and Capacity Building Grants (ILC)

ILC grants are part of the Community Inclusion and Capacity Development (CICD) Program, and have two goals - people with disability have the ability to achieve their goals (capability); and people with disability are included in all aspects of community life (opportunity). Grants will achieve outcomes for all people with disabilities - not just NDIS participants. ILC grants are available to for profit, non-profit and state and local government. Organisations do not have to be a registered provider of supports with the NDIA to apply for an ILC grant.

The projected CICD ILC budgets to 2020-21 are shown in *Table 1*. There are five focus areas for ILC grants - with **Remote and rural delivery** one of these ("delivery will focus on ensuring activities are designed to address local needs, circumstances and conditions in rural and remote locations").

ILC grants target the following activity areas:

1. **Information, linkages and referrals** – activities that provide people with disability and their families and carers with access to up-to-date, relevant and quality information or make sure they are linked into services and supports in the community that meet their needs.
2. **Capacity building for mainstream services** – activities that increase the knowledge and skills of mainstream services to meet the needs of people with disability.
3. **Community awareness and capacity building** – activities that will help community activities and programs understand the needs of people with disability and have the skills and knowledge they need to be more inclusive.
4. **Individual capacity building** – activities that help people with disability to have the knowledge, skills and confidence they need to set and achieve their goals. People who do not have an NDIS plan will be prioritised in this area.

Two ILC grant types are in place:

- Jurisdictional Based Grants (build innovative ways to increase the independence, social and community participation of people with disability) - NDIS has allocated \$10,543,500 to SA in 2018/19 and \$3,551,495 in 2019/20.
- National Readiness Grants (reduce duplication of effort, demonstrate effective and efficient outcomes through scale or transferability, inform models of good practice) - \$25,300,000 is available in 2017-18, and \$4,781,700 in 2018-19. Only one Council received a grant in Round 1 2016-17.

**Table 1: ILC Grant Budgets**

#### Projected ILC grant budgets

Financial Year	Amount
2017-18	\$68,871,000
2018-19	\$105,264,000
2019-20	\$119,348,000
2020-21	\$118,603,000

Source: National Disability Insurance Agency Portfolio Budget Statements 2017-18.



### NDIS Provider Transition Program

**Community Business Bureau** delivers the *NDIS Provider Transition Program*<sup>14</sup>, funded by the Department for Communities and Social Inclusion (DCSI) to engage with around 80 South Australian disability service providers transitioning to NDIS. Eligible NDIS providers receive planning and consulting support from CBB as well as grants of up to \$10,000 to support an activity identified in the action plan.

### Local Government aged care experience

The LGA's *Aged Care Service Delivery Issues Paper* notes the following potential issues for NDIS:

- Sustainability of the private sector – and will people come back to council for support?
- Councils do not have the ability (flexibility and price) to compete with private sector.
- Customers will run out of money in their packages for social services,
- Some older people are being refused package care services already.
- Current non alignment or difficulty to align the My Age Care approach with the priority access guidelines prepared by Councils.

and potential gaps in service provision:

- Supported residential facilities (many will not fit criteria for NDIS criteria) for 40-60 year olds with chronic disabilities.
- Transport will be much more expensive for customer when accessed through package.
- Packages will meet day to day needs, but the social and community connection is not being met.
- The system is not suitable for people who are vulnerable or not assertive (requires self-identification). Therefore there is a role for council as referral and facilitator (through partnerships).
- Councils are providing age care home services to 'new' customers but are not traditionally in the business of providing cleaning services to older people.

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<sup>14</sup> <https://www.cbb.com.au/organisations/ndis-transition/>



## 2: Pre-NDIS disability funding

Prior to the roll-out of the NDIS, the following funding was available to Local Government for services to people with disability. Some programs are expected to be extended for people with disability who are ineligible for NDIS, but details have not yet been announced.

