NDS Business Analysis Tool

National Disability Services

Supporting NDIS providers to check compliance requirements, be financially sustainable, and enhance outcomes for people with disabilities and organisational performance.

Contents

About the tool

The Business Analysis Tool has been developed to assist National Disability Insurance Scheme (NDIS) providers to be flexible and thrive in the context of the NDIS framework. It is based on three previous National Disability Services (NDS) resources, with updates to reflect the current and future NDIS environment. The background resources are –

- NDS' *Development Toolkit for Non-Government Providers* (2015) – information about transitioning to the NDIS

- NDS' *Business Processes Guide* (2017) – information about the systems and processes in NDIS-ready organisations

- NDS' *Financial Ratios* (2017) – tools to promote financial performance and sustainability.

This document is also a companion resource with two new NDS guides –

- NDS' *Quality and Safeguards in the NDIS* – information about complying with the requirements of the NDIS Commission

- NDS' *People with Disability and Supported Decision-making* – information about supporting the rights of people with disabilities to make their own decisions.

NDS hopes that these three new documents provide practical and thought-provoking information for NDIS providers. When organisations are complying with requirements and reflecting best practice, then NDIS providers can have greater confidence that their systems are enhancing positive outcomes for people with disabilities and improving organisational performance.

How to use the tool

This tool uses seven domains reflecting key aspects of organisations' activities.
The seven domains are -

1. Strategy

2. Corporate governance

3. Customers and market focus

4. Quality and safeguarding

5. Financial sustainability

6. People and capability

7. Information and knowledge management

Each domain has two sections –

A. **Essential** – The checklists ask questions about systems, processes and documents that are best practice for all organisations in the human services sector, including an additional set of questions for NDIS requirements. Some NDIS-specific requirements are at a high level, as further details are in NDS' companion guides.

B. **Ongoing improvement** – This part focuses on strategies for enhancing sustainability and innovation, with various ideas, suggestions and examples that you could consider and adapt for your organisation to improve quality and/ or efficiency.

The tool can be used across a wide range of service types, and for partial or whole-of organisational self-assessment or performance review. It can be used to analyse current systems, prepare for future changes in the NDIS environment, or test innovative ideas that may enhance outcomes, quality and efficiency. Providers can take what they need and apply it to their own circumstances, as some actions may work in one setting, but not in another. For example, a small provider may only need one document to cover several requirements, whereas a larger provider may need to have a set of documents with more details.

What the tool does

This tool enables NDIS providers to –

- Identify the systems, process and documents that are essential to meet key legislative and regulatory obligations for a wide range of business types, particularly NDIS requirements

- Consider suggestions and ideas for enhancing the quality of systems and processes.

What the tool doesn't do

This tool does not –

- Include the essential requirements for services provided to other target groups, such as aged care, or children's services – except when those systems or documents are also necessary for NDIS compliance

- Cover activities that may be unique to your organisation

- Duplicate the information contained in the two NDS companion guides. However it does indicate when further information can be found in those guides.

Steps for reviewing your systems and processes

When you use this tool, the suggested approach is as follows –

1. Determine how and to what extent you will involve participants in the review of the organisation. At a minimum, participants must have opportunities to contribute to organisational policy and processes about providing supports and for protecting participants' rights.

2. Read this guide and determine that action is required.

3. Hold a meeting of senior leaders to allocate responsibility. This will need to involve, as a minimum, the CEO or manager with overall responsibility for disability services, and personnel responsible for operations, quality management, human resource management, and learning and development.

4. Scope the resources which will be required to complete this review: this might include people, software upgrades, and budget allocations.

5. Seek comments on the draft changes, and incorporate feedback as appropriate.

6. Where necessary, conduct a pilot of the new processes and amend procedures as required.

7. Seek Board endorsement for policies that must be approved by the Board.

8. Implement new processes with staff and continue to monitor effectiveness.

Notes:

- All references relate to links for further information, which are located at the end of this document

- The term 'customer' is predominantly used in this document to mean any person for whom services are directly provided, and includes NDIS participants. The term 'NDIS participant/s' is only used when the context is exclusively related to the NDIS framework.

- For 'ongoing improvement' items, organisations will need to consider these suggestions on a cost-benefit basis, having regard to NDIS pricing.

Person-centred business design principles

As context to this tool, there are three areas of knowledge that inform best practice in the NDIS environment –

Human rights' instruments and legislation

The *United Nations Convention on the Rights of Person with Disability* (CRPD) was ratified by Australia in 2008. The CRPD is the basis for the NDIS legislation and NDIS Practice Standards. The CRPD principles are -

- *Respect for inherent dignity, individual autonomy including the freedom to make one's own choices, and independence of persons*

- *Non-discrimination*

- *Full and effective participation and inclusion in society*

- *Respect for difference and acceptance of persons with disabilities as part of human diversity and humanity*

- *Equality of opportunity*

- *Accessibility*

- *Equality between men and women*

- *Respect for the evolving capacities of children with disabilities and respect for the right of children with disabilities to preserve their identities.* [i]

Person-centred principles

Specific principles were developed and refined over many years in the disability services' sector, and are the basis for many of the current requirements for NDIS providers, including systems, processes, policies and procedures. The NDIS principles in the legislation are -

1. *People with disability have the same right as other members of Australian society to realise their potential for physical, social, emotional and intellectual development.*

2. *People with disability should be supported to participate in and contribute to social and economic life to the extent of their ability.*

3. *People with disability and their families and carers should have certainty that people with disability will receive the care and support they need over their lifetime.*

4. *People with disability should be supported to exercise choice, including in relation to taking reasonable risks, in the pursuit of their goals and the planning and delivery of their supports.*

5. *People with disability should be supported to receive reasonable and necessary supports, including early intervention supports.*

6. *People with disability have the same right as other members of Australian society to respect for their worth and dignity and to live free from abuse, neglect and exploitation.*

7. People with disability have the same right as other members of Australian society to pursue any grievance.

8. People with disability have the same right as other members of Australian society to be able to determine their own best interests, including the right to exercise choice and control, and to engage as equal partners in decisions that will affect their lives, to the full extent of their capacity.

