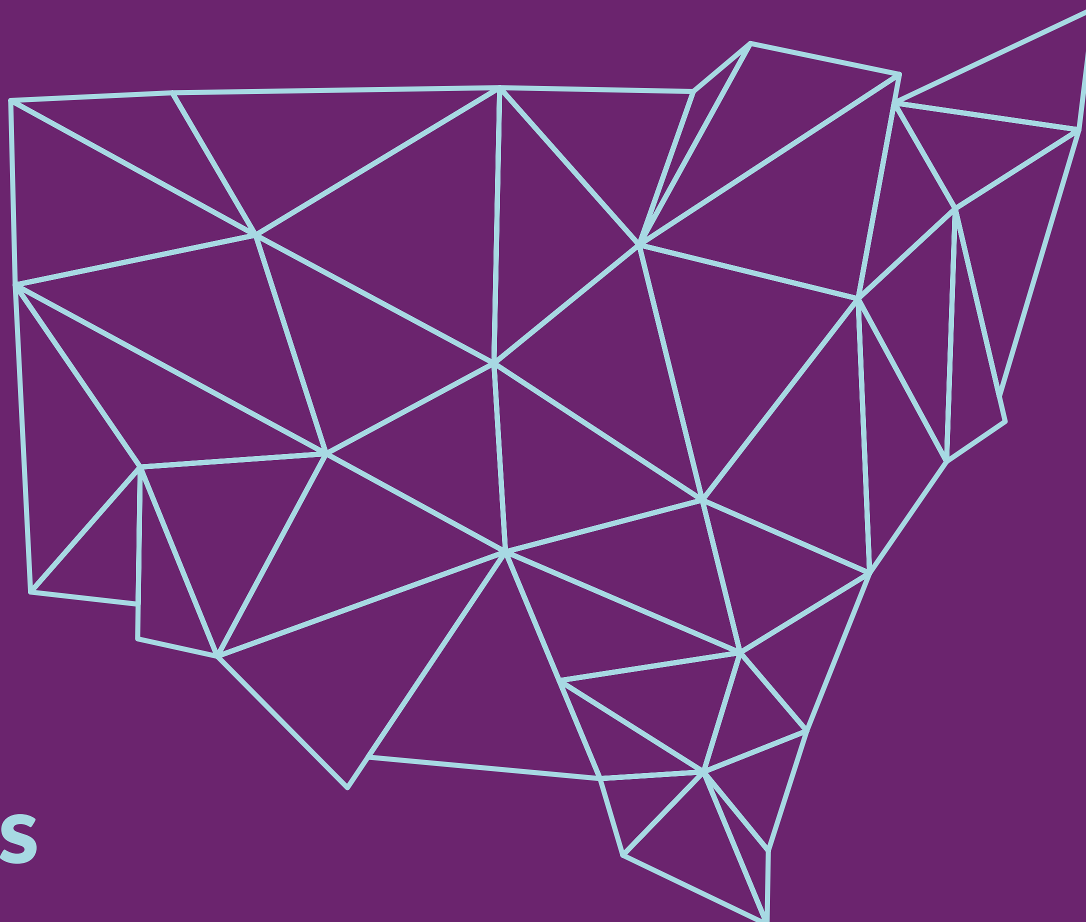
The NDIS market
New South Wales

31 December 2019



National Disability Insurance Agency

Background

The purpose of the National Disability Insurance Scheme (NDIS) is to provide reasonable and necessary funding to people with a permanent and significant disability so that they may access the supports and services they need to achieve their goals. Participants receive individual budgets from which they choose the providers to support them.

On 30 September 2019, the NDIA released a report on the NDIS market (using 30 June 2019 data – “the June report”). The aim of this report was to support the purpose of the NDIS by comparing a number of market indicators across geographical regions and participant characteristics to identify “hot spots” where support provision is comparatively lower or higher than the rest of the NDIS market. Accompanying that report were specific State / Territory presentations which provided further insight into the market within those jurisdictions.

This presentation provides an update to this previous New South Wales presentation using data at 31 December 2019. The presentation covers the key market metrics that the NDIA monitors across the 15 bilateral regions within New South Wales.

Summary of market monitoring key indicators

A deep dive into the NDIS market has been undertaken to better understand market "hot spots". The three key indicators included in this report are plan utilisation, provider concentration, and choice and control (see table on the right).

Indicators are presented both including and excluding participants in supported independent living (SIL).