**Table 2: Pre-NDIS Disability Services Funding**

Program	Target	Funding arrangements
<p>South Australian Home and Community Care (<b>SA HACC</b>), administered by DCSI</p> <p>(23 Councils receive SA HACC funding<sup>15</sup> - neither DCSI nor LGA could provide information about which Councils receive these funds)</p>	<p>Vulnerable and disadvantaged, and people with disability, aged under 65 (under 50 for Aboriginal and Torres Strait Islander) who require assistance with cleaning, personal care, home modifications or maintenance, social opportunities, meals, allied health and transport.</p>	<p>Planned phase out with the introduction of NDIS, but delays in the roll-out have resulted in an extension of funding for 12 months to 30/6/19.</p> <p>Some funding will continue for clients who are not eligible for NDIS, these arrangements have not been announced.</p>
<p>Commonwealth Home Support Program (<b>CHSP</b>)</p> <p>CHSP consolidated the following programs: Commonwealth Home and Community Care (HACC), National Respite for Carers, Day Therapy Centres and Assistance with Care and Housing for the Aged</p>	<p>People aged over 64 (or 49 for Aboriginal and Torres Strait Islander), eligibility is determined via My Aged Care website.</p>	<p>CHSP programs will be funded to 30 June 2020 after which the Aged Care Assessment Program will be fully implemented and funding will be entirely linked to user-choice services set out in individual Aged Care Packages.</p>
<p><b>Disability SA</b></p> <p>Department for Communities and Social Inclusion provides community support and specialist services to children and adults with disability, their families and carers</p>	<p>Early intervention and development services for children and young people, once their support plans are approved by the NDIA</p> <p>Help for carers (advice and respite care)</p> <p>Therapy: physiotherapy, occupational therapy, speech pathology and psychology</p>	<p>Some funding will continue for clients who are not eligible for NDIS, these arrangements have not been announced.</p>
<p><b>National Disability Agreement</b></p> <p>(Commonwealth Department of Social Services),</p>	<p>Accommodation support, community support, community access, respite, employment services,</p>	<p>Services are mainly delivered by 'block-funded' providers, with funding allocated directly to the provider to deliver services.</p>

<sup>15</sup> Zofia Nowak (Director NDIS Implementation) presentation to LGA forum, 22 Sept 2017



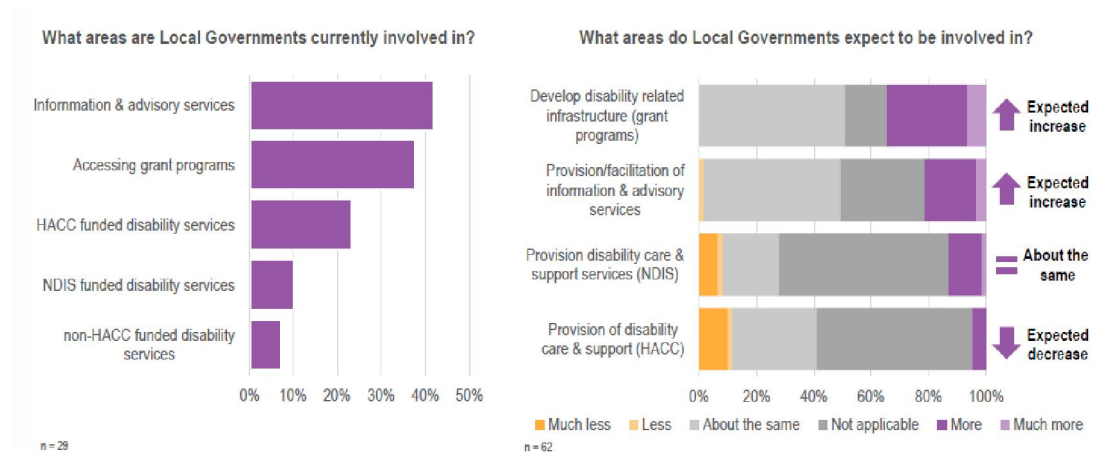
Program	Target	Funding arrangements
		Many of the services will be superseded by NDIS - state governments have put in place 'continuity of support' arrangements to ensure that these service users are not disadvantaged in the transition to NDIS.
<b>Community Passenger Network</b> Five networks operate in the Legatus region: Barossa, Mid North, Northern, Upper Spencer Gulf and Yorke Peninsula	Transport for people who: may not own or drive a vehicle; are frail, elderly, isolated or have a disability; do not have access to transport; need to attend a medical appointment and cannot drive; are temporarily transport disadvantaged for other reasons	Funded by the Commonwealth Home and Community Care program and the Department for Communities and Social Inclusion  Minister Brock (27/10/17) confirmed that funds for Community Passenger Networks will continue to 2020.
<b>Community bus</b> Council-operated	Provision and eligibility criteria are set by individual Councils	Generally funded by Local Government, often with contributions (including purchase of vehicle) by local service/community groups
<b>Council-funded</b>	Targets and eligibility set by individual Councils	Will be reviewed as NDIS rolls out
<b>Client contribution</b>		Funding (usually partial, subsidised by government programs) contributed by service users