9. People with disability should be supported in all their dealings and communications with the Agency and the Commission so that their capacity to exercise choice and control is maximised in a way that is appropriate to their circumstances and cultural needs.

10. People with disability should have their privacy and dignity respected.

11. Reasonable and necessary supports for people with disability should:

    (a) support people with disability to pursue their goals and maximise their independence; and

    (b) support people with disability to live independently and to be included in the community as fully participating citizens; and

    (c) develop and support the capacity of people with disability to undertake activities that enable them to participate in the community and in employment.

12. The role of families, carers and other significant persons in the lives of people with disability is to be acknowledged and respected.

13. The role of advocacy in representing the interests of people with disability is to be acknowledged and respected, recognising that advocacy supports people with disability by:

    (a) promoting their independence and social and economic participation; and

    (b) promoting choice and control in the pursuit of their goals and the planning and delivery of their supports; and

    (c) maximising independent lifestyles of people with disability and their full inclusion in the community.

14. People with disability should be supported to receive supports outside the National Disability Insurance Scheme, and be assisted to coordinate these supports with the supports provided under the National Disability Insurance Scheme.

15. Innovation, quality, continuous improvement, contemporary best practice and effectiveness in the provision of supports to people with disability are to be promoted.

16. Positive personal and social development of people with disability, including children and young people, is to be promoted.

17. It is the intention of the Parliament that the Ministerial Council, the Minister, the Board, the CEO, the Commissioner and any other person or body is to perform functions and exercise powers under this Act in accordance with these principles, having regard to:

    (a) the progressive implementation of the National Disability Insurance Scheme; and

    (b) the need to ensure the financial sustainability of the National Disability Insurance Scheme. [ii]

Customer focused business principles

The NDIS framework has transformed disability service provision from a welfare model to a market-based and competitive business model. The business sector has developed numerous sets of best practice principles to guide every aspect of business design and operations, and to promote market share and customer satisfaction. One example of customer service principles is from the Queensland government –

- *Know what your customers consider to be good customer service*

- *Take the time to find out customers' expectations*

- *Follow up on both positive and negative feedback you receive*

- *Ensure that you consider customer service in all aspects of your business*

- *Continuously look for ways to improve the level of customer service you deliver.* [iii]

Many NDIS providers will not have the luxury of being able to design their systems from scratch using the principles from these three areas. Nevertheless, existing NDIS providers can incorporate these principles, and be better able to adapt to the changing NDIS environment. This tool includes suggestions about how providers can make these adaptations.

Refer to NDS' companion guides for further information and practical suggestions to enhance the person-centred culture of NDIS providers.

Domain checklists

When you have selected the relevant checklist/s for the part/s of your business to be analysed, mark **Yes, No** or **Partly** in the box provided for each question. Items that are marked as **No** or **Partly** can be added to your improvement plan.

1. Strategy

Strategy is about high level planning that ensures the organisation considers legislative requirements, business goals, risks, and customers' and workers' needs in the wider environment.

A. Essential	Yes/ No/ Partly
Do you have a Strategic Plan covering a 3-5 year period, which includes - • The organisation's purpose, vision, goals and objectives, including a person-centred culture? • Trends likely to affect the organisation's business? • Scope for flexibility to manage contingencies and uncertainty? • Measures and timeframes to assess organisational performance against the plan?	
Do you have an annual business/ operational plan that – • Links with the goals and objectives in the Strategic Plan? • Identifies output and outcome measures in each core service activity for customers and organisation performance? • Understands competitors, and targets activities for improved effectiveness? • Identifies opportunities for partnerships and alliances?	
Do you have business-specific plans for – • Marketing? • Workforce management? • Communication – internal, and for customer and stakeholder engagement? • Risk and financial management, including disaster response, and reputational risk. • Information and communication technology (ICT) and asset management? • Current projects?	
Do your strategic and business planning processes incorporate – • Input from all levels of the organisation? • Input from customers and stakeholders? • Findings from reviews and evaluations?	
NDIS essentials – all of the above, plus...	
Do you have mechanisms to – • Designate position/s responsible to stay up-to-date with changes in the requirements of the National Disability Insurance Agency (NDIA) and NDIS Commission? • Identify trends and patterns in the NDIS marketplace?	

B. Ongoing improvement

Here are some ideas to enhance the quality and effectiveness of your strategic approach –

Clarity of focus

Sometimes, strategic plans can be too broad and generalised, making it difficult for the organisation to measure whether or not it is achieving its goals and objectives. It can also mean that there is inadequate clarity to guide operational decision-making, such as whether or not to develop a new service or commence a well-intentioned project. Lack of strategic clarity may result in significant amounts of time and resources being expended on activities that have little impact on the organisation's sustainability and effectiveness.

Another consequence of lack of clarity is that the organisation is less able to be nimble and agile when new opportunities arise, or flexible enough to respond to risk. As a result, they may be 'flying blind' in a changing environment, and unable to interpret the causes for problems when they occur.

Some tips for improving strategic clarity are –

- Be unambiguous in identifying who the organisation serves, and what you want to achieve over the coming 3-5 years. Include short, medium and long-term goals.

- Be prepared to have confronting discussions about organisational flexibility, such as whether or not a program should continue, or if the organisation should use its assets differently.

- Consider how the organisation might look if it were newly established, such as structures and systems, services offered, etc.

Making it happen

Sometimes, organisations have a detailed strategic understanding about what they want to achieve, but there is a gap between planning and implementation. They may have vague operational tasks, and/or inadequate processes to monitor implementation and evaluate progress. It's like planning to build a bridge without ensuring the necessary tools and resources are available, or not checking that it is being built to specifications.

Some tips for improving implementation are –

- Translate strategic goals into clear operational plans, that are costed and resourced

- Allocate responsibilities for each goal to personnel who have the authority to make timely decisions

- Establish processes to routinely monitor implementation, correct problems when they occur, and evaluate progress.

