

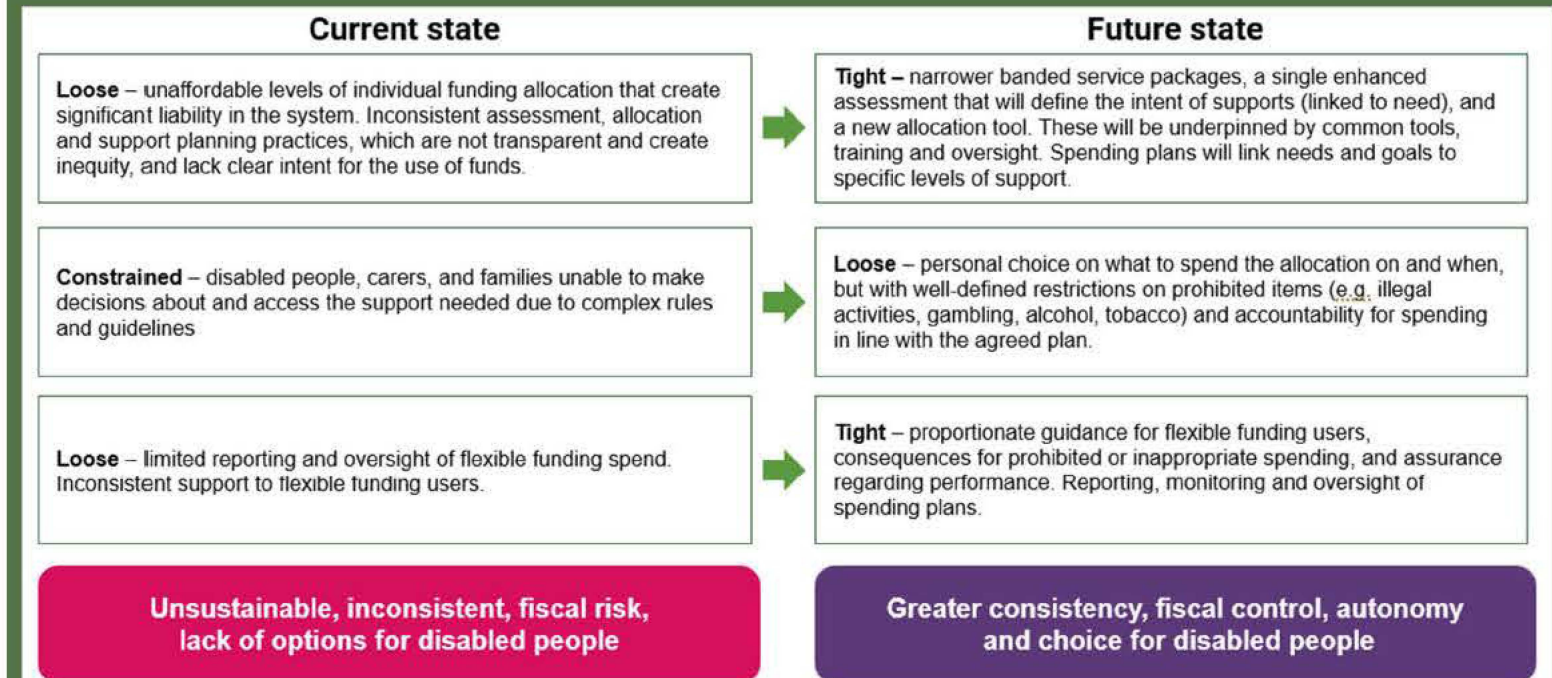
Appendix 3: Summary of changes and impact on DSS users, fiscal control and delivery of public services

1 We are taking action to stabilise Disability Support Services (DSS)

- In early 2024, we had to take urgent action to address the financial sustainability of DSS.
 - There's a long pattern of cost growth: more people are using DSS, their needs are more complex, and the costs of services are rising.
 - There's also been a pattern of poor financial management. This is now being addressed, and we're making significant improvements.
 - Allocations to DSS users exceed available funding. This is a liability / sustainability issue and creates uncertainty for DSS users.
- The 2024 Independent Review into the sustainability of DSS recommended:
 - Recommendation 5: update the assessment and allocation settings for individuals based on level of need
 - Recommendation 6: establish criteria for access to flexible funding and review the flexible funding guidelines to improve clarity and consistency.
- In February–March 2025, over 1,800 members of the disability community took part in options consultation on assessments and flexible funding.

