

MEDIA RELEASE
NDIS PARTICIPANTS PUT AT REAL RISK BY NDIA PRICING DECISION

Disability Intermediaries Australia (DIA), the peak body for Support Coordination, is urgently calling on the National Disability Insurance Agency (NDIA), the agency that runs the NDIS, to urgently address its pricing decision from the 22 June 2022, where for the third year in a row it froze the price limits for Level 2 and Level 3 Support Coordinators.

In real terms this is a further cut to critical front-line workers in the NDIS. Support Coordinators help the most profoundly disabled NDIS participants, those with exceptional complex support needs in very challenging and vulnerable circumstances, to implement and utilise their NDIS plan. The NDIS is extremely bureaucratic and for these participants it's almost impossible to understand and navigate without the assistance of a Support Coordinator.

Support Coordinators operate on very thin margins. At the end of the 2020-21 financial year, almost 60% of Support Coordinators reported to DIA as making a loss or scraping to break even, with the remaining 40% of Support Coordinators reporting extremely modest profits averaging around 1% to 3%.

Since 1 July 2021, Support Coordinators have continued to see costs rise. Fuel and transportation costs have increased substantially with CPI at 6.1%, worker costs increasing by 4.6% with a further 1% in superannuation. All told DIA has seen the costs to deliver this support rise by more than 8% in total since 1 July 2021. When the vast majority of the sector were either making a loss or struggling to breaking even, and with those that were profitable were only by very slim margins, how can the NDIA believe that these cost increases can be absorbed?

DIA supports the award wage rises issued by Fair Work, workers in our sector like many other front-line workers were in need of this lift, however the NDIA has not passed these on in the price limit for Support Coordination. Despite the NDIA's repeated reviews into Support Coordination and claims that they 'monitor the market', the NDIA has not developed a cost model Support Coordination and DIA have seen limited evidence of detailed and in-depth Support Coordination market monitoring given the current quality variability and market condition.

On this decision DIA CEO, Mr Jess Harper said,

"This is a price cut in real terms, to a sector that has been at the front line in every critical disaster over the past three years, from COVID19 to Fires and Floods. The NDIA's pricing decision has already seen quality providers cease service and will only serve to drive a race to the bottom on quality and service, leading to poorer outcomes for both participants and the NDIS."

This decision has created a real and immediate risks of reduction in service, and participant choice and control. Despite DIA's genuine and repeated attempts to communicate the market condition and resolve this matter, the NDIA has made it clear that they don't intend to revisit their pricing decision. This ultimately will lead to increased risk to NDIS participants and poorer outcomes both in the short and long term.

Since the end of June, DIA has heard from over 630 Support Coordinators, that service almost 100,000 NDIS Participants. Of those around 8% have reported they are looking to cease Support Coordination services within the next three months (15 of which have already ceased service impacting some 5,000 NDIS participants), 32% have reported they are seriously looking at exiting but will look to do it over 6 to 12 months and 38% have reported they are likely to reduce the service and or the number of NDIS participants they support so they can remain viable.

Each of these options will leave thousands of NDIS Participants without the vital support they need. DIA has escalated the current situation to both the NDIA and the Minister for the NDIS the Hon Bill Shorten, requesting urgent intervention to lift the prices for Support Coordination in line with the other NDIS services increases already announced.

On this decision Tanya Walford, Director of Support Coordination provider YPM, said,

"We have decided to close our doors for Support Coordination based on the NDIA's decision to not increase fees or demonstrate an understanding of the role a high-quality support coordinator plays in a viable NDIS market.

We are extremely distressed that although our wages and oncosts have increased that the agency has not delivered an increase to price limits, despite the fact and clear evidence of how lean the support coordination business is."

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Background: What Support Coordinators are reporting

Support Coordinators help people with disability find their way through the masses of NDIS bureaucratic red tape and manage the frequently hostile interactions with the NDIA. This cut in real terms has come with next to no warning (6 Business Days) formally taking effect on Friday 1st July 2022.

When the outcome of this year's annual price review was announced, DIA immediately began to hear from our members and the sector expressing frustration, fear, desperation and distress that this pricing decision will force them to cease providing support coordination services, directly impacting participants, their employees and their own livelihoods.

As at the close of business 29 July 2022, DIA has captured the impacts of 638 Support Coordination Providers delivering supports to 99,968 NDIS Participants. DIA will continue to capture the impacts from Support Coordinators and expect these numbers to continue to grow.

Of the 623 providers who have responded thus far:

Impact	Indicated Outcome	Number of Providers Impacted	Number of Participants Impacted	Number of Workers Impacted	Percentage of Respondents
Severe	Expected exit within the next 3 months	52	20,723	596	8.15%
High	Expected exit within the next 6-10 months	207	26,851	1,516	32.44%
Medium	Large reduction in offering, service, and/ quality but not total exit from the market	245	34,731	2,170	38.40%
TOTAL IMPACTED		504	82,305	4,282	78.99%

For clarity the above is not the full or total impact to the market, rather a break down of the respondents to close of business on 29 July 2022. DIA expects impacted number to continue to rise but believes that this sample is representative enough that the percentages are likely to remain consistent (i.e. 8% Severe, 32% High, 38% Medium).

Background: Who is DIA

Disability Intermediaries Australia is Australia's peak body for non-government disability intermediary service organisations and practitioners, including Support Coordination and Plan Management. Collectively, DIA members deliver support to almost half of all NDIS participants across Australia.