Prioritise success

Some organisations don't know whether or not they are successful, or may limit their view to one or two aspects of success, such as financial stability. In a competitive marketplace, organisations that don't prioritise success are less likely to understand what is going wrong.

Some tips for prioritising success are –

- Identify what success looks like and measure it, such as customer satisfaction and outcomes, and growth in profitable services. Each organisation will have a unique definition of success.

- Develop a list of integrated key performance measures, covering the range of areas in which the organisation must be successful, and identify the interdependencies between the key measures.

For example, a strategy for growth depends on the ability to attract new staff.

- Learn from your organisation's experience, such as findings from reviews and evaluations, and lessons learnt from customer and stakeholder feedback. Do more of what is working well, and be prepared to stop doing something if it isn't working.

- Identify how your organisation is perceived in the marketplace, and develop better ways to differentiate your services from competitors, and avoid duplication. Sometimes, other providers may also be potential collaborators.

- Identify gaps in capability, so that resources can be targeted more effectively. Capability could include staff skills, depth and extent of relationship with stakeholders, administrative responsiveness, etc.

2. Corporate Governance

Corporate governance relates to the organisation's systems for decision-making and operational management, which should be proportional to the scale and complexity of the services and supports provided. Boards/ Directors have different roles from the management team, but there should be clear communication, delegated responsibilities, and a common purpose.

A. Essential	Yes/ No/ Partly
Does the Board have defined areas for high-level decision-making, including - • Strategic planning directions? • Legislative and regulatory compliance? • Risk and financial management? • Public engagement, media and marketing? • Recruiting and inducting the Chief Executive Officer (CEO)? • Monitoring organisational performance? • Promoting organisational-wide person-centred behaviours and culture that emphasises quality and safeguarding?	
Are decision-making processes – • Robust enough to manage the key risks, challenges and opportunities facing your business? • Able to provide timely support for your operations in a competitive environment?	
Are there clear mechanisms to communicate key information between the Board and staff, such as specialised reports on key performance data?	
Are there defined processes to – • Recruit and induct Board members with the necessary value base and skills mix? • Review the performance of the Board as a whole? • Address succession planning for key roles, including the Chairperson, Financial Controller/ Treasurer, and CEO?	
Are minutes kept for all key meetings, including – • Board meetings? • Executive/ leadership team? • Business unit and program teams? • Cross organisational teams?	
NDIS essentials – all of the above, plus...	
Does the organisation comply with the NDIS Act, NDIS Practice Standards, and the NDIA Terms of Business?	

Does your organisation meet the suitability requirements for registration with the NDIS Commission?	
Do you have a system to ensure that all personnel (including Board members, staff, contractors and volunteers, etc) agree to comply with the NDIS Code of Conduct?	
Do you have contracts/ agreements/ protocols with other organisations that your staff visit to do their work (where applicable), such as – • Schools, hospitals, community facilities? • Other NDIS providers, such as Specialist Disability Accommodation (SDA)?	

B. Ongoing improvement

Here are some ideas to enhance the quality and effectiveness of your governance –

Maintain freshness

Often Board members work in different fields, and it can be hard to stay up to date with the complexities of the NDIS. As a result, they may feel out of touch in the context of a changing marketplace. Some suggestions about staying up-to-date are –

- Invite guest speaker/s to a Board meeting to build Board members' knowledge about a specific aspect that is crucial to their role and the organisation's sustainability

- Engage an expert in a specific area to hold a workshop. This could include staff as a way of building relationships, and an opportunity for Board members to hear directly from staff about the practical implications of the NDIS for their work. A workshop could also be held jointly with a partner organisation, as a means of developing a specific area of expertise and collaboration.

- Provide opportunities for Board members to attend relevant training or events, to build knowledge and expand networks.

- Develop a mentor relationship between Board members in different organisations, for example, if another organisation has an interesting approach that could be adopted in your organisation. It may also be useful if two organisations are considering a merger, to build relationships, and share systems and processes.

Customers and decision-making

Involving customers in key areas of decision-making is one way that organisations can actively demonstrate the value they have in customers' views and experiences. Indeed, the NDIS Practice Standards require that people with disability are provided with opportunities to contribute to the organisation's governance. Some examples include –

- Identify the key decision-making areas in the organisation for customers' involvement. These could be in Board membership, when designing and reviewing services and supports, in finances, in marketing, etc. Ensure that the roles are not tokenistic, but have the relevant authority when decisions are being made. If this is a new approach for your organisation, you may want to start with one or two areas, and plan to expand customers' decision-making opportunities as the organisation learns how to ensure the roles are effective.

- Designating one or more positions on the Board to be filled by people with disability. This approach respects the inclusion of people with disability but is complex to do well. Challenges to consider are the legal responsibilities for decision-making and financial liability, and declaring and managing potential conflicts of interest. If they are representing customers, there will need to be a structure for them to consult with customers and inform the Board. At all times, it must be clear that the Board member is legally responsible to the Board and not the group they represent, so it is preferable that the person is independent of customers. If considering the inclusion of Board members with cognitive impairments, there are additional challenges, as they must be able to understand the decisions the Board is responsible to make, and the potential legal consequences. The Board should also explore the type of support those Board members need to participate, such as information in accessible formats, engaging a person to support the Board member, etc.

- Establishing a reference group of customers that reports directly to the Board, so that the Board has a mechanism to seek the views of customers on specific areas of decision-making. The Board could consider engaging an independent person to facilitate the group and/ or handle secretarial duties.

Also refer to NDS' companion guide *People with Disability and Supported Decision-making*.

3. Customers and market focus

High quality organisations have a deliberate focus on promoting customers' satisfaction and outcomes, and target their marketing activities accordingly. The focus is not just on increasing the number of customers, but on ensuring that high quality outcomes are achieved, and that these outcomes are aligned with the public reputation of the organisation.

