

Mandatory Registration of Platform Providers

Industry Forum Discussion StarterDefining Platform Providers

Forum 1 of 3 – February 2025



Introduction

The NDIS Commission has completed three NDIS Commissioner-initiated Own Motion Inquiries (OMIs) into Aspects of Supported Accommodation, Support Coordination and Plan Management, and Platform Providers.

These Inquiries identified these supports and services require closer regulatory oversight. The OMI into how Platform Providers Operate in the NDIS Market found that Platform Providers offer people with disability a high degree of choice and control. NDIS participants were clear in communicating Platform Providers need to stay in their NDIS market. It was also apparent that more needed to be done to improve service quality, safety and make clear the risks, rights and responsibilities of NDIS participants, Platform Providers and those providing direct supports and services.

The NDIS Registration and Workforce Taskforce recommended these supports be registered. Following the release of the Taskforce's advice, on 16 September 2024, the former Minister for Government Services and the NDIS, the Hon Bill Shorten MP, announced that mandatory registration of all Platform Providers is a priority (as well as providers delivering support coordinators and Supported Independent Living (SIL) services).

The NDIS Commissioner commenced consultation on the mandatory registration of Platform Providers in October 2024 and consultation formally closes on 7 March 2025. In the context of consultation, there are two certainties. The first is that Platform Providers will be required to be registered with the NDIS Commission. The second is that no changes or transition to mandatory registration will happen before 1 July 2025. How Platform Providers are defined and what the transition to registration should look like for Platform Providers is open for consultation.

Our Approach to Consultation

The NDIS Commission has commenced consultation on mandatory registration of platform providers. We are engaging through several methods, including:

- A Consultation Paper describing the issues we are considering in relation to mandatory registration of platform providers, and inviting feedback from the public on these issues;
- An online survey and invitation for written submissions from workers and NDIS participants about mandatory registration of platform providers;
- Targeted consultation through focus groups with NDIS participants to receive their views and input into the mandatory registration process;
- A Platform Provider Industry Consultative Forum to facilitate dialogue between the NDIS
 Commission, Platform Providers, and other Government agencies. It will help to gather insights
 on registration requirements, challenges and opportunities, and consult on key issues around
 mandatory registration, service quality and participant safety.

The Platform Provider Industry Consultative Forum

On 8 October 2024, the then-Acting NDIS Commissioner, Michael Phelan APM, published <u>an open letter to NDIS platform providers</u>. As part of this letter, the Acting Commissioner highlighted additional regulatory actions that the NDIS Commission was considering for NDIS platform providers, including the creation of a Platform Provider Industry Group.

You have been invited to participate in the Platform Provider Industry Consultative Forum to work with the NDIS Commission over the next three months with a focus on the mandatory registration of Platform Providers.

Over three sessions we will cover the following topics:



consultation@ndiscommission.gov.au

This paper supports Session 1. Further information packs will be developed and provided to support Sessions 2 and 3.

Defining Platform Providers

How we are approaching a definition for platforms

The NDIS does not have a standard definition for Platform Provider. In the Inquiry, we defined Platform Providers as an NDIS provider that "uses a profile-based platform... to connect participants with workers to deliver NDIS supports." We think this definition is a good starting point, but we can do better. We set out some of our initial thinking around the definition of platform providers in our consultation paper on mandatory registration of platform providers, including what other definitions we had looked at, and key issues we had identified. This discussion paper provides additional detail on our thinking to help facilitate discussion in the Industry Forum.

Core Principles

A good definition helps explain how a law or rule works. It should not be too complicated or try to add new things to a law, just help to understand it and make the law more readable (<u>NSW</u> <u>Parliamentary Counsel's Office, 2017</u>).