In the detailed dashboards, the key indicators are presented by:

- Geographical region
- Support category
- Participant characteristics, including age, primary disability type, level of function, remoteness, Indigenous status and culturally and linguistically diverse (CALD) status.

An appropriate benchmark is also presented for each indicator and market segment. The benchmark represents the national average, and for some indicators, is adjusted for the mix of participants within the market being analysed (for example, the proportion of SIL participants and the amount of time a participant has been n the Scheme).

Key indicators[1]

Indicator	Definition
Plan utilisation	Payments as a proportion of total plan budgets (or supports committed) for the period
Provider concentration	Proportion of total provider payments that were paid to the ten providers that received the most payments
Choice and control	Proportion of participants who report that they choose who supports them and that the NDIA helps with choice and control

[1] Indicators have been calculated over the period from 1 April 2019 to 30 September 2019, using data available as at 31 December 2019. Please note that in-kind data has been included in the plan utilisation metrics, but excluded from the provider concentration metric.

Summary of market indicators
by region – NSW

Bilateral region	Phase in date	Active participants with approved plans	Total plan budgets ($m)	Average plan budget ($)	Total payments ($m)	Average payments ($)	Utilisation
New South Wales							
Central Coast	1 Jul 16	6,245	176.00	28,182	130.44	20,887	74%
Far West	1 Jul 17	436	14.64	33,588	8.64	19,810	59%
Hunter New England	1 Jul 13	19,576	632.67	32,319	465.17	23,762	74%
Illawarra Shoalhaven	1 Jul 17	6,179	208.63	33,764	149.07	24,125	71%
Mid North Coast	1 Jul 17	4,044	131.36	32,482	94.17	23,286	72%
Murrumbidgee	1 Jul 17	4,611	147.69	32,030	102.44	22,217	69%
Nepean Blue Mountains	1 Jul 15	6,503	188.15	28,933	139.39	21,435	74%
North Sydney	1 Jul 16	7,786	300.68	38,618	234.19	30,079	78%
Northern NSW	1 Jul 17	4,912	152.83	31,113	109.55	22,302	72%
South Eastern Sydney	1 Jul 17	7,051	232.05	32,910	172.84	24,513	74%
South Western Sydney	1 Jul 16	14,067	390.74	27,777	300.61	21,370	77%
Southern NSW	1 Jul 16	3,125	97.17	31,095	67.91	21,732	70%
Sydney	1 Jul 17	5,950	196.43	33,014	134.58	22,619	69%
Western NSW	1 Jul 17	4,307	155.39	36,080	103.58	24,048	67%
Western Sydney	1 Jul 16	12,011	374.26	31,160	285.92	23,805	76%
New South Wales average		**7,120**	**226.58**	**32,204**	**166.57**	**23,066**	**72%**
New South Wales total		**106,812**	**3,399.27**	**31,825**	**2,498.68**	**23,393**	**74%**
National average		**3,896**	**122.89**	**32,031**	**84.56**	**20,564**	**64%**
National total		**311,777**	**9,835.00**	**31,545**	**6,767.14**	**21,705**	**69%**

At 31 December 2019, there were 106,812 active participants with approved plans registered in New South Wales and 4,574 active providers. Total plan budgets in New South Wales over the 6 months from 1 April 2019 to 30 September 2019 amounted to $3,399m. Total payments over the same period amounted to $2,499m, resulting in a utilisation rate of 74%. In the 30 June 2019 presentation, the equivalent rate for New South Wales was 71%, indicating an overall increase in utilisation.

Note: Experience in other Schemes with individual budgets (internationally and in Australia) indicates that plan utilisation is unlikely to be 100% - however, should be higher than current levels. Some of the reasons for plans being under-utilised include more support was provided informally through family, friends and community; supports being put in plans "just in case" they are required; participants needing more support to implement their plans; providers needing more support to claim for supports provided; and supports being unavailable in the market.

Summary of market indicators
by region – NSW cont.