A. Essential	Yes/No/Partly
Have you identified the organisation's key customers, such as – - Customers' characteristics and locations? - Profile of demand and supply in your region/s, including competitors' offerings, and unmet need? - Expanding into new geographical locations, or add target groups?	
Do you have robust mechanisms to identify what customers need and want, including – - Measures of customer satisfaction? - Measures for outcomes achieved by customers? - Systems to learn from complaints and feedback? - Consultation mechanisms to incorporate customers' views into the design, delivery and evaluation of services? - Continuous quality improvement systems to analyse organisational performance, including customers' point of view?	
Do you have effective communication with customers, including – - Easy and friendly entry point for customers to begin their engagement with your organisation? - Key information when customers commence receiving services, including organisational values and key processes? - Updates about changes in the organisation or the environment that affect customers? - Clear contacts and processes for customers who have a complaint, or want to provide feedback?	
Do you have defined processes to attract and retain customers, including – - A person-centred culture demonstrated at all organisational levels? - Strategic connections with key community organisations and stakeholders that may refer customers? - Marketing strategies align with demonstrable outcomes (i.e. what you say is what you do), and differentiate your services from competitors?	

NDIS essentials – all of the above, plus...

Do you have systems to ensure that all staff understand –

- The NDIS services and supports your organisation provides?

- Their obligations relating to the information provided to participants?

Do you have a mechanism to obtain participants' consent, or to record attempts made to obtain consent about –

- The collection, use, and disclosure of their personal information?

- Accessing the section of their current NDIS plan relating to the services and supports they receive from your organisation?

- To a Service Agreement/ contract, if used (required for SDA and Supported Independent Living (SIL))?

- Using their images in public documents and media campaigns?

- The access of NDIS related auditors to participants' records, plans and files, and if they wish to participate in interviews?

- Accessing their Behaviour Support Plan (if applicable) to facilitate collaboration between relevant providers?

Do you provide information to participants in accessible formats and/ or relevant community languages about –

- The organisation's registration status?

- Your complaints management system and NDIS Commission's contact details, which is also in the organisation's public information?

- Your incident management system?

- The NDIS Code of Conduct, and what participants can expect from all workers, which is also in the organisation's public information?

- Assurances that all staff meet worker screening, and mandatory worker orientation requirements?

- The intent to use restrictive practices (if a behaviour support plan is in place)?

Do staff know how to –

- Provide access to an advocate when needed, such as when making a complaint, after an incident, etc?

- Seek a person with the appropriate authority to make a necessary decision if the participant is unable, despite best efforts to build the participant's ability, e.g. NDIS Nominee, Guardian, Person Responsible, Financial Manager, etc?

B. Ongoing improvement

Here are some ideas for promoting customers' and market focus –

Person-centred culture

A business that is person-centred focuses all its activities towards ensuring customers' satisfaction and well-being. The approach should be clearly demonstrated by every person in the organisation as they conduct their work, such as –

- Routinely seeking feedback from customers about the services and supports their receive

- Using customer input when developing and reviewing service delivery

- Handling complaints quickly and fairly, and making apologies and corrections when needed

- Using language and images that are respectful and culturally sensitive.

Promote independence

NDIS participants are funded for reasonable and necessary supports. As an insurance-based model, the focus of the NDIS is on building participants' capacity and independence, so that for many people with a disability, their dependence on the NDIS may reduce over time. The person-centred approach also promotes the essential role of providers in supporting participants to achieve their goals. Some of the key ways to achieve this are –

- Purposeful design of the supports and services so that they specifically build participants' independence

- Promoting the rights and capability of participants to make their own decisions. NDS' guide on *People with Disability and Supported Decision-making* has further information and practical suggestions for implementing this approach.

- Providing information to participants and their family/ carers about capacity building activities, including providing quotes, which can be used in NDIS plan review meetings

- Celebrating participants' achievements and the development of new skills, such as by sending a card. Sometimes, participants and their families/ carers may not see skills improving over time, so recognising milestones is an opportunity to reflect on the effort and outcomes. As an added bonus, success stories build customer's loyalty to the organisation, and promote the organisation's positive reputation in the sector.

At first glance, under a business model approach it would seem odd that any organisation would aim to reduce customers' engagement and thereby reduce future revenue. For some types of service, this may be the case. However, many NDIS participants will want to continue to build on their goals each year, and achieve new skills. The challenge for NDIS providers is to remain flexible and responsive to participants' changing needs and interests.

Outcome measures

Using measures is a valuable way for organisations to check their progress and assess the effectiveness in various aspects of their work – which ultimately aims to support participants to achieve their goals. Historically, disability providers collected and reported on output data, such as number of clients, occasions of service, and amount spent. This type of data has its uses, but does not give an organisation sufficient information to evaluate if participants are achieving their goals, the

quality of the service delivery model, or the engagement of staff. When selecting outcome measures, you could consider the following issues –

- Ensure that the outcome measures being used are relevant to the specific activity or service being provided

- Avoid developing your own measures. Search for previously established outcome measures that are nationally or internationally recognised and benchmarked. This enables the organisation to more consistently interpret the data, and have confidence in the outcomes for participants. If you are using one-off in-house measures, you will have no independent way of knowing if the data means what you think it does. If there are no external measures for the activity you want to measure, you could consider engaging a specialist researcher in that field of expertise to provide advice, undertake research, and/ or co-design a set of outcome measures that can provide useful data.

Links to various outcome measures, including NDS' Social Impact Measurement tool, are located in the Resources section of this tool.

Know the marketplace

For some NDIS providers, it may be challenging to develop a mindset for marketing, but it is a necessary part of doing business in the NDIS. Some key aspects to consider are –

- Engage and/ or train staff in marketing skills and knowledge.

- Develop mechanisms to check and approve marketing strategies that are ethical, and align with the organisation's values and strategic goals.

- Collect quantitative and qualitative data about the marketplace, such as Australian Bureau of Statistics' data, comparing services offered by your organisation and competitors, identifying unmet need and opportunities for growth, and developing in-depth understanding about effective marketing strategies.