As the regulator of the NDIS, we also want our definition to support us to regulate the NDIS market. This means the definition should give everyone in the market, whether they are a participant, provider or worker, clear guidance about who mandatory registration applies to. Therefore, our approach to defining platforms is guided by several key principles to help shape our thinking about what a good definition is:

- Certainty the approach to defining platforms gives everyone certainty about who is included.
- **Adaptability** the definition is flexible enough to capture new and emerging forms of platform providers.
- Clear Expectations Platforms, the providers on platforms, and the workforce that use platforms are clear on what regulation each is subject to. This also means that examples of good practice by platforms can be highlighted, and that participants would have a better understanding of what platform providers are responsible for.
- **Consistency** the definition builds on similar approaches taken by other regulators in Australia, but is distinct where appropriate for the NDIS market.

Characteristics of Platform Definitions

We have started to look at how online platforms are defined and described in other contexts. There are many different types of digital platform across a range of sectors, including food delivery, accommodation services, aged care, social media and more. We have examined these in more detail, and highlighted some of their shared characteristics, in **Attachment A**. While the exact wording of regulations for these sectors may not be relevant to the NDIS, they provide useful ideas and context for how to approach defining platform providers in the NDIS.

From the examples we have examined, we have identified some key characteristics that make up definitions in other sectors:

- **Describes the platform itself** using different language to identify the different technologies used to operate a platform (e.g. an app, website, system etc).
- **Function of a platform provider** identifying the service that platforms provide to their users. This is framed in different ways (e.g. arrange or allocate service provision; facilitate service delivery; act as an intermediary etc).
- Payment functions and associated entities noting that platform providers include associated functions, such as payment providers and associated entities delivering services linked to the platform.
- Linkage to a market limiting the scope of the definition to the market or end users that utilise the platform provider's services (e.g. NDIS providers / NDIS supports; services in the Commonwealth aged care system etc).
- **Inclusion of workforce** including the platform provider workforce as part of the platform or separately defining the workforce to allow for distinct rules.
- **Designation of providers** giving the regulator the ability to name individual providers, or classes of providers, as meeting the definition of a platform provider.

Questions for discussion

- 1. Which characteristics are the most important to include in a definition of platform providers?
- 2. What other characteristics should we consider when defining platform providers?
- 3. What characteristics may need to change once we have established the obligations platform providers will be subject to?

Options for approaching the definition of an NDIS Platform Provider

We are considering several options for how we will approach defining platform providers. These options each have distinct benefits and risks and are based on approaches taken in the NDIS or other sectors. These options are also not mutually exclusive, and we welcome new or different approaches that we have not identified. The best approach may be one that combines elements of all of the options below or may be something completely different.

The four options currently being considered for an approach to defining platforms are:

Option 1 – The Own Motion Inquiry Approach

Option	Key Features	Considerations
Use the definition from our Own Motion Inquiry [A]n NDIS provider (including registered and unregistered providers) that uses a profile-based platform (for example an app or website where participants and workers create a "profile") to connect participants with workers to deliver NDIS supports. Based on: definition of Platform Providers, page 6, OMI into Platform Providers.	 Identifies market affected (NDIS provider) Describes platform (app or website, creating a profile) Function of platform (to connect participants with workers to deliver NDIS supports) 	 Simple and already widely used (e.g. DRC and NDIS Registration Taskforce both cite) Subject to changes to the meaning of 'NDIS provider' after upcoming consultations Use of 'worker' terminology may exclude some providers who use other arrangements

Option 2 – The Aged Care Approach

Option	Key Features	Considerations
Use an adapted version of the definition from the new Aged Care Act An aged care digital platform means an online enabled application, website or system operated to facilitate the delivery of services in the Commonwealth aged care system (whether funded aged care services or not) Based on: definition of 'Aged Care Digital Platform', s 187 Aged Care Act 2024.	 Identifies market affected (services in the Commonwealth aged care system) Describes platform (application, website or system) Function of platform (facilitate the delivery of services; acts as an intermediary) Payment functions (includes associated entities or contracted ones) Able to designate providers (or classes or providers) through regulation 	 Promotes consistency across care and support sector Widely consulted on as part of the recent development of the Act Need clear means of specifying the NDIS market (e.g. NDIS supports; NDIS providers etc) May not align with the expectations of participants about platform obligations following the OMI