Bilateral region	Phase in date	Active participants with approved plans	Registered active providers	Participants per provider	Provider concentration	Outcomes indicator on choice and control	Has NDIS helped with choice and control?
New South Wales							
Central Coast	1 Jul 16	6,245	758	8.2	44%	54%	74%
Far West	1 Jul 17	436	92	4.7	81%	51%	72%
Hunter New England	1 Jul 13	19,576	1,386	14.1	32%	59%	72%
Illawarra Shoalhaven	1 Jul 17	6,179	561	11.0	57%	54%	70%
Mid North Coast	1 Jul 17	4,044	385	10.5	57%	51%	74%
Murrumbidgee	1 Jul 17	4,611	414	11.1	59%	47%	68%
Nepean Blue Mountains	1 Jul 15	6,503	841	7.7	39%	52%	71%
North Sydney	1 Jul 16	7,786	940	8.3	59%	43%	73%
Northern NSW	1 Jul 17	4,912	425	11.6	59%	49%	67%
South Eastern Sydney	1 Jul 17	7,051	926	7.6	51%	41%	71%
South Western Sydney	1 Jul 16	14,067	1,519	9.3	35%	42%	61%
Southern NSW	1 Jul 16	3,125	381	8.2	61%	55%	77%
Sydney	1 Jul 17	5,950	1,042	5.7	38%	42%	67%
Western NSW	1 Jul 17	4,307	442	9.7	60%	48%	62%
Western Sydney	1 Jul 16	12,011	1,380	8.7	38%	43%	70%
New South Wales average		**7,120**	**766**	**9.3**	**51%**	**49%**	**70%**
New South Wales total		**106,812**	**4,574**	**23.4**	**24%**	**48%**	**69%**
National average		**3,896**	**122.89**	**32,031**	**84.56**	**20,564**	**64%**
National total		**311,777**	**9,835.00**	**31,545**	**6,767.14**	**21,705**	**69%**

State-wide, 48% of respondent participants said that they chose who supported them and 69% said that the NDIA helped with choice and control. The comparative figures from the 30 June 2019 presentation were 47% and 67% respectively, indicating a minor improvement in responses.

Key indicators – NSW

Key indicators can be used to understand how further investment might improve regional markets. Here we look at the different indicators and provide some commentary by geographical region.

Utilisation:

The highest level of utilisation was seen in North Sydney (78%) and the lowest in Far West (59%). In the 30 June 2019 presentation, the highest level of utilisation was seen in Nepean Blue Mountains (73%) and the lowest in Far West (54%). There could be a number of reasons for the lower utilisation in Far West, including insufficient provider capacity to provide supports to participants - however whilst Far West remains the region with the lowest level of utilisation, the level has risen by 5 percentage points.

Provider concentration:

The highest level of provider concentration was 81% in Far West and the lowest was 32% in Hunter New England. Generally, the lower the concentration, the more competitive the market is likely to be as payments are going to a range of different providers. As Hunter New England has been in the Scheme since inception and has the most participants and plan budgets out of all the NSW regions, a low provider concentration can be expected. High market concentration in Far West, further indicates that there could be insufficient provider capacity in this region.

The same regions exhibited the highest and lowest levels of provider concentration respectively in the 30 June 2019 presentation – 82% in Far West and 34% in Hunter New England. This indicates that concentration levels have fallen slightly.

Key indicators – NSW cont.

Key indicators can be used to understand how further investment might improve regional markets. Here we look at the different indicators and provide some commentary by geographical region.

Outcomes indicator on choice and control:

In Hunter New England, 59% of participants responded that they chose who supports them, however in South Eastern Sydney, only 41% of participants responded that they had that choice. This compares to a national average (across regions) of 51%. Participants in regions with a lower level on the outcomes indicator may thus benefit from increased choice (or more information on their ability to choose).

The proportion of participants responding that they chose who supported them in Hunter New England has not changed since the 30 June 2019 presentation, the South Eastern Sydney response has increased from 40%. The national average has also increased from 49% at the end of June.

Has NDIS helped with choice and control?:

77% of participants in Southern NSW responded that the NDIS had helped with choice and control over support provision, compared with 61% in South Western Sydney (the lowest in the State). The national average is 66%, indicating that participants in South Western Sydney may benefit from greater assistance in choosing their supports and services.

At the end of June 2019, 75% of participants in Southern NSW responded that the NDIS had helped with choice and control over support provision, compared with 58% in South Western Sydney – indicating a slight improvement in this metric. The national average has not changed since the end of June.