- Ensure that images of participants for marketing are positive, and that specific consent is obtained before being used.

4. Quality and safeguarding

Quality and safeguarding refers to deliberate systems that organisations use to check the quality of services and supports, keep people safe, and identify and implement improvements.

A. Essential	Yes/ No/ Partly
Does the organisation have – • A quality improvement plan that routinely uses data from key activities to inform, monitor and evaluate progress? • A position/s with designated responsibility to ensure the organisation complies with all relevant quality and safeguarding requirements? • A culture of continuous quality improvement that values learning and innovation? • Identified performance measures that are linked to customer outcomes, are monitored, and used to inform improvement (such as measures for each of the seven domains in this document)? • Position descriptions that all include responsibility for quality and safeguarding?	
Have you defined – • What success looks like for the organisation, customers, and stakeholders? • The necessary skills and knowledge of the organisation, and mapped this against the current staff mix? • Mechanisms to compare your organisation's performance with other providers?	
Do you provide opportunities for customers to – • Make complaints and provide feedback? • Be consulted about key organisations systems, including support provisions and the protection of participants' rights? • Receive information about the improvements made to the organisation's systems?	
Do you routinely audit service delivery and key organisational systems to – • Check compliance with legislative requirements and relevant standards? • Report to the executive and Board about the organisation's performance? • Inform quality improvement activities and projects?	
Do you have systems to – • Identify and share knowledge about best practice, e.g. resources from workshops, research, consultations, etc? • Incorporate new knowledge into practice?	
NDIS essentials – all of the above, plus... *Note:* *NDS' companion guide Quality and Safeguards in the NDIS provides more details about the NDIS Commission's requirements of NDIS-registered providers (e.g. the NDIS Practice Standards Core Module includes an obligation for an audit program). A high level overview of the essential systems and processes are included throughout this document.*	
Does your organisation have a thorough understanding of the NDIS Practice Standards modules, and the requirements relevant to the registration groups for the services and supports that you provide?	

B. Ongoing improvement

Some suggestions for enhancing the quality of organisations are –

Value learning

Organisations that do not have a culture of learning can become stale and inflexible, and poor practices can occur when no-one is paying attention. When the ideas and suggestions of every person are valued and heard, organisations are more likely to be open and responsive to changing circumstances. Suggestions for building a learning culture are –

- Establish in-house groups to explore ways of improving specific activities

- Negotiate partnerships with local universities or other organisations for common interests

- Celebrate failure. To promote a learning culture, staff must feel safe to take informed risks without being punished if something goes wrong, and new ideas must be embraced and debated. Despite our best efforts at managing risks, not every great idea will work in practice, and there is much that can be learned when something doesn't work as expected.

Learn from others

Strategies for enhancing the quality of organisations is an area of significant research, and a key issue for NDIS providers and other sectors in the human services area. Consequently there are many opportunities to get involved in Communities of Practice, or develop links with key research organisations or other providers, so that you routinely have information coming into your organisation about strategies that are effective.

You may need to adapt those strategies to fit your organisation's needs. However - a word of caution - do not adapt established measurement tools, such as customer assessment tools, as many of these tools have been designed, tested and benchmarked so that data interpretation is consistent and reliable. If they're changed, the information about outcomes and performance cannot be compared with other organisations.

Look for improvements and innovation

Some ideas for identifying improvements are to –

- Ask for suggestions. Every person working in, and connected to, your organisation will have an opinion about its work and systems. Consequently, there are benefits in routinely asking for ideas and suggestions about opportunities for improvement. Be open to all ideas, large and small. It may be useful to set up a process to consider all ideas, to ensure the organisation can continue to comply with relevant legislation and requirements if the ideas are implemented. An idea could be piloted in one area of the organisation, and scaled up if it proves to be successful. Measures of success should include efficiency, effectiveness, and quality improvement.

- Routinely analyse data from complaints, incidents and feedback to improve your understanding about how customers and stakeholders view your organisation. Trends and patterns can be identified, which can inform amendments to policies and procedures. Sometimes, one idea or incident will be sufficient to influence the organisation's need to improve its processes.

- Focus on reducing and eliminating the use of restrictive practices (if these are used). The NDIS Commission requires that behaviour support plans include positive strategies that can eventually replace the use of restrictive practices. Making concerted efforts in this area will have significant benefits in enhancing the wellbeing of participants.

- Focus on enhancing participants' rights, particularly in the following areas –

- Supported decision-making. Participants have the right to make all decisions that affect their lives, but may need support to learn how to improve this ability. For more information on practical strategies, a link to NDS' guide *Supported Decision-making and People with Disability* is in the Resources section of this guide.

- Zero tolerance of abuse. Sometimes, staff interactions with participants can be inadvertently abusive. It may not be obvious, like assault or exploitation, but may be small day-by-day actions that take away a person's rights, such as refusing entry to the kitchen, or saying something that is demeaning. A link to NDS' resources on Zero Tolerance is in the Resources section of this guide.

5. Financial sustainability

It is critical that organisations have financial systems and processes that ensure the organisation is both sustainable and flexible.

A. Essential	Yes/ No/ Partly
Do you have specific – • Role/s for financial decision-making and management, such as a Treasurer, a Chief Financial Officer in large organisations, risk management, account management (internal and external), and bookkeeping? • Written delegations for financial decisions – who can make what decisions, and the limit of expenses/ purchases?	
Do you have an annual budget estimate, which is it linked with the organisation's strategic and marketing goals?	
Do you have systems for – • Tracking profit and loss? • Claiming, invoicing, and following up payment delays? • Maintaining currency and coverage of insurance policies? • Internal and external monitoring and audits? • Ensuring compliance with regulatory and legislative requirements, including privacy, fair trading, ASIC, etc • Use of credit cards, bank transfers, and petty cash? • Fraud prevention?	
Are routine financial reports provided to the Board and key staff?	
NDIS essentials – all of the above, plus...	
Are financial records and systems routinely updated when changes occur, such as updated NDIS price guides, or changes for participants?	
Do financial systems ensure compliance with NDIA's Terms of Business, and the NDIS Commission's suitability requirements?	
Do you have a Service Agreement template that describes – • The services your organisation will provide? • The circumstances when services may be suspended or ceased? • Prices consistent with the current NDIS Price Guide for your State or Territory? • For SDA providers, documents include rent and 'other expenses' arrangements?	

