

## Joint Statement:

# Pricing for a sustainable quality driven sector

The 2023-2024 Annual Pricing Review comes at a critical time for National Disability Insurance Scheme (NDIS) participants and providers. The provider sector is as diverse as the people with disability it supports. As sector peak bodies, our members are large and small, registered and unregistered, delivering services across all of Australia, or in their local communities. They provide essential supports that people with disability rely on every day, to remain healthy and actively participate in their communities.

We are appalled by reports of providers rorting participants and the system. There is no place for these providers in our sector. A healthy, thriving and vibrant disability sector is one that is made up of providers who are committed to putting participants first and focussed on delivering high quality supports.

However, providers of quality and responsive services are at breaking point. Providers are reporting their worst financial year ever. More organisations are running a deficit and far fewer are breaking even. Financial reserves often built up over decades with the support of local communities are dwindling as providers struggle to make ends meet. More providers are concerned that they will not be able to provide support at current NDIS prices.

The 2023-24 Annual Pricing Review is an opportunity to establish prices that ensure security and continuity of supports for participants, incentivise quality and link to the objectives of the NDIS.

Benchmarking illustrates the increasing gap between current pricing and the true cost of delivering quality disability support that cannot continue to be ignored. As observed by the Royal Commission “there is a disconnect between the Australian Government’s position [on pricing] and the experience of those working in the disability sector” (Royal Commission, Volume 10, pg: 207).

We call on the NDIA and government to take urgent and immediate action to increase pricing across the sector. Wage increases and CPI along with overhead costs such as workers compensation and general insurance, non-billable training and costs of compliance for registered providers must all be recognised.

## 1. Pricing must support sector sustainability

Rent, interest rates, workers compensation and insurances have all increased over the past 12 months. Wages need to keep pace with cost-of-living increases. Therapy and intermediary supports - support coordination and plan management - have received no increase for four years.

**Action:** CPI and wage inflation must be passed on in full across all supports.

## 2. Pricing must send a message to providers to stay the course and invest in the future

While we work toward transitioning to the NDIS that participants deserve and the provider sector want, we need quality providers to remain in the sector, delivering high quality support.

The disability workforce is under stress, burnout and staff turnover are on the rise. Providers are reporting significant difficulties in attracting and retaining quality workers. Workers in the disability sector are skilled and capable of working in other sectors like aged care, allied health, case management and rehabilitation where wages are significantly higher.

Pricing must recognise the actual costs of operating including wage related and non-wage related costs. Failing to adequately recognise costs such as overheads is a false economy and impacts investment in training, supervision infrastructure and overall sector resilience.

**Action:** Increase prices across disability support worker, therapy and intermediary supports by at least 10 per cent.

Intermediary providers should receive an additional increase to ensure continuity of support while government are considering the wide-reaching recommendations made by the NDIS Review for these supports.

## 3. Pricing must drive quality not just numbers

NDIS registration brings additional external scrutiny and obligations. Pricing needs to recognise the additional costs of investment and commitment to meeting all the additional safeguarding measures of registration.

Pricing must also support those providers who work with NDIS participants with complex support needs.

**Action:** Implement a registered provider supplement paid outside of participant plans to ensure that participants using registered providers are not disadvantaged.

## 4. A new approach to pricing is needed

The current pricing approach is flawed. Where cost modelling exists, underpinning assumptions are either unreliable or not transparent.

**Action:** An independent pricing approach must be implemented that provides fairer, best practice pricing in the NDIS. A scheme of this size and importance deserves no less.

## 5. The sector needs support to respond to the multiple reforms expected over the next five years

Beyond 2024–25 pricing, the sector needs resources to respond to and implement NDIS reforms and continue to support the rights and inclusion of people with disability.

**Action:** We all want to the NDIS to reach its potential, to continue to change the lives of people with disability, but we want it to be better. Funding for transformation is needed to support the wholesale structural adjustments that the sector will undergo.