Summary of market indicators
by support category – NSW

Support category	Active participants with approved plans	Registered active providers	Provider concentration	Total plan budgets ($m)	Average plan budget ($)	Total payments ($m)	Average payments ($)	Utilisation	Outcomes indicator on choice and control	Has NDIS helped with choice and control?
Core										
Consumables	69,293	825	48%	75.27	1,086	34.19	493	45%	49%	71%
Daily Activities	64,700	1,639	34%	1,728.84	26,721	1,346.36	20,809	78%	46%	71%
Community	65,599	1,091	21%	687.15	10,475	476.70	7,267	69%	45%	71%
Transport	49,016	125	41%	113.60	2,318	121.04	2,469	107%	43%	72%
Core total	**84,193**	**2,191**	**28%**	**2,604.87**	**30,939**	**1,978.30**	**23,497**	**76%**	**47%**	**70%**
Capacity Building										
Choice and Control	31,010	442	43%	20.33	656	19.01	613	94%	49%	70%
Daily Activities	101,055	2,799	20%	396.51	3,924	247.11	2,445	62%	47%	70%
Employment	11,144	301	37%	70.32	6,310	52.19	4,683	74%	43%	72%
Health and Wellbeing	8,326	505	37%	12.23	1,469	6.93	832	57%	52%	76%
Home Living	331	41	55%	0.24	714	0.04	123	17%	59%	68%
Lifelong Learning	28	3	100%	0.04	1,399	0.01	305	22%	39%	50%
Relationships	16,090	419	38%	44.20	2,747	21.39	1,329	48%	19%	71%
Social and Civic	13,317	588	26%	30.53	2,293	12.01	902	39%	45%	66%
Support Coordination	37,753	748	23%	78.22	2,072	54.25	1,437	69%	39%	71%
Capacity Building total	**104,798**	**3,230**	**18%**	**652.61**	**6,227**	**412.94**	**3,940**	**63%**	**47%**	**70%**
Capital										
Assistive Technology	25,544	764	55%	103.58	4,055	83.18	3,256	80%	58%	72%
Home Modifications	9,192	284	31%	38.18	4,153	22.45	2,442	59%	37%	76%
Capital total	**29,118**	**911**	**43%**	**141.76**	**4,868**	**105.62**	**3,627**	**75%**	**53%**	**73%**
Missing	61	0	0%	0.03	565	1.82	29,843	5279%	69%	27%
All support categories	**106,812**	**4,574**	**24%**	**3,399.27**	**31,825**	**2,498.68**	**23,393**	**74%**	**48%**	**69%**

This slide shows the breakdown of the market indicators by support category in New South Wales.

- Daily Activities (Core and Capacity Building) and Community supports are the supports with the highest level of committed supports and payments. Provider concentration is low for these supports indicating that at the State level a relatively competitive market amongst providers exists.
- The position at the end of June 2019 was similar to the end of December 2019 position.

Note that 'Core – Transport' shows a utilisation above 100% due to the fungibility of core supports. This refers to the ability of participants to use their funding flexibly between different core support types.

Summary of market indicators
by support category – NSW: **SIL / SDA only**

Support category	Active participants with approved plans	Registered active providers	Provider concentration	Total plan budgets ($m)	Average plan budget ($)	Total payments ($m)	Average payments ($)	Utilisation	Outcomes indicator on choice and control	Has NDIS helped with choice and control?
Core										
Consumables	6,770	334	65%	11.33	1,673	4.46	658	39%	14%	78%
Daily Activities	7,872	528	45%	909.40	115,523	832.89	105,804	92%	15%	78%
Community	7,678	583	27%	166.31	21,661	121.49	15,823	73%	15%	78%
Transport	7,682	46	75%	10.26	1,335	10.06	1,310	98%	14%	78%
Core total	**7,882**	**912**	**42%**	**1,097.29**	**139,215**	**968.90**	**122,926**	**88%**	**15%**	**78%**
Capacity Building										
Choice and Control	1,533	154	47%	1.04	676	1.01	656	97%	16%	74%
Daily Activities	7,513	950	29%	23.88	3,178	12.70	1,690	53%	14%	78%
Employment	1,358	118	43%	9.39	6,915	7.59	5,590	81%	24%	82%
Health and Wellbeing	1,243	174	43%	1.46	1,172	0.80	641	55%	12%	80%
Home Living	12	4	100%	0.01	1,239	0.00	408	33%	33%	73%
Lifelong Learning	0	0	0%	0.00	0	0.00	0	0%	0%	0%
Relationships	5,105	195	48%	16.42	3,216	9.00	1,762	55%	10%	77%
Social and Civic	445	110	42%	1.95	4,375	0.55	1,240	28%	22%	76%
Support Coordination	7,832	374	31%	18.39	2,348	13.99	1,786	76%	14%	78%
Capacity Building total	**7,887**	**1,246**	**25%**	**72.53**	**9,196**	**45.63**	**5,786**	**63%**	**15%**	**78%**
Capital										
Assistive Technology	2,874	273	66%	12.53	4,361	9.19	3,197	73%	13%	78%
Home Modifications	4,881	102	48%	23.12	4,736	11.55	2,366	50%	12%	79%
Capital total	**5,595**	**357**	**39%**	**35.65**	**6,372**	**20.74**	**3,706**	**58%**	**13%**	**79%**
Missing	0	0	0%	0.00	0	0.05	0	0%	0%	0%
All support categories	**7,893**	**1,824**	**40%**	**1,205.47**	**152,727**	**1,035.32**	**131,169**	**86%**	**15%**	**78%**