B. Ongoing improvement

Here are some ideas for enhancing financial sustainability –

Analyse your financial position

Sustainable organisations have a thorough understanding about –

- The current financial position.

  - Organisations with significant revenue from sources other than service delivery need to monitor what proportion of their revenue and expenditure relates to customers, donations/ sponsorship (cash and in-kind) fund raising, investments, and project grants.

  - For service delivery, it is useful to know income and expenditure – and hence profitability and sustainability – by service type, service item, and by customer. Unit cost calculations should reflect the full cost of service delivery, including direct labour costs, indirect labour costs and overheads. It is important to know if some types of services are cross-subsidising others.

Note that having a diversity of revenue sources may minimise risks when some sources are variable. There can also be advantages to having one revenue source (such as concentrating on one NDIS service type), but the organisation should identify and manage the associated risks.

- Plans for the future can include short, medium and long term financial goals. Financial plans should link with the strategic plan, and target activities that promote stability, flexibility and efficiency – but not at the expense of reducing the quality of services and supports. This may include boosting existing sources of revenue and/ or seeking new sources, managing the risk of, or exposure to, financially unstable sources, identifying likely capital requirements, and maximising the usefulness of assets.

Planning could also include estimating the reasonable prices that might be charged when the NDIS deregulates its prices for designated services and supports.

Incorporating financial ratios

Using financial ratios can help generate understanding of financial performance and, if tracked across time, can identify trends in performance.

Attachment 1 includes tools developed by NDS for calculating various NDIS-related financial ratios.

Improving resilience

There are three areas for improving an organisation's resilience in a complex environment, and some suggestions for each are as follows –

- Improving profitability

  - Explore new revenue sources. Ensure that you have available reserves to invest in new activities, as the benefits only occur if the efforts are successful.

  - Increase the number of participants, and/ or add value to existing participants

  - Expand service types that generate greater surplus, and consider ceasing services that are being subsidised by other programs or reserves.

None of these strategies guarantee improved profitability: it is always a question of revenue versus

expenditure. For example, increasing the number of participants in a service type that loses money will make your financial position worse, not better.

- Efficient use of assets

    - Assess the efficiency of high cost assets (property, vehicles, ICT, etc) to determine if the organisation is getting value for money, compared to the cost of alternatives.

    - Reduce the need for casual staff, after assessing the level of rostering flexibility that is needed to maintain services and supports.

- Manage cash flows

    - Establish payment systems directly linked to service delivery. This could include equipping staff with facilities for credit card payments at the completion of one or more services (depending on the frequency of services provided).

    - Have defined processes for managing debts. A lot of time can be wasted chasing unpaid invoices if staff are unsure about when to escalate the issue for a decision about further action, such as suspension of services, legal action, etc. Note that some participants and their family/ carer may have a limited understanding and experience of NDIS' payment structure. If this is the case, the participant may ask that NDIA manages their payments.

- Reduce liabilities

    - Negotiate more favourable terms with suppliers wherever possible, such as when renegotiating leases, ICT support, etc.

Note that some suggestions are interrelated, as improving profitability will positively impact on the organisation's current and future assets and liabilities.

Links to NDS' resources via AbleInsight are in the Resources section of this guide.

6. People and capability

Organisations that value customers should equally value the people who work for the organisation, and have a culture that builds their capability.

A. Essential	Yes/ No/ Partly
Do you have a workforce management plan that – • Aligns with the organisation's vision, and strategic and operational plans? • Identifies the necessary skills and knowledge (for now and the future), and has strategies to address gaps? • Promotes a culture of learning, inclusion and mutual respect, and a person-centred approach to customers? • Identifies the optimal employment arrangements to minimise risk, and ensure continuity and quality?	
Do you have strategies to – • Be recognised as an employer of choice? • Attract, recruit and induct staff and Board members who reflect the organisation's values and vision? • Develop the capacity of staff, Board members and volunteers, such as dedicating resources for, and access to, learning and development opportunities (in house and external)?	
Do you have an identified workforce management position/s with specific responsibilities for – • Defining all staff position descriptions? • Routine data collection, analysis and reporting about the effectiveness of human resource structures, systems and processes? • Communicating and responding to issues of performance management, workplace safety and wellbeing?	
NDIS essentials – all of the above, plus...	
Do you have systems to be confident that your workforce/ key personnel – • Respect the rights of people with a disability, and will take action if those rights are breached? • Are allocated tasks that suit their skills and knowledge? • Understand the specific needs and preferences of participants, and how to support participants' decision-making? • Understand and meet their responsibilities under the relevant NDIS Practice Standards? • Meet worker screening and mandatory orientation requirements? • Agree and comply with the NDIS Commission's Code of Conduct (including for employees, Board members, contractors, volunteers, etc)? • Are trained in the NDIS Commission's requirements for handling complaints, and preventing and responding to incidents, including reportable incidents? • Know that they can make a complaint on behalf of participants to a NDIS provider and the NDIS Commission?	

Do staff have training in the duties they are required to perform (where applicable), particularly – • Implementing their designated responsibilities relating to complaints and incidents? • Medication administration, including the effects, side effects, and responding to an incident involving medication? • The correct procedures for high intensity daily personal activities, i.e. complex bowel care, enteral (naso-gastric tube) feeding, tracheostomy management, urinary catheter management, ventilator management, subcutaneous injections, and/ or complex wound management? • Developing or implementing behaviour support plans? • Use of personal protective equipment (PPE) and other equipment?	
Do you have designated positions to interact with the NDIA and NDIS Commission about – • Updating data in the portals? • Seeking information about issues that arise? • Liaising with NDIS-related auditing bodies? • Submitting reports and data, such as reportable incidents, use of restrictive practices, financial reports, etc?	
If relevant, do you have specific systems for – • Ensuring that practitioners developing behaviour support plans are NDIS approved? • Obtaining appropriate authorisation for using restrictive practices, and other decision-making (if applicable)? • Lodging behaviour support plans? • Monthly reporting on use of restrictive practices, and when unauthorised restrictive practices occur? • Developing the skills of staff in positive behaviour support, to minimise and/ or eliminate the need for behaviour support plans?	