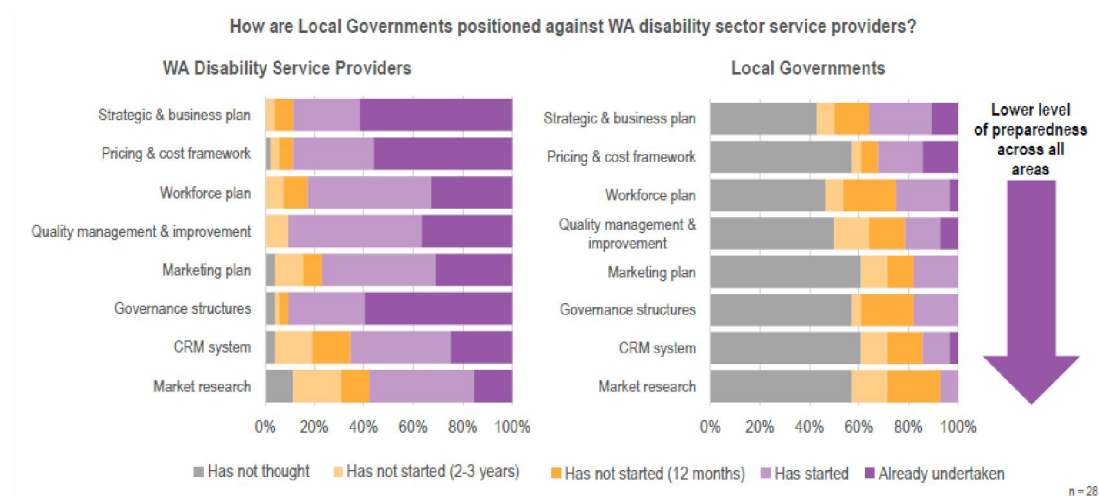


## 3: Local government preparedness

Nicolaou, J: Acil Allen Consulting (Aug 2017) *The Role of Local Government under NDIS*, presentation to the WA Local Government Convention and Trade Exhibition.



In the WA research, Local Government is lagging behind the Disability Service Sector in its planning and preparation for NDIS:



### 4: Survey findings

An online survey was developed to capture existing services to people with disability and Legatus member Councils' intent re NDIS. After analysis of the Legatus responses, the survey was extended to other regional Councils (promoted through LGA's Weekly Circular and SAROC Executive Officers) with a small number of responses (none have registered for NDIS), the findings below summarise the responses from Legatus Councils.