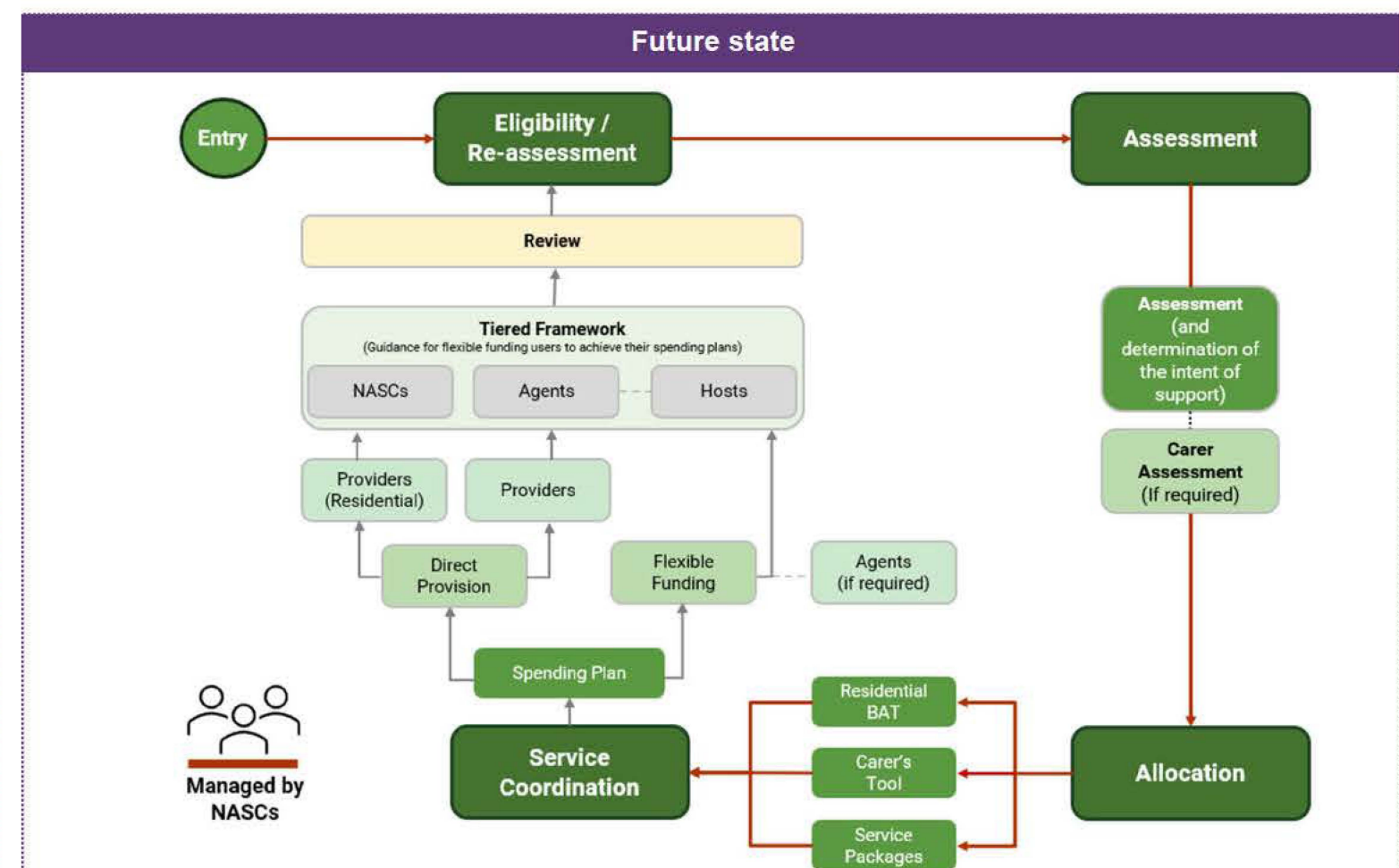
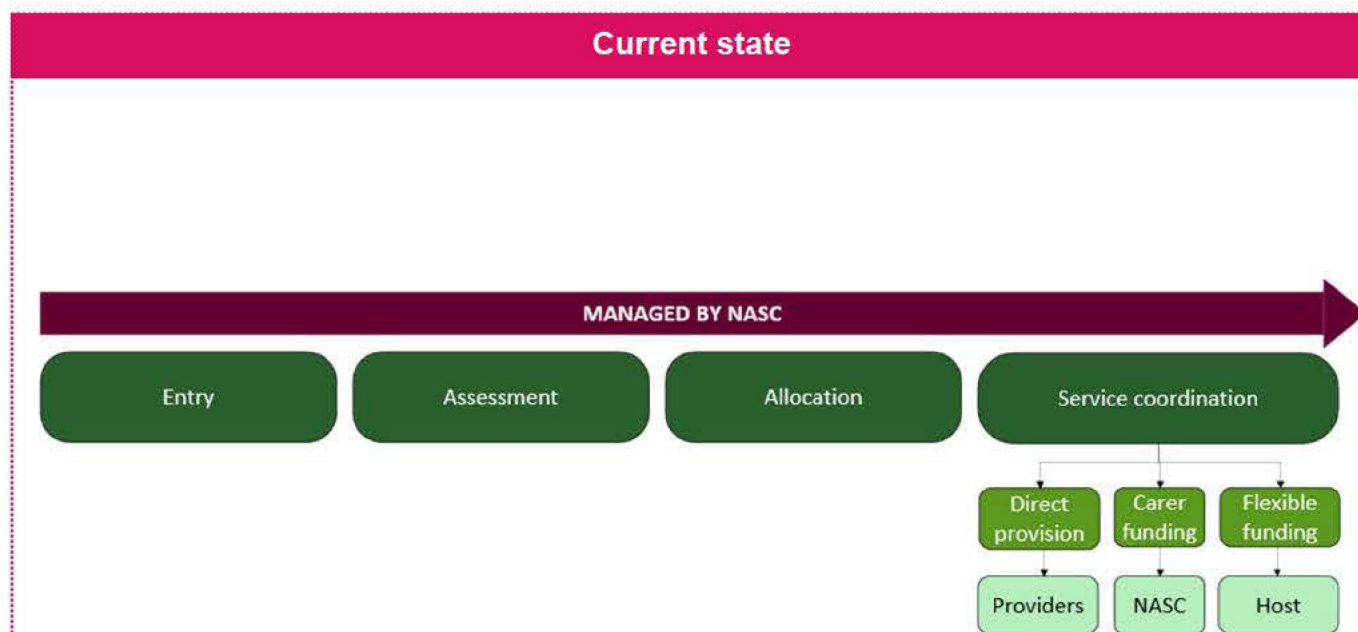
2 The next step is to introduce a “tight loose tight” approach in NASC regions