This slide shows the breakdown of the market indicators by support category in New South Wales, for participants with Supported Independent Living (SIL) and / or Specialist Disability Accommodation (SDA) supports.

- Daily Activities (Core) supports have the highest level of committed supports and payments. Provider concentration is low for these supports indicating that at the State level a relatively competitive market amongst providers exists.
- Utilisation for these supports is materially higher than for the participant population in general.

Summary of market indicators
by support category – NSW: **non-SIL / SDA only**

Support category	Active participants with approved plans	Registered active providers	Provider concentration	Total plan budgets ($m)	Average plan budget ($)	Total payments ($m)	Average payments ($)	Utilisation	Outcomes indicator on choice and control	Has NDIS helped with choice and control?
Core										
Consumables	62,523	798	44%	63.94	1,023	29.74	476	47%	54%	69%
Daily Activities	56,828	1,595	31%	819.44	14,420	513.47	9,036	63%	51%	70%
Community	57,921	1,053	22%	520.85	8,992	355.21	6,133	68%	50%	70%
Transport	41,334	110	36%	103.34	2,500	110.98	2,685	107%	48%	71%
Core total	**76,311**	**2,125**	**24%**	**1,507.57**	**19,756**	**1,009.40**	**13,227**	**67%**	**52%**	**68%**
Capacity Building										
Choice and Control	29,477	438	43%	19.29	655	18.00	611	93%	51%	69%
Daily Activities	93,542	2,730	20%	372.63	3,984	234.41	2,506	63%	51%	68%
Employment	9,786	294	39%	60.93	6,226	44.60	4,557	73%	45%	70%
Health and Wellbeing	7,083	466	37%	10.77	1,521	6.13	866	57%	60%	75%
Home Living	319	39	53%	0.22	694	0.04	112	16%	60%	67%
Lifelong Learning	28	3	100%	0.04	1,366	0.01	305	22%	39%	50%
Relationships	10,985	400	33%	27.79	2,529	12.39	1,128	45%	26%	65%
Social and Civic	12,872	575	27%	28.58	2,221	11.46	890	40%	46%	65%
Support Coordination	29,921	725	21%	59.83	2,000	40.26	1,346	67%	47%	68%
Capacity Building total	**96,911**	**3,140**	**17%**	**580.08**	**5,986**	**367.30**	**3,790**	**63%**	**52%**	**68%**
Capital										
Assistive Technology	22,670	728	54%	91.04	4,016	73.99	3,264	81%	65%	71%
Home Modifications	4,311	202	40%	15.06	3,494	10.90	2,529	72%	68%	73%
Capital total	**23,523**	**810**	**47%**	**106.10**	**4,511**	**84.89**	**3,609**	**80%**	**65%**	**71%**
Missing	61	0	0%	0.03	565	1.77	29,037	5136%	69%	27%
All support categories	**98,919**	**4,419**	**19%**	**2,193.79**	**22,178**	**1,463.37**	**14,794**	**67%**	**52%**	**68%**

This slide shows the breakdown of the market indicators by support category in New South Wales, for participants without Supported Independent Living (SIL) and / or Specialist Disability Accommodation (SDA) supports.

- The position is similar to that shown on Slide 8 – the majority (93%) of participants in NSW do not have SIL or SDA supports, so the patterns of support category spending is similar to that of the New South Wales participant population overall.

Note that 'Core – Transport' shows a utilisation above 100% due to the fungibility of core supports. This refers to the ability of participants to use their funding flexibly between different core support types.

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