

COMMONWEALTH STUDY INTO NDIS PLAN UTILISATION

SYNTHESIS REPORT

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TABLE OF CONTENTS

STATEMENT OF WORK FROM OFFICIAL ORDER..... 3

EXECUTIVE SUMMARY 4

CHAPTER 1 | BACKGROUND 5

 COMPARATIVE ANALYSIS6

 QUANTITATIVE INEQUALITY ANALYSIS.....6

 QUALITATIVE ANALYSIS 7

 MODELLING INCREASED USE OF SUPPORT COORDINATION8

CHAPTER 2 | COMPARATIVE ANALYSIS..... 9

CHAPTER 3 | QUANTITATIVE INEQUALITY ANALYSIS..... 11

CHAPTER 4 | QUALITATIVE ANALYSIS 13

CHAPTER 5 | MODELLING INCREASED USE OF SUPPORT COORDINATION 16

CHAPTER 6 | SUMMARY AND AREAS FOR FUTURE INVESTIGATION 19



Statement of Work from Official Order

In 2020 the Department of Social Services commissioned a project **to better understand the relationship between participants' plans and the supports they wish to purchase and why participants might not use all the funds allocated in their NDIS plan.**

The project had three interrelated aims:

1. To compare the NDIS with other individualised care models across the world to:
 - a. Identify what influences expenditure in those models
 - b. Identify potential interventions to optimise plan utilisation so it reflects the needs and aims of NDIS participants
 - c. Recommend benchmarks for optimal utilisation levels
2. To conduct a qualitative analysis to:
 - a. Understand the dynamics affecting people's utilisation of their plan funds from the point of view of the participants
 - b. To study the potential levers/policy interventions in order to improve plan utilisation
3. To conduct a quantitative analysis to:
 - a. Identify how utilisation varies among different socio-demographic and disability groups and for different components of plans
 - b. Identify drivers of utilisation to identify potential interventions to improve utilisation to optimal levels and rates

The three parts of the project were conducted by the following groups. Each group takes responsibility for the discrete pieces of research:

1. Comparative analysis of utilisation rates in individualised funding schemes – Public Service Research Group at the University of New South Wales, Canberra
2. Qualitative analysis of participant, family and carer perspectives on utilisation - Future of Employment and Skills Research Centre at the University of Adelaide
3. Quantitative analysis of utilisation rates and potential interventions – Melbourne Disability Institute at the University of Melbourne

This report contains a summary of findings from each part of the project. The complete reports can be found at:

University of New South Wales Canberra: Public Service Research Group. (2021)
Comparative Analysis of Budget Utilisation in Individualised Funding Models.

University of Adelaide: Future of Employment and Skills Research Centre (2021). *NDIS Utilisation Project: Understanding Drivers of Plan Utilisation from the point of view of NDIS Participants.*

University of Melbourne: Melbourne Disability Institute (2021). *NDIS Utilisation Project: Describing Understanding and Explaining Inequalities in Plan Utilisation.*

UNDERSTANDING NDIS UTILISATION RATES - EXECUTIVE SUMMARY

Key research questions:

1. Is there an appropriate benchmark utilisation rate for the NDIS? What happens in other individualised schemes around the world?
2. How do utilisation and utilisation rates compare for disadvantaged groups?
3. What factors influence utilisation?
4. What helps participants use their funding? What barriers stand in their way?
5. What interventions might work?
6. What other evidence do we need to collect and consider?

COMPARATIVE ANALYSIS

(University of NSW)

Question 1

QUANTITATIVE INEQUALITY ANALYSIS

(University of Melbourne)

Question 2

QUALITATIVE ANALYSIS

(University of Adelaide)

Questions 2,3,4,5

SUPPORT COORDINATION MODELLING

(University of Melbourne)

Question 5

WHAT WE DID

We reviewed national and international literature on comparable individualised schemes.

We interviewed 7 international experts about factors affecting utilisation rates and how other schemes have sought to shift rates over time.