- The current challenges with assessments, allocations and flexible funding mean that disabled people may not be able to access the support they require, and the system struggles to track, predict, or manage spending.



3 The new approach will reset the DSS operating model

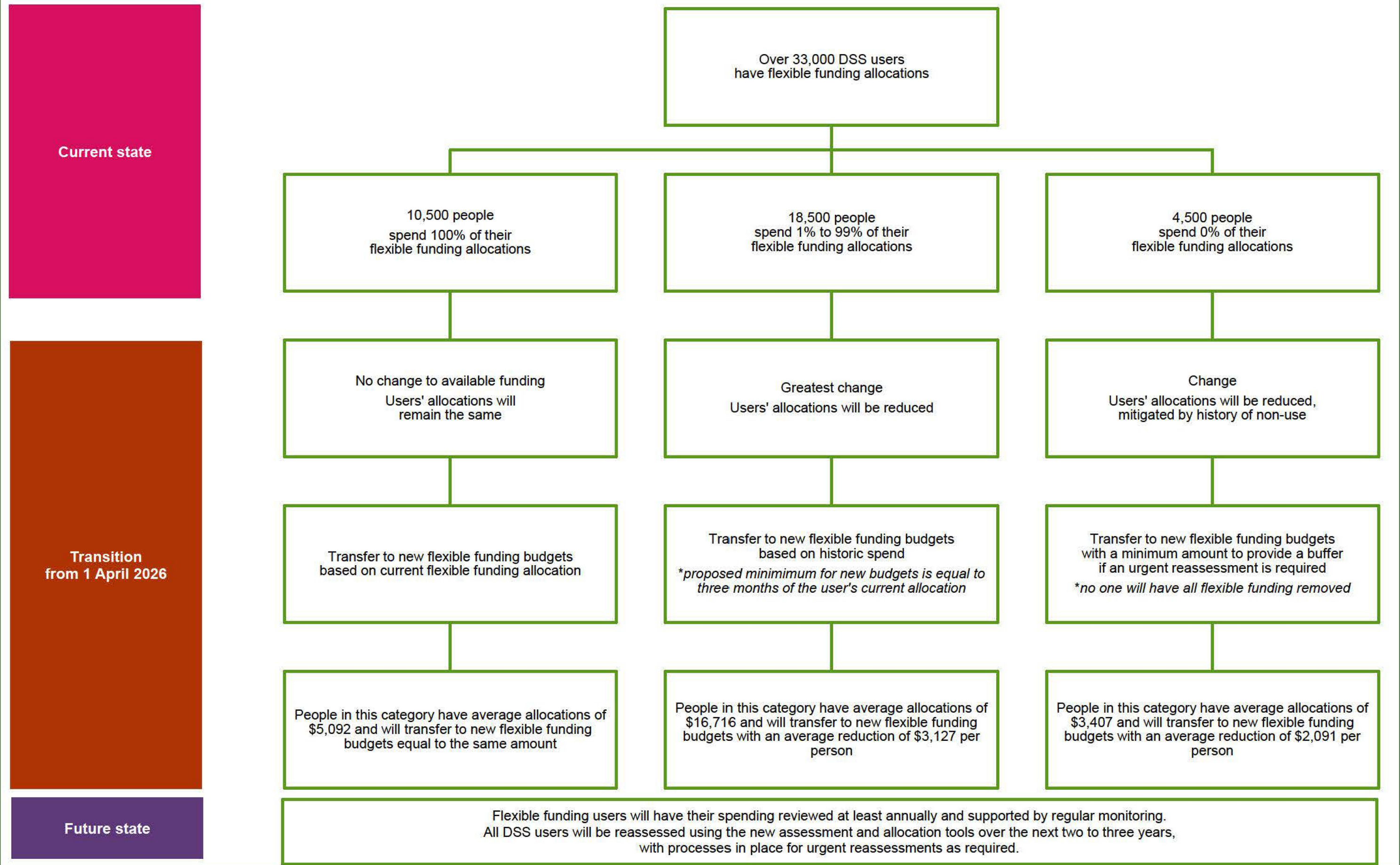
The current operating model is simple in theory but more complicated in practice. The new model will be clearer, more consistent and recognise the diverse needs of DSS users






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We will transition flexible funding users to tighter funding allocations that reflect historic spend

Allocations to DSS users exceed available funding. This is a liability / sustainability issue and creates uncertainty for DSS users. We cannot relax flexible funding rules without affordable funding allocations.



The tight loose tight approach includes changes that will help improve the user experience, fiscal control and delivery of public services

