

Market Approach To NDIS Could See People Fall Through the Gaps



The NDIS is just one outcome of a neoliberal agenda which has manifest itself in reforms such as market deregulation, consumer directed care and payment by outcomes. In Australia these policies have been applied in various sectors including employment services, aged care and disability (through the NDIS) by governments of all persuasions.

To be fair, there have been some real benefits from this policy approach but there are also areas where a market approach is failing those it is trying to help, and areas where the market is failing.

It is also true that this policy approach represents a tectonic change that has shaken the community sector, which today is still struggling to understand how best to serve those in need and also advocate to government for better policy outcomes.

The government's heavy hand in supporting not-for-profit community service organisations has continued apace over the last 50 years. More

recently the neoliberal approach repositions government's role from being both funder and provider to being solely focused as regulator to ensure risk is managed and efficiencies are realised.

Naturally this has resulted in extensive privatisation and in human services considerable tendering to the not-for-profit and business sectors. The promise of these reforms has been greater efficiency and effectiveness.

I have worked in the community sector for the last 25 years and have seen the gradual reach of neoliberal policies over time.

My observation has been that overall, a good number of people have fared quite well under these changes. The most significant positive development has been consumer directed care which gives the individual funding directly and thus the ability to choose who provides their service and the way in which the service is provided.

These reforms have also led service organisations to address their overhead costs, the productivity of their workforce and place a greater focus on the unique value they create for people. In short, markets are very good at generating high levels of efficient transactions of goods and services. They work very effectively for people who can act as customers.

But of course not all people need this type of service nor can act with the same level of agency as a customer.

Without government mitigations or incentives, "thin markets" are naturally created because servicing some people (like culturally and linguistically diverse, Aboriginal or highly disadvantaged) and working in some geographies (rural and remote in particular) incurs extra costs.

Moreover, people who experience some form of social or economic exclusion need holistic support and not transactional interactions. The challenges they face are invariably multi-faceted – for example a person could face job insecurity, mental health issues or other disabilities and family dysfunction. These people can fall through the gaps and not have opportunities to access joined up services that can help them step out of

the cycle of disadvantage.

Another adverse impact of these new markets has been the impact on not for profits in reducing their broader “mission”. Agencies have shifted from being social movements to organisations contracted by government to provide services. It’s meant they have little appetite for measuring outcomes, social innovation, community development and advocacy, which we know are vital for genuine social change.

There is no rolling back of this market-based approach, indeed with an aging population and shrinking tax base this approach will gather more steam. Yet governments must do more to address “market failures”. They can do this by creating additional subsidies to ensure inequities are addressed.

And they need to do this quickly, as acting too slowly can result in some ‘unviable’ services ceasing altogether.

About the author: Doug Taylor is group executive at Uniting where he is responsible for social impact, advocacy, disability, early learning and home care services. He has built a 25-year professional career domestically and internationally in the social sector out of his passion for social impact.