We compared utilisation rates for three key groups of participants – CALD, ATSI and low SES.

We used causal methods to remove confounding factors and ensure as far as possible comparisons between participants were “like for like”.

We interviewed 161 participants, family members and carers across five sites – Townsville, Brisbane, Southwestern Sydney, Eyre Western and Barkly.

Our interviews focused on participant experience in navigating the NDIS and the factors that impacted their ability to access supports and services included in their plan.

We modelled the impact of increased use of support coordination on plan spending for three groups – CALD, ATSI and low SES. We examined impact on both core and capacity building categories. Support coordination was selected for the model because it is one of the possible interventions where good quality usage data was available for analysis.

WHAT WE LEARNED

Utilisation rates in similar individualised funding schemes range from 42% - 99%. A complex set of supply and demand issues was found to impact rates.

Our analysis did not find evidence of targets or benchmarks set anywhere else in the world.

Measuring utilisation on a simple continuous scale (high=good and low=bad) was not considered a useful or informative metric – considered more useful to follow individuals over time or to compare groups.

Our analysis found participants identifying as CALD or ATSI receive larger plans than their respective comparison groups (on average).

Low SES participants receive similar to slightly smaller plans than their comparison groups (on average).

But only CALD participants translate larger plans into higher spending. Lower utilisation rates for other groups.

Participants and family members identified 12 main barriers to plan utilisation. Can be grouped into factors relating to participants, to planning and plans and to the market.

Participants found the scheme is complex and hard to navigate and that they lack clear information. They found it difficult to find appropriate supports and services that meet their needs. They suggested more support, clear information and communication, and increased quality of supports and services.

Modelling suggests that increasing the use of support coordination will increase plan spending for these groups.

Model only tested for people who already had support coordination funded in their plan and did not examine impact on outcomes.

Further research required to model impact for other participants.

SUMMARY

- Utilisation on its own is not a particularly useful measure of scheme effectiveness or impact. More important to take a detailed look at the drivers of the two components of utilisation – plan size and spending.
- Disadvantaged groups in NDIS do appear to be receiving larger plans – but experience significant barriers to spending.
- The factors that impact plan utilisation are complex, interrelated and fall into three main categories - participant, plans and market. All must be addressed to increase utilisation.
- Increased use of support coordination may improve utilisation for disadvantaged groups.

FUTURE INVESTIGATION

- Utilisation is only one indicator of the effectiveness of the scheme. It is important to also consider:
 - Drivers of plan size and spending
 - “Effective utilisation” – outcomes achieved with funding
 - Tracking individuals over time, measuring outcomes and impacts over time
 - Continuing to monitor experience and outcomes for disadvantaged groups

Chapter 1 | Background

Since the National Disability Insurance Scheme commenced in 2013, there has been ongoing concern about the rate of utilisation of NDIS plans. The Productivity Commission, for example, raised concerns about the under-utilisation of NDIS plans in its 2017 review of scheme costs¹. While 100% utilisation rates are not expected, persistently low utilisation rates have prompted concern that NDIS participants may not be receiving the supports and services they need.

The unique nature of the NDIS and its relatively recent implementation means it is not clear what an “optimum” utilisation rate for the NDIS could or should be. Nor is it clear how useful utilisation is as a means of measuring the effectiveness of the scheme in delivering outcomes for participants.

The Department of Social Services therefore commissioned this project to better understand the drivers of utilisation in the NDIS, why participants may not use all of the funding they have been allocated and why differences may be occurring between particular groups of participants.

What is utilisation?

For the purposes of the project, utilisation was defined as the proportion of allocated NDIS funds spent by participants. It consists of two components – plan size and spending. The factors that affect each (either individually or in combination) therefore also affect utilisation rates.

What are the current NDIS utilisation rates?