B. Ongoing improvement

Here are some suggestions to enhance systems for people and their capability –

Learning management system

There are extensive requirements under the NDIS Rules and Practice Standards for learning and development by staff, including - in some cases – for training relating to the particular customer being supported. NDIS providers should determine how they are going to meet these requirements in a cost effective way, having regard to the level of staff turnover. Learning and development might be provided online and through structured mentoring, as well as more traditional means such as workshops. Providers might also consider how they will assess that workers have the required competencies - which is more than whether the staff member has participated in training - and how these competencies will be maintained and assessed over time. A learning management system can include specialised software for the administration, assessment and reporting of learning and development.

Recruiting the right people

A useful saying is – *"Hire for culture, and train for skills"*. Many organisations have had the experience of hiring a highly skilled person, only to find that there are concerns with the person's attitudes and behaviours. If organisations have a clear vision about the culture they want to promote, this will shape all aspects of staff recruitment. For example –

- Selection criteria will emphasise the demonstration of values-based experience and knowledge

- The organisation will allocate resources to enable staff to learn necessary skills

- Advertising campaigns will target people with the desired values. Research is starting to show that traditional recruitment strategies (i.e. skills-based community wide advertisements) are more likely to result in higher staff turnover, poor staff retention rates, and more time spent on managing performance. When the values of staff are closely aligned with the organisation, staff are more likely to demonstrate commitment, loyalty, and work to achieve outcomes. One effective strategy to finding new staff is to utilise the networks of existing staff who share the organisation's values. Note that this approach may mean the organisation has to thoughtfully manage potential conflicts of interest.

Employing people with a disability

NDIS providers that actively seek to employ people with a disability have the potential to demonstrate their organisational values, and enhance the capability of the whole workforce. People with a disability have lived experience, and can provide specific insights into the way services and supports are provided, may enhance the organisation's reputation as a market leader, and build participants' trust and loyalty. It also creates opportunities for non-disabled staff to increase their understanding and skills, via buddy or mentor relationships.

However, NDIS providers should be careful to ensure that these staff have appropriate personalised support, or there is a risk that the approach is tokenistic. For example –

- Amending induction/ on-boarding process to accommodate the person's needs
- Modifying facilities to ensure physical access, and/ or purchasing specific equipment, such as accessible ICT
- Responding quickly to any incidents of discrimination, whether from inside of outside the organisation.

Self-managed teams

Organisations that look for innovative approaches have the potential to be more effective and efficient. To manage the risk of trying a new approach, these ideas can be piloted in one part of the organisation and then scaled up if proven to be effective.

One example is self-managed teams, where staff –
- Are free to define their own way of working
- Have 10-15 members
- Are responsible for their own results
- Create healthy peer competition
- Have a stake in organisational outcomes.

This model challenges organisations to remove bureaucracy and operational controls, and trust that staff teams will manage how their work occurs. There are many businesses world-wide that have adopted this approach, and are finding significant improvements in all performance measures. A link to more information can be found in the Resources section.

Links to NDS' resources via Workforce Wizard are in the Resources section of this guide.

7. Information and knowledge management

Information and knowledge management relates to the data that an organisation collects, develops, uses, stores and discloses.

A. Essential	Yes/ No/ Partly
Do you have systems to define and manage – • What information the organisation will/ won't collect, and how it is obtained? • Links between information gathering and its use with the organisation's vision and goals? • How staff are informed and updated about the organisation's processes for information and knowledge management? • Information that is public, and what is the organisation's intellectual property or commercial-in-confidence? • Who has authority to develop, approve, amend, distribute and delete key corporate documents?	
Do you use data to – • Analyse trends and patterns across all key activities and services? • Inform decision-making, and measure performance? • Enhance understanding about current and potential customers? • Identify areas for continuing improvement, and future organisational requirements? • Share across the organisation, and enhance the capability of staff and Board members?	
Is information stored and disclosed in ways that – • Have security protections, including ICT systems that are routinely backed up, and can only be accessed by authorised staff? • Is customer-related data organised so that staff have the information they need to support the customer safely and well, such as knowledge of the customer's goals, handover notes, medication information,and behaviour support plans? • Are the organisation's policies, procedures and forms current, reliable and easily accessible? • Comply with legislation to protect the privacy and confidentiality of customers and staf?	
Do you have systems to archive, and retrieve if necessary, old records (electronic and hard copy)?	
Do you have processes to identify and take action when information or knowledge is used inappropriately, such as breach of privacy, or exiting staff taking customers' records/ intellectual property?	

NDIS essentials – all of the above, plus...	
Do you have – • Policies and procedures that comply with the NDIS Commission's requirements for incident management (including reportable incidents), and complaint handling? • Systems to ensure reporting to the NDIA and NDIS Commission occurs within required timeframes? • Systems to collect and track key data relating to complaints, use of restricted practices, incidents and near misses? • Systems to cross-reference incidents that are also the subject of a complaint, and/ or work health and safety investigations?	

B. Ongoing improvement

Here are some suggestions for enhancing information and knowledge management -

Accessible information for staff

It can be a challenge to ensure key organisational information is easily found and used by staff. The information could be plans, policies and procedures, resources, templates and forms, reports, project records, etc. The method you use will depend on the size of the organisation and the effectiveness of the ICT infrastructure.

Small organisations may find it sufficient to place all key organisational documents in a central electronic folder that can be accessed by all staff. Sensitive documents may need specific authority to read and/ or change. If necessary, a set of hard copy documents could also be available – however it will be important to ensure that hard copies are the current approved versions.

