



Submission: Federal Budget 2023-2024

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About National Disability Services

National Disability Services (NDS) is Australia's peak body for non-government disability service organisations, representing more than 1000 non-government service providers. Collectively, NDS members operate several thousand services for Australians with all types of disability. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Commonwealth governments. We have a diverse and vibrant membership, comprised of small, medium and larger service providers, supporting thousands of people with disability. Our members collectively provide a full range of disability services, from supported independent living and specialist disability accommodation, respite and therapy, to community access and employment. NDS is committed to improving the disability service system to ensure it better supports people with disability, their families and carers, as well as supports building a more inclusive community.

Executive summary

National Disability Services' Vision is for an inclusive Australia where all people with disability live safely and equitably.

We welcome the opportunity to make this submission to the 2023-24 Federal Budget. This submission builds on NDS's submission to the 2022-23 October Federal Budget and draws on the latest evidence emerging from disability providers about the key challenges and opportunities for this critical sector of our community. A copy of NDS's State of the Disability Sector 2022 report is attached for reference.

This submission is also made against a backdrop of significant reform underway in the disability sector, with the final report from the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (or 'Disability Royal Commission') due in September 2023 and the National Disability Insurance Scheme (NDIS) Independent Review Panel due to report in October 2023. These major reform agendas, alongside growing economic challenges that have been exacerbated by COVID-19, sees the disability services sector cautiously optimistic about the future whilst still grappling with significant and long-term challenges.

The 2023-24 Federal Budget comes at a critical time to coordinate reforms in the disability sector and work with all stakeholders, including providers, to ensure the sector remains viable and can deliver vital services now and into the future.

Addressing workforce issues, increasing employment opportunities for people with disabilities, supporting the quality and safety of disability services, continued investment in the NDIS and preparing the sector to respond proactively to future reforms, will not only drive positive outcomes for Australians with disabilities but assist the disability sector to realise its full potential to be a significant contributor to our economic recovery and future prosperity.

NDS calls on the Government to:

1. Develop and fund a Workforce Strategy focussed on attraction, retention and enhancing capacity for the disability sector in the long term.
2. Partner with NDS on national projects to increase entry pathways for job seekers to the disability sector and encourage labour force participation from cohorts not currently in the workforce.
3. Reduce administrative and other barriers to recruiting new entrants to the disability sector.
4. Implement policies to ensure Australia retains a skilled and capable workforce to meet the needs of people with disability.
5. Implement a model similar to the Commonwealth Government's Indigenous Procurement Policy (IPP) to stimulate investment in organisations that employ people with disability, particularly Disability Social Enterprises.
6. Introduce measures to encourage and incentivise the employment of people with disabilities.
7. Remove existing financial disincentives for people with disabilities to enter and

remain in the workforce, including extending the pensioner work bonus to people receiving DSP who are in work and reviewing policies at all levels of government that create a negative financial impact on people with disabilities in employment.

8. Ensure resources enable worker screening for all workers supporting NDIS participants and for high risk supports to be delivered by registered providers.
9. Invest in NDS's Zero Tolerance initiatives to prevent violence, abuse, neglect and exploitation of people with disability.
10. Invest in provider engagement and education to support positive health outcomes for people with disability.
11. Review data sharing regarding restrictive practices to improve the safety of all NDIS participants subject to restrictive practices and reduce the burden of duplicative reporting.
12. Extend NDS's successful Risk, Incidents and Complaints Management project to support more providers to implement a well-managed risk, incidents and complaints system to help drive safer and good quality outcomes for people with disability and meet the regulatory requirements of the NDIS Commission.
13. Enhance the quality and safety of disability support services by equipping the sector to respond proactively and progressively to the recommendations arising out of the Disability Royal Commission.
14. Ensure that findings and recommendations from the Disability Royal Commission are considered and where required supported and funded in the development of disability workforce strategies.
15. Ensure access to a range of employment supports and options that take account of the career aspirations, individual choices and training and development needs of people with disabilities. This includes recognising the Disability Social Enterprise employment model as an ongoing, legitimate option for people with more severe and profound disabilities.
16. Ensure that the NDIS delivers on its vision by establishing fair and transparent pricing mechanisms that are fit for purpose and support positive participant outcomes.
17. Fund NDS to undertake peak body activities of benefit to government.

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About our sector

One in six or about 4.4 million Australians have a disability.¹ People with disability come from all walks of life. It is a rich and diverse community of individuals making an important contribution to Australian society. Overall people with disability have poorer health and wellbeing, are more likely to experience violence, discrimination and social isolation and are less likely to participate in the workforce.

It is estimated that 40 per cent of people with disability need assistance from formal providers, the majority of which are non-government providers.² However, access to services remains difficult for some people and not all people with disability who need assistance receive it.

The National Disability Insurance Scheme (NDIS or ‘the Scheme’) has transformed the lives of many people with disability and continues to do so. As of 30 September 2022, there were 554,917 people with an active NDIS plan and 145,514 active providers.³

The disability sector remains one of the fastest growing sectors in Australia. As part of the health and social services sector, it is the largest employer of Australians, including women and when combined with the broader services sector accounts for approximately 70 per cent of Australia’s economic output.⁴

The health care and social assistance sector recorded the most significant growth of any sector in the 20 years to February 2020 (with employment more than doubling) and in 2020 it was Australia’s top employing industry.⁵ Around 14.8 per cent of workers have their main job in this industry.⁶ In 2021, it is estimated that the health and social assistance sector added \$158.5 billion to the national economic output.⁷

Within this broader sector, the disability sector continues to grow at a rapid rate. This has been driven significantly by the NDIS. Aged and Disabled Carers are the second largest occupational grouping and has the largest projected employment growth (28 per cent) of all occupations in Australia in the five years