The March 2021 Quarterly Report from the National Disability Insurance Agency (NDIA) reported the national average for plan utilisation was 67%. National utilisation for participants on their first plan was 51%. The average for participants on subsequent plans was 69%. The ACT had the highest average utilisation rate for participants on subsequent plans (74%) while Victoria had the lowest (61%)².

¹ Australian Government Productivity Commission (2017). *National Disability Insurance Scheme Costs: Productivity Commission Study Report*.

² National Disability Insurance Agency (2020). *NDIS Quarterly Report to Disability Ministers: Q3 2020-21*. p557-558.

So, what did we do?

The project had four parts.

Comparative analysis

In this part of the project, we looked at utilisation rates and their drivers in other individualised funding schemes around the world. We reviewed published literature and carried out interviews with seven international experts. The interviews explored utilisation rates in different schemes and the ways those systems have sought to shift rates over time.

Quantitative inequality analysis

The comparative analysis found that rather than set a single benchmark utilisation rate for the NDIS, it may be more useful to compare rates between groups. Previous quantitative research on the experience of particular groups in the NDIS has however been largely exploratory and descriptive. It has not always been possible to identify why differences in rates between disadvantaged groups and the rest of the participant population occur. Nor has it always been possible to disentangle cause and effect. This is what we attempted to do in this part of the project.

We began by obtaining a tailored data set from the NDIA. The data included information on participants in the scheme from July 1 2016 to June 30 2020. It included socio-demographic characteristics of participants (including age, disability type and severity of disability) as well as plan and payment data. Obtaining plan and payment data allowed us to calculate utilisation for each individual as they progressed through their plans. We were also able to calculate their use of specific support classes (core, capacity building or capital supports).

We selected three populations for analysis – adults with a psychosocial disability, adults with an intellectual disability and children with autism. We selected these three populations because they represent large groups within the NDIS. They have also been identified by previous research as “at risk” of low utilisation. Grouping them in this way also allowed us to make sure that we were comparing participants who were similar and likely to use similar types of services.

We then looked at three groups within each of these populations – participants who identified as Culturally and Linguistically Diverse, Aboriginal or Torres Strait Islander and participants from a low socioeconomic background. We called these groups the *inequality groups*. The inequality groups and their comparison groups are captured in the table below.

Table A: Comparing population groups and inequality groups

Population Groups	Inequality Groups – Culturally and Linguistically Diverse, Aboriginal or Torres Strait Islander and low socioeconomic status (SES)		
Adults with psychosocial disability	CALD vs non CALD	ATSI vs non ATSI	Low SES vs high SES
Adults with intellectual disability	CALD vs non CALD	ATSI vs non ATSI	Low SES vs high SES
Children with autism	CALD vs non CALD	ATSI vs non ATSI	Low SES vs high SES

We did not make simple comparisons between groups (i.e., comparing averages for Aboriginal and Torres Strait Islander participants to averages for other NDIS participants). Instead, we tried to isolate if there was disadvantage associated with being a member of an inequality group and quantify the impact of that disadvantage on plan size and spending.

For example, the population of participants who identify as Aboriginal or Torres Strait Islander is younger than the rest of the NDIS participant population. We know that as people age they may need more support. Our analysis took this (and other factors) into account so that any differences in plan size and spending by Aboriginal or Torres Strait Islander participants could not simply be attributed to their younger age profile or other population differences.

Our causal methods and research design helped us to select a) which of these important population specific factors we needed to adjust for and b) the appropriate statistical method to do so. This ensured the comparisons were genuinely “like for like”.

Qualitative analysis

The purpose of this part of the project was to focus on the experience of people with disability, their families or carers as they moved through the scheme.