Larger organisations will probably need to purchase more sophisticated document management systems that are integrated with ICT systems. However, some systems store information efficiently, but are hard for staff to navigate and find what they need. Some suggestions for enhancing information management systems are –

- Resist the temptation to develop many huge documents, with complex jargon and every possible scenario in each policy and procedure. Use plain English and list the key actions staff are expected to take, and in what circumstances they should seek further guidance. Include links to more detailed best practice resources. In some cases, a whole procedure could be a simple flow chart. Develop criteria to assess whether or not another policy/ procedure is necessary, as an existing resource may be sufficient, or a small amendment made to an existing policy.

- Information management systems can be very expensive to establish and maintain. Do your homework and identify your needs first. Visit sites where a particular system is being used, and/ or negotiate a free trial. Compare the upfront and ongoing costs associated with each system, and weigh these up with the long term objectives of the organisation. Consider what changes are needed so that the system aligns with your organisational requirements.

References

[i] United Nations Convention on the Rights of Persons with Disability - https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities.html

[ii] NDIS legislation, rules and policies - https://www.ndis.gov.au/about-us/governance/legislation

[iii] Queensland government's Principles of Good Customer Service - https://www.business.qld.gov.au/running-business/consumer-laws/customer-service/improving/principles

Resources

NDS resources

All NDS resources can be accessed at - https://www.nds.org.au/resources

Some resources are free for all NDIS providers, and some are for NDS members only. Resources include -

- Zero Tolerance – identifying and preventing abuse of people with disability

- People with Disability and Supported Decision-making Guide

- Quality and Safeguarding Process Guide

- AbleInsight – financial research

- Workforce Wizard – data

- Social Impact Measurement Tool

- Business Analysis Tool (this document)

Other resources

- Assessment of Quality of Life Tool covering the dimensions of Independent Living, Happiness, Mental Health, Coping, Relationships, Self Worth, Pain, Senses - https://www.aqol.com.au/index.php/aqolinstruments?id=58

- Business performance measures from the Victorian government – examples include financial, customer, internal business processes, and learning and innovation - https://www.business.vic.gov.au/marketing-and-sales/growth-innovation-and-measurement/measuring-for-success

- Mental Health Coordinating Council's Recovery Oriented Services Self-Assessment Tool - http://www.mhcc.org.au/resource/recovery-oriented-service-self-assessment-toolkit-rossat/

- MHCC resource for people with mental health conditions to navigate the NDIS - http://reimagine.today/

- Purpose at Work – information for managers to thrive in the workplace - https://purposeatwork.com.au/

- Corporate Rebels has various resources, including self-managed teams - https://corporate-rebels.com/

- Social Ventures has various resources - https://www.socialventures.com.au/

ATTACHMENT A

Financial Ratios

Using the previous financial year's Profit and Loss Statement, and Balance Sheet, complete the following calculation tools. The information can then be used to track and inform key aspects of the business.

The Cash Ratio, and Quick Ratio are from AbleInsight's *Sector Summary Report*. All other ratios are from NDS' *Provider Toolkit – Financial Ratios*.

Disability Revenue Concentration Ratio

This ratio reflects the impact of the NDIS on your business. The higher the ratio, the greater the impact. Disability revenue refers to all sources for NDIS supports.

Disability Revenue Concentration Ratio = Total disability revenue / Total revenue

Liquidity Ratios

These ratios define the cash available for future expenditure, and are useful for organisations that handle payments in arrears or experience payment delays.

a. Current Ratio

This ratio explains the organisation's ability to meet financial commitments in the next 12 months. A ratio of less than 1.5 is concerning. A ratio of less than 1 indicates that organisation may be trading while insolvent, and should seek accounting and legal advice. However, a very high ratio may indicate that operating accounts have idle funds, or that the organisation has a conservative approach to financial risk.

Current Ratio = Current assets / Current liabilities (including unexpended funds

b. Cash Ratio

This ratio can be used as an alternative to the Current Ratio (above). It shows the degree to which liquid assets can cover current liabilities. A ratio of 1:1 means that assets and liabilities are equivalent. A ratio of higher than 1:1 shows a greater ability to meet financial obligations

Cash ratio = (Cash + cash equivalents) / Current liabilities

c. Quick Ratio

This ratio is a broad indicators about the ability to pay bills on time. A ratio higher than 1:1 means the organisation can meet financial obligations with cash on hand. A lower ratio than 1:1 means the organisation may need to rely on other assets to pay short-term liabilities

Quick Ratio = (current assets - inventories) / current liabilities

d. Months of Spending Ratios

This ratio explains the number of months of cash currently available to cover expenditure. Usually, three months or more is preferable. However, organisations can operate with less than this.

Months of Spending Ratio = 12 x (Current assets – Current liabilities) / (Total expenses - Depreciation)

e. Debt Ratio

This ratio explains the extent to which assets are funded by debt. The preferred score is low – approaching 0.00. A higher result may indicate the organisation is having difficulty servicing its debts.

Debt Ratio = Total liabilities / Total assets

Sustainability Ratios

a. Profit/ Surplus Margin Ratio

This ratio explains the rate at which your organisation is building profit for its reserves. Calculate the ratios for the most recent financial year, and the previous year. The preferred result is that both ratios are a positive number: NDIA has stated that in its view, it is legitimate for organisations to aim for a 5% profit ratio. An organisation with regular negative numbers is relying on its reserves and is unlikely to be viable in the long term. Boards may decide to set a target ratio to improve its financial sustainability.

Profit/ Surplus Margin Ratio = (Total revenue – Capital grants – Total expenses) / Total revenue – Capital grants

b. Return on Assets Ratio

This ratio measures an organisation's effectiveness in managing assets to generate surplus/ profit, and indicates efficiency. This result should be higher than the rate of inflation in order to maintain the real value of net assets.

Return on Assets Ratio = (Total revenue – Total expenses) / Total assets

NOTES