Elements of change	Improved user experience 	Improved fiscal control 	Improved delivery of public services 
Assessment processes DSS users say the current assessment process is stressful, confusing, and doesn't reflect their actual needs. They want the assessment process to be easier, consistent and streamlined. Many people in the disability community support a specific needs assessment for family/carers, but opinions differ on how that should be done.	<ul style="list-style-type: none"> • Directly responds to feedback. • Consistent, accessible, and upfront information about the process, what to expect and how they can prepare. • A three-part process that is tailored to individual needs. • Recognition that families and carers require support in order to continue to meet the disabled person's disability needs. 	<ul style="list-style-type: none"> • Reinstate the link between level of need and allocation. 	<ul style="list-style-type: none"> • A single, consistent approach for all NASCs, supported by national guidelines, quality standards and eligibility criteria. • More consistent data capture and reporting through common tools, alongside better oversight of NASCs, which will deliver better data to support decision-making. • Proportionate reassessments. • Improved monitoring of NASC performance.
Allocations Allocations to DSS users exceed available funding. Many DSS users don't know how funding is allocated, including how much their flexible funding allocation is.	<ul style="list-style-type: none"> • Ability to access a decision-making framework means that users can understand how decisions are made. • Users will receive clear communications on the impact of this proposal on their allocations and how the transfer will be implemented. 	<ul style="list-style-type: none"> • Allocations for new users will be affordable. • Allocations for current DSS users will be made affordable over time. Current DSS users with flexible funding will have the flexible funding portions of their allocations reduced to affordable levels based on historic spend, and all DSS users will be reassessed over the next two to three years based on the new tool. • The allocation tool will be reviewed and updated regularly. 	<ul style="list-style-type: none"> • Support users to manage allocations appropriately to achieve outcomes. • Consistent processes and data capture will enable effective evaluation at a system-level, in addition to improved monitoring of NASC performance. • Regular updates will ensure that allocation process remains fit for purpose.
Spending plans Many DSS users don't know what their DSS funding is for, or how they can use it.	<ul style="list-style-type: none"> • Clarity of the purpose of DSS funding. This enables the user to have increased choice and control over the supports and services that work for them and their family, including whether they wish to receive direct service provision or flexible funding. • Guided discussion on priorities for an individual user. 	<ul style="list-style-type: none"> • Improved cohesiveness between the purpose of the appropriation at a system-level and the purpose of funding allocated to an individual user. 	<ul style="list-style-type: none"> • Assurance that DSS funding has been used consistently with the intent of support. • Consistent approach that is flexible for the individual DSS user. This provides assurance that the purposes of funding at a system-level flows to the intent of funding at an individual level.
Flexible funding: allow all spending that aligns with the user's spending plan Many DSS users support a plan-based approach to managing flexible funding. It is standard practice to prohibit spending of public monies on things like illegal activities, alcohol, tobacco, personal income, and gambling.	<ul style="list-style-type: none"> • Directly responds to feedback from the community. • DSS users will be able to make spending decisions that they consider best supports them in line with their spending plan; they will have choice and control in making trade-offs from their capped flexible funding allocation. 	<ul style="list-style-type: none"> • Moving to affordable allocations means that DSS will no longer rely on flexible funding users being unable to spend their full allocation to stay within the fiscal envelope. 	<ul style="list-style-type: none"> • Increasing flexibility and choice and control enables users to invest in the services and supports that will have the greatest impact. Alongside other changes, this will enable us to learn what works for different groups over time.
Flexible funding: tiered framework to provide levels of guidance to DSS users to manage their flexible funding to achieve their plan DSS users say that flexible funding is very valuable, but it's currently difficult to use. While it's meant to offer choice and control, many people feel anxious or confused about how to access and manage it.	<ul style="list-style-type: none"> • Proportionate service intensification. • DSS users will be guided on how they can use flexible funding and manage the obligations that come with purchasing services or being an employer. • Some DSS users may not wish to have the administrative burden of flexible funding or may require a safe learning environment. Others may not have decision-making capacity. 	<ul style="list-style-type: none"> • Tiered framework helps mitigate the risks of misuse or abuse of funds. • Confidence that allocations are affordable. 	<ul style="list-style-type: none"> • Creates more accountability for users, particularly those who are new to flexible funding or those that have had difficulty aligning spending with their priorities in their spending plans.
Flexible funding: oversight DSS users acknowledged that the use of public monies comes with oversight requirements.	<ul style="list-style-type: none"> • Regular review includes discussion of whether someone is receiving the appropriate level of tiered framework, or ready to take more control. 	<ul style="list-style-type: none"> • Improves rigour. • Increases the link between current user-need and service provision. 	<ul style="list-style-type: none"> • Improves link between the use of flexible funding and future allocations. • Improves data collection.