We interviewed 161 NDIS participants and/or their family members or carers located in five areas across Australia - South Western Sydney (NSW), Brisbane (QLD), Townsville (QLD), Eyre Western (SA), and Barkly (NT). We focused on five groups identified in previous research as "at-risk" of under-utilisation:

- Participants with psychosocial disability
- Participants living in regional and remote areas
- Participants that identify as Aboriginal or Torres Strait Islander
- Participants from a Culturally or Linguistically Diverse background
- Participants with complex needs

Our interviews allowed participants to identify the barriers that stood in the way of them using their NDIS funds to access services and supports included in their plan – and what helped them make the most of the funding they were allocated. We also asked participants what suggestions they would make to improve plan utilisation.

Modelling increased use of support coordination

In this part of the project, we modelled the impact of increased use of support coordination on plan spending for participants who already had support coordination included in their plan. Support coordination was selected because it is one of the few interventions where good quality usage data is available for analysis and modelling.

As with the quantitative analysis, we divided participants into three population groups - adults with psychosocial disability, adults with intellectual disability and children with autism. We then looked at three groups within each population – participants who identified as Culturally and Linguistically Diverse, Aboriginal or Torres Strait Islander and participants from a low socioeconomic background. We called these groups the *inequality groups*. (see Table A for a refresher of the comparisons). We then looked at what impact increasing use of support coordination had on utilisation of the inequality groups.

It is important to note, however, that only participants who already had support coordination funded in their plan were included in our modelling. The benefits of increasing use of support coordination for participants who did not have it included in their plan could not be modelled because there was obviously no usage data to include. As a result, we cannot conclude from our findings that the population with no support coordination in their plans would be affected by our hypothetical scenarios in the same way. This area requires further research.

The following chapters summarise our key findings from each part of the project. We finish by suggesting areas for further investigation and analysis.

Chapter 2 | Comparative Analysis

RESEARCH QUESTION 1

Is there an appropriate benchmark utilisation rate for the NDIS? What happens in other individualised schemes around the world?

In this part of the project, we reviewed the literature and interviewed international experts to explore utilisation rates in comparable individualised funding schemes around the world.

Findings

Our review did not find any evidence that utilisation is used as a target or benchmark in any other scheme in the world. Measuring utilisation on a simple continuous scale, where high is good and low is bad, was not considered as a useful or informative metric. High utilisation of funding could, for example, indicate that funding was insufficient for need.

For schemes with available figures on utilisation rates, there was significant variation. Reported rates were between 42% and 99%. There were also significant disparities within schemes across geographical areas, system maturity and cultural groups.

NDIS utilisation rates therefore sit in the middle of the range of rates reported in other individualised schemes around the world. While this comparison may be a helpful indicator, care does need to be taken in drawing further conclusions. While some of the schemes examined had similar features to the NDIS, there were also important differences.

In the schemes we examined, we found a variety of factors drove utilisation rates. These factors also varied in scale and time. Spending was facilitated by:

- Clear communication regarding eligibility and spending restrictions
- Provision of formal supports to participants
- Development of informal social networks to provide support to participants
- Training of professional staff in individualised funding philosophy, and facilitating decision making and supporting people with a diverse range of needs
- Training to address cultural and linguistic needs when providing support and information
- Availability of advocacy within the community
- Training and skill development for people with disability around decision making, creating a plan and their responsibilities as employers of support workers
- Professionals letting go of traditional power relations
- Availability of tools to identify what services are available locally and provision of some means to assess their quality
- Market stewardship tools to help identify where there are market gaps and to prevent market failure.

Factors driving underspending included:

- Funding and service systems are unduly complex, and individuals struggle to understand and complete administrative processes
- Lack of information about how individualised funding operates and allowable budget spends
- Lack of support in planning and implementing spending
- Lack of information about what services are available or their quality
- Lack of providers or providers available and able to meet needs of individuals
- Funding and service system lacks understanding of the needs of Culturally or Linguistically Diverse and/or Indigenous clients and services are culturally unsafe
- Poor relationship between budget holder and funder/intermediary
- Being new to individualised funding
- Putting money aside for a rainy day
- Lack of appropriately trained workforce.