Option 3 – The Fair Work Approach

Option	Key Features	Considerations
Use the concepts in the Fair Work Act to define platforms and platform workers. [A]n online enabled application, website or system operated to arrange, allocate or facilitate the provision of labour services Based on: definitions of 'Digital Labour Platform', 'Digital Labour Platform Operator' and 'Employee-like worker', ss 15L, 15M and 15P Fair Work Act 2009.	 Describes platform (online enabled application, website or system) Function of platform (arrange, allocate or facilitate service provision) Inclusion of workforce (separate definition of 'employee-like worker'*) Payment functions (includes associated entities or contracted ones) Able to designate providers (or classes or providers) through regulation 	 More complex with a number of concepts to adapt Enables consideration of different types of workers, including employee-like workers Enables the workforce to be given specific requirements distinct from platforms Scope is broad and would need to be narrowed to NDIS market only

Option 4 – The Designation Approach

Option	Key Features	Considerations
Use a general definition and use regulation to specify individual providers or classes of provider. [Exact drafting has not been confirmed – in the NDIS context, this involves a general definition, identifying providers that are likely to meet it, and giving providers a set amount of notice ahead of formally designating them in the rules] Based on: loosely based on proposed approach to designating digital platforms in the proposed Australian Digital Competition Regime, p 6-17, Treasury Consultation Paper.	 Able to designate providers (or classes or providers) through regulation Able to distinguish between different classes of support (e.g. marketplaces versus intermediaries) 	 Offers more certainty for all stakeholders about who is captured Notification process could be used to give clear timelines for obligations Could only nominate providers that met the definition criteria (e.g. delivered an NDIS support) Limits ability to quickly introduce regulatory changes if concerns are raised about new providers

Questions for discussion

- 4. Consider the 4 potential approaches. How would these options impact the operation of platform providers?
- 5. What other ways could we approach defining platforms?

Issues to consider when defining platforms

The common characteristics above represent a starting point for the details we could include in an NDIS-specific definition. However, the NDIS market and regulatory framework provides some unique issues including:

- Registration in the current framework mandatory registration of platform providers will occur under the current registration framework, without changes to the Act. This means that we will be seeking a rule change to extend mandatory registration to platform providers, introducing a class of support based on the list of supports funded under the NDIS.
 - For this purpose, we consider platform providers as providers delivering services assisting
 participants to connect with informal community and funded supports, particularly
 'connecting with providers and mainstream services,' under Item 33(c) of Schedule 1 of the
 National Disability Insurance Scheme (Getting the NDIS Back on Track No. 1) (NDIS Supports)

<u>Transitional Rules 2024</u>. This will help inform the way we describe the function of a platform provider in our definition.

- **Distinguishing the workforce and providers on platforms** we are considering whether the workforce and providers that use platforms should have the same, or distinct, obligations.
- **Scope of platforms covered** some platforms offer marketplace-like services, while others go as far as offering formal plan management. Our definition should be flexible enough to cover these services in their different forms, without accidentally capturing unintended service providers.
- Mutual recognition many platform providers operate across other care and support sectors, including aged care. Our definition could include scope for recognition of similar registrations, though whether our obligations will be equivalent is still to be determined.
- Threshold questions and accommodating new entries some sectors have approached defining platforms using more objective metrics (e.g. turnover, user numbers etc). Using a similar approach could enable a clear transition for new entrants into more regulation as they grow, but may also limit regulatory oversight of developing providers.

Questions for discussion

- 6. How should the workforce be treated in these approaches? Should they have the same obligations as the platforms they list on, distinct ones, or maintain the status quo (the Code of Conduct)?
- 7. Are there any other issues or challenges that we should consider when defining platform providers?

Next Steps

Following the Industry Forum, we will consider the feedback we have received from the Forum and begin developing a proposal for a definition.