The key findings are:

- All 15 Legatus member Councils were invited to complete the survey, responses were received from 12.
- Two Councils (Clare & Gilbert Valleys and Yorke Peninsula) are registered as NDIS providers.
  - Yorke Peninsula provides services under the following NDIS categories: daily personal activities, participation in community, social and civic activities, group and centre based activities, and assistance with travel arrangements. Yorke Peninsula services between 20 and 45 clients per annum.
  - Clare and Gilbert Valleys reports that it was required by DCSI to register to receive Community Passenger Network funding, but does not provide any other NDIS service.
- Other services provided to people with disability that are not covered by NDIS were reported by:
  - Copper Coast is looking into facilities for providers.
  - District Council of Mount Remarkable which provides passenger transport and will continue to do so irrespective of NDIS.
  - Flinders Ranges Council, which provides sporting facilities used by health care professionals for disabled clients from time to time, and arranges for people with disability to attend community events.
  - Orroroo Carrieton is planning to offer passenger transport services.
- Two Councils identified gaps in the provision of NDIS services:
  - Goyder: Lack of local providers in the Goyder region. A need for more active promotion from NDIS.
  - Yorke Peninsula: Transport, with 20 to 30km distance between towns and participants can be charged 78c per kilometre. No shopfront organisations - other service providers are located 105 kilometres away and are unfamiliar with distances. Lack of information delivered in region.
- Yorke Peninsula, Copper Coast and Mount Remarkable Councils are willing to share space or invest in upgrades to attract providers.



- Clare & Gilbert Valleys, Flinders Ranges, Goyder, Orroroo Carrieton, Port Pirie and Yorke Peninsula Councils are interested in collaborating to provide disability services. The areas of interest were: passenger transport (arrangements are already in place), social and community participation, and employment or volunteering support.
- Only one Council said it is getting enough information about NDIS, those who said they are not getting enough information commented:
  - Will participants be offered the choice of receiving the same services?
  - Don't know what I don't know!
  - Numbers of registered NDIS clients within local area.
  - Psycho-social supports.
  - Transport: can service hours be used instead of own funds?
  - What are the benefits to Council and what would be the costs involved?
  - We would be keen to host a NDIS workshop/forums in the region for Council and community as all have been held outside of the region.
- The survey allowed respondents to comment on other aspects of the NDIS that affect Local Government:
  - Advocacy services availability - currently a 45 day waiting list. This is before participants receive their plans.
  - Appear to be fairly well serviced by a range of NDIS service providers in this region. Delay in allocation of packages impacts on administration of Home Support Services through Barossa Council. Challenge for some clients having to receive services from several providers.
  - At this stage, Council is very keen to support the consideration of other services becoming providers in the region and is keen to gain a better understanding of the service needs of the local community.
  - Until it is fully rolled out in Council area, the gaps are hard to identify.
  - What happens when the services are in place and the funding ceases? Are Councils expected to pick up the short fall and to continue to provide the service?



### 5: DHS Reporting tool

The Department for Communities and Social Inclusion (now Department for Human Services) produced a tool to predict NDIS client numbers – available via the URL below. The example for Wakefield Regional Council is provided as an example.

<http://www.dcsi.sa.gov.au/agencies/ndis-reform>

	Wakefield Regional Council
Resident population (2012)	6,873
Current Clients (Pre-NDIS)	57
Participants at full Scheme (2018-19)	172
Increase from Pre-NDIS to full Scheme*	115
CALD Current Clients %	2%
Indigenous Current Clients %	0%
Current Client Gender (Female %)	36%
Child Current Clients % (<15 years)	31%
Most new entrants (age)	45-64
Most new entrants (by LGA)	N/A
Most new entrants (by NDIS Region)	N/A
Most new entrants (by SA Region)	N/A

	Wakefield Regional Council
0-4	9
5-14	40
15-24	9
25-44	19
45-64	41

Source: ABS, Population projections; AIHW, Disability Services National Minimum Data Set; NDIA SA NDIS Market Position Statement, NDIS Public Experience Data; KPMG, Calculation Methodology

\* Note the number of New Entrants is greater than the increase from pre-scheme to full-scheme as Current Client aged over 65 will be exiting the system