Conclusions

Our analysis found that setting a benchmark utilisation rate would be regarded as a relatively blunt and ineffective way of measuring scheme effectiveness and impact. Most interview respondents felt a 100% utilisation rate would generally indicate problems with planning or the budget allocation process. Many individuals do not go to the limit of their budgets for a variety of good reasons, particularly to protect themselves against unforeseen circumstances. To use all of an allocated budget would therefore suggest insufficient funding.

The review indicates that it is not possible or helpful to try and set a benchmark utilisation rate for the NDIS. However, if utilisation rates are to be used as an indicator, it may be more useful to track rates at an individual level measuring change over time, or to establish multiple figures for different groups of participants.

RESEARCH QUESTION 2

How do utilisation and utilisation rates compare for disadvantaged groups?

In this part of the project, we divided our three populations of participants into three further groups – participants who identify as Culturally and Linguistically Diverse, Aboriginal or Torres Strait Islander as well as participants from a low socioeconomic background. We called these groups the *inequality groups*. We then compared the plan size, spending and utilisation rates of the inequality groups to their respective comparison groups to see if we could quantify the level of disadvantage experienced (see Table A for a refresher).

Findings

Each inequality group was found to have its own distinctive combination of plan size, spending and utilisation when compared to their comparison group. These results were broadly consistent across the three population groups:

In financial year 2019/20 Culturally and Linguistically Diverse participants had:

- similar sized plans - \$72,000
- higher levels of spending - \$49,000 (Culturally and Linguistically Diverse) vs \$47,000 (comparison group)
- higher levels of utilisation - 68% (Culturally and Linguistically Diverse) vs 65% (comparison group)

Aboriginal and Torres Strait Islander participants had:

- larger plans - \$81,000 (Aboriginal or Torres Strait Islander) vs \$72,000 (comparison group)
- similar levels of spending - \$47,000 (Aboriginal or Torres Strait Islander) vs \$48,000 (comparison group)
- lower levels of utilisation - 58% (Aboriginal or Torres Strait Islander) vs 66% (comparison group)

The low socio-economic group had:

- smaller plans - \$72,000 (low SES) vs \$73,000 (high SES)
- lower spending - \$46,000 (low SES) vs \$48,000 (high SES)
- lower utilisation - 64% (low SES) vs 66% (high SES)

It is important to note that the results presented here are for the most recent financial year for which we had data (2019/20). In our main report we repeated the analysis, splitting participants up into the financial year they entered the scheme (2016/17 onwards) and following them over time. When we did this, we found that participants identifying as

Culturally and Linguistically Diverse and participants identifying as Aboriginal or Torres Strait Islander received larger plans than their respective comparison groups the longer they stayed in the scheme³.

Conclusions

Our analysis provides new insights into the experiences of participants in the three inequality groups. We found that participants in two of the three groups (Culturally and Linguistically Diverse and Aboriginal and Torres Strait Islander) receive larger plans and more funding than their respective counterparts (on average). Participants from low socio-economic areas receive similar to only marginally smaller plans. Our findings suggest that current NDIS planning processes may be taking some account of inequality by providing participants with larger plans. Where disadvantage persists, however, is in the spending of allocated funds. Only participants in the Culturally and Linguistically Diverse group were able to translate higher funding into higher rates of spending. In the other two inequality groups differences persisted in rates of spending.

We would suggest some caution in viewing these results in isolation. It is important to remember, for example, that higher rates of spending do not tell us anything about outcomes or the extent to which the funding assisted participants to achieve their goals. This remains an important area for further investigation.

^{3 3} For complete results please see the full report: Melbourne Disability Institute (2021). *NDIS Utilisation Project: Describing Understanding and Explaining Inequalities in Plan Utilisation* p62-78.

RESEARCH QUESTION 2, 3, 4 AND 5

How do utilisation and utilisation rates compare for disadvantaged groups? What factors influence utilisation? What helps participants use their funding? What barriers stand in their way? What interventions might work?