We invite forum members to provide any further feedback in writing to our consultation email address – consultation@ndiscommission.gov.au. This feedback will be considered as part of our proposal development.

We also invite members of the forum to share the ongoing public survey and call for submissions with their users and stakeholders. This survey will inform the development of this definition and the obligations being considered for platform providers. Having an effective, representative sample of platform users is vital to ensuring our approach targets the right issues. Public submissions and surveys close on 7 March 2025.

Our next forum is scheduled for **27th March**. This session will discuss the potential obligations to be applied to platform providers as part of mandatory registration.



Attachment A – Platform Provider definitions across different sectors

Table 1. Examples of regulations defining platforms

Sector	Key Features
Own Motion Inquiry into how Platform Providers operate in the NDIS Market [A]n NDIS provider (including registered and unregistered providers) that uses a profile-based platform (for example an app or website where participants and workers create a "profile") to connect participants with workers to deliver NDIS supports.	 Identifies market affected (NDIS provider) Describes platform (app or website, creating a profile) Function of platform (to connect participants with workers to deliver NDIS supports)
NDIS Review In the NDIS context, this is a digital service which connects people with disability to service providers and workers.	 Identifies market affected (NDIS context) Describes platform (digital service) Function of platform (connects PWD to service providers and workers)

Sector	Key Features
Fair Work Act [A]n online enabled application, website or system operated to arrange, allocate or facilitate the provision of labour services	 Describes platform (online enabled application, website or system) Function of platform (arrange, allocate or facilitate service provision) Inclusion of workforce (separate definition of 'employee-like worker'*) Payment functions (includes associated entities or contracted ones) Able to designate providers (or classes or providers) through regulation
Aged Care An aged care digital platform means an online enabled application, website or system operated to facilitate the delivery of services in the Commonwealth aged care system (whether funded aged care services or not), where: (a) the operator of the application, website or system acts as an intermediary for entities seeking to access those services who interact with entities providing the services via the application, website or system; and	 Identifies market affected (services in the Commonwealth aged care system) Describes platform (application, website or system) Function of platform (facilitate the delivery of services; acts as an intermediary) Payment functions (includes associated entities or contracted ones) Able to designate providers (or classes or providers) through regulation

Sector	Key Features
Taxation A service (including a website, internet portal, gateway, store or marketplace) is an electronic distribution platform if: (a) the service allows entities to make supplies available to end-users; and (b) the service is delivered by means of *electronic communication; and (c) any of the supplies that are *inbound intangible consumer supplies are to be made by means of electronic communication.	 (Partially)-identifies market affected (supplies; inbound intangible consumer supplies) Describes platform (website, internet portal, gateway, store or marketplace; 'delivered by means of electronic communication) Function of platform (allows entities to make supplies available to end users)
Online Safety (a) an electronic service that satisfies the following conditions: (i) the sole purpose, or a significant purpose, of the service is to enable online social interaction between 2 or more end-users; (ii) the service allows end-users to link to, or interact with, some or all of the other end-users; (iii) the service allows end-users to post material on the service; (iv) such other conditions (if any) as are set out in the legislative rules;	 Describes platform (an electronic service*) Function of platform (purpose of the service is to enable online social interaction) Able to designate providers (or classes or providers) through regulation

Sector	Key Features
Digital Competition (European Union) (2) 'core platform service' means online intermediation services; online search engines	 Describes platform (classes including 'online intermediation services'*, 'online search engines'* etc) Function of platform (allow business users to offer goods or services to consumers) Able to designate providers (or classes or providers) through
(2) 'online intermediation services' means services which meet all of the following requirements(b) they allow business users to offer goods or services to consumers, with a view to facilitating the initiating of direct transactions between those business users and consumers, irrespective of where those transactions are ultimately concluded;	 Financial / number of user thresholds (in the last financial year had at least 45 million monthly active end users) Geographical requirement (located in the Union)

 $[\]ensuremath{^{*}}$ Indicates the term is defined separately in legislation or a rule.