The purpose of this part of the project was to focus on participant perspectives on utilisation. In our interviews we asked people with disability, their families and carers what they believed were the key barriers to using their NDIS funds, what helps them use their funds more effectively and how they thought plan utilisation could be improved.

Findings

Participants suggested five factors enabled people to make the most of their NDIS funding and access supports and services to meet their needs:

- A good understanding of the NDIS and how funding could be used
- Perseverance in ensuring allocated funding was adequate and appropriate – including seeking support and advocacy if it was not
- Availability of local services and supports in the area – and then knowing how and where to find them
- Access to funded support coordination
- Assistance from disability services and support workers in using funding

Conversely, participants went on to identify twelve factors that acted as barriers to accessing supports and services included in their plan. They fell into three main areas – **participants, plans and the market.**

Participants

- Lack of knowledge and understanding of NDIS processes and local service provision, driven by inadequate access to clear, easy-to-understand information
- Precedence of non-disability needs over arranging and accessing disability supports including personal, financial and health issues or work and family commitments
- Difficulty managing appointments including challenges organising appointments and/or balancing appointments with other commitments including schooling
- Reluctance to accept disability services due to difficulties with service providers and workers or personal and cultural preferences (for participants identifying as Aboriginal or Torres Strait Islander)
- Use of technology including a lack of local service supply creating a reliance on virtual supports, and lack of skills to participate independently in virtual activities

Plans and Planning

- Challenges with NDIS planning and approval processes including complex and time-consuming processes, uncertainty about which supports NDIS would fund and slow approval times
- Lack of access to quality support coordination services including support coordination not discussed or offered at planning meetings, support coordination not funded or funded inadequately and poor quality of some services
- Use of NDIS MyPlace Portal including difficulties using the portal, system reliability, and access to plan and payment requests

Markets

- Availability of disability supports and services including limited access to supports and services (especially in remote regions), long wait times and availability of allied health services
- Difficulties with provider organisations and the disability workforce including poor quality of staff and service provision, difficulties in organising services and payment issues
- Cost of services including service costs perceived as too high, increasing costs as a result of NDIS rollout, NDIS participants being charged higher rates than non-NDIS participants for the same service and higher costs preventing funding from meeting need
- Interface between the NDIS and mainstream sectors, including siloing of funds

These suggestions are broadly consistent with facilitators and barriers of utilisation identified in comparable international schemes examined as part of our comparative analysis. They are also consistent with the findings of the earlier NDIS trial evaluation⁴.

While all participants reported experiencing barriers to plan utilisation, participants from “at risk” groups reported additional barriers from those listed above, compounding their impact. In particular, the lack of cultural awareness and understanding by both the NDIA and disability services and workers was reported as having a significant negative impact on utilisation for Aboriginal or Torres Strait Islander and Culturally and Linguistically Diverse participants. Participants with complex needs reported experiencing particular difficulties in ensuring appropriate supports were funded in their plan, and with finding services and workers with the right skills and experience to meet their needs. Similarly, participants with a psychosocial disability also reported difficulty in finding services and workers experienced in working with clients with a psychosocial disability.

⁴ Evaluation of the NDIS (2018), viewed at: dss.gov.au/disability-and-carers/programs-services/for-people-with-disability/national-disability-insurance-scheme/ndis-evaluation-consolidated-report.

Participants, their family members and carers had ten main suggestions for improving plan utilisation:

- Clear, simple and consistent information from the NDIA
- Improved communication with the NDIA
- More appropriate allocation of funding within plans
- Greater flexibility in use of funding
- Improved access to disability services
- Improving the skills of the disability workforce
- Greater access to support coordination
- Improved quality of disability services including support coordination
- Enhanced collaboration between the NDIS and mainstream sectors
- Better recognition and support of the cultural needs of participants from an Aboriginal or Torres Strait Islander background.

Conclusions

Participants identified many factors which determine how and why they are able to access the supports and services funded in their plan – participant, plan and market factors all play their part. Our analysis suggests that the factors are also often interrelated. This suggests that intervening in one area – such as ensuring plan funds are sufficient and appropriate – may make little difference if, for example, service and support shortages in the market are not also addressed.

In short, our research shows that participants want and expect change in multiple areas so that the scheme can effectively meet their needs. Some of the interventions suggested by participants – such as improved communication – could be implemented quickly and have immediate effect. But some of their suggestions, particularly around market development, will take a longer time for their impact to be felt.

RESEARCH QUESTION 5

What interventions might work?

In this part of the project, we modelled the impact of increasing use of support coordination on the utilisation rates of those participants who already had support coordination funded in their plan. Support coordination was selected for the model because it is one of the few interventions where good quality usage data is available for analysis.

Like the quantitative inequality analysis, we divided participants into three population groups. We then further divided them into three inequality groups (see Table A for a refresher). We then asked three research questions about three different hypothetical scenarios:

1) *What is the inequality in spending when use of planned support coordination is left unchanged?*

In this “business-as-usual” model we set support coordination use at the “observed level”. This allowed us to estimate inequalities in core and capacity building spending under the current levels of use of support coordination.

2) *Does using at least some support coordination (at least 20%) close inequalities in core and capacity building spending?*

In this model people who used less than 20% of their support coordination budget had their use of planned support coordination increased to 20%. Table B below details the proportion of each inequality group within each population group who would be affected by this scenario.

3) *Does using most of planned support coordination (at least 80%) close inequalities in core and capacity building spending?*

In the model, people who use less than 80% of their planned support coordination had their use of support coordination increased to 80%. Table B below details the proportion of each inequality group within each population who would be affected by this scenario.

Table B: Percentage of participants included in each of the modelling scenarios

Population	Inequality Group	Have support coordination in plan and use less than 20%	Have support coordination in plan and use less than 80%
Psychosocial Disability	CALD	19%	76%
	ATSI	21%	78%
	Low-SES	17%	76%
Intellectual disability	CALD	23%	77%
	ATSI	27%	80%
	Low-SES	23%	77%
Autism	CALD	33%	81%
	ATSI	34%	82%
	Low-SES	32%	81%

Findings

We found there was little difference between scenarios 1 and 2 - increasing use of planned support coordination to at least 20% had very little impact on plan spending of participants in each of three inequality groups. However, the third scenario – ensuring people use at least 80% of their planned support coordination – led to increased spending and utilisation. Specifically, in each of the three populations:

Adults with psychosocial disability: spending of capacity building and core supports increased substantially for all three inequality groups – participants who identify as Aboriginal or Torres Strait Islander or who are Culturally or Linguistically Diverse or who come from a low socioeconomic background⁵.

Adults with intellectual disability: spending of capacity building supports increased substantially for all three inequality groups. However, there was little to no increase in spending and utilisation for core supports.

Children with autism: For all three inequality groups, there was a clear increase in capacity building spending and utilisation. There was however only a modest increase in spending for core supports.

It is important to note that the modelling was only carried out for participants who already had support coordination funded in their plan. What impact providing greater access to support coordination may have on utilisation rates for other participants is therefore untested and worthy of further research and analysis.

Conclusions

Our modelling found that increased use of support coordination for all three inequality groups had the greatest impact on utilisation of capacity building supports. Only in some circumstances, however, did utilisation of core supports increase. Again, we would sound a note of caution about viewing these results in isolation. Higher rates of spending do not tell

⁵ For complete results please see the full report: Melbourne Disability Institute (2021). *NDIS Utilisation Project: Describing Understanding and Explaining Inequalities in Plan Utilisation* p80-91.

us anything about outcomes or the extent to which funding helped participants achieve their goals. As already noted our results also only relate to people who have support coordination funded in their plan. We cannot infer from our findings that the population with no access to support coordination would be affected by our hypothetical scenarios in the same way.

RESEARCH QUESTION 6

What other evidence do we need to collect and consider?

Our findings suggest that it is neither possible nor helpful to set one headline benchmark utilisation rate for the NDIS. While we should continue to monitor rates, **it is more important to examine the drivers of each of the components of utilisation – plan size and spending** – if we want a more complete understanding of how the scheme is working and whether it is delivering outcomes for participants. We need to move beyond a focus on utilisation rates alone if we want to understand if and where there are barriers to spending, what is driving differences in service use and, most importantly, if people are getting what they need.

Moving beyond a singular focus on utilisation is even more important if we want to begin to address the inequality and disadvantage experienced by particular groups of participants, such as participants who identify as Culturally or Linguistically Diverse or Aboriginal or Torres Strait Islander. Our quantitative analysis suggests that at the moment NDIS planning processes may be taking some account of inequality by providing participants with larger plans. Where disadvantage persists, however, is in plan spending.

The drivers of plan spending are complex and interrelated and include participant, plan and planning and market factors. Our qualitative analysis shows that, in particular, many participants struggle with the complexity of the NDIS. They lack clear, helpful information and support. They struggle to find qualified and experienced supports and services to meet their needs, especially in a culturally safe and appropriate way (including specialist providers and other workers).

Both our comparative analysis and the qualitative research found there are not only multiple barriers to increased spending but they are often interrelated. Lack of progress in one area can therefore limit the effectiveness of intervention in another. Our qualitative analysis suggests that increased support for participants to understand their NDIS plans and the ways in which they may use their funds, for example, will have only limited impact if they are unable to find quality services in their area that meet their particular needs. **This suggests multiple forms of intervention may be required – as well as a more sophisticated and rigorous approach to measuring their impact.** The NDIS is a complex scheme. Simple descriptive analysis may not always be able to disentangle cause and effect. A mixture of research methods – sophisticated quantitative, causal modelling, combined with in-depth qualitative interviews to understand the participant experience – may help ensure policy interventions are targeted in the right areas and are working for participants.

Our findings show that we can model and measure interventions on plan spending – and that this will help us understand what may be effective in helping to address the disadvantage experienced by inequality groups. In this project we modelled the impact of one possible intervention – increased utilisation of support coordination among participants who had it included in their NDIS plan. Our results showed that increased utilisation of

support coordination among disadvantaged groups could close inequalities in plan spending. But this was modelled only for participants who already had support coordination funded in their plan. **It would therefore be helpful for future research to identify and then measure the impact of other interventions to help participants to make effective use of the funding they have been allocated.**

Finally, utilisation rates cannot tell us everything about the usefulness or effectiveness of the funding allocated to individuals – nor what outcomes are achieved. Our quantitative analysis found, for example, that participants who identify as Culturally and Linguistically Diverse or Aboriginal or Torres Strait Islander do receive larger NDIS plans (on average). But we do not know if this leads to more equitable outcomes. While plans may be larger for some individuals, we still do not know if they are adequately matched to need or whether they contain the right mix of supports for the individual. Or whether the funded supports are actually helping participants achieve their desired outcomes. Our qualitative analysis suggests for example that many participants do not feel their NDIS plan adequately reflects their needs. **Our findings suggest that it would be useful for any future program of research to focus on “effective utilisation” – the extent to which NDIS funding helps participants meet their needs, achieve their goals and improve life outcomes.** And as is appropriate in a consumer-led scheme such as the NDIS, these needs, goals and outcomes must be those defined by participants themselves.

It is also important that outcomes are considered not only at a single moment in time but also over time. The NDIS is an insurance scheme. It aims not only to meet immediate needs but invest in building the capacity of individuals and families over time. Some goals – such as improved health or wellbeing, moving out of home or getting a job – may take time to be achieved. **This suggests it may therefore be useful for future research to follow individuals through time and measuring outcomes achieved over time.** This will help us get a more complete picture of the impact of the scheme, both for individuals but also the broader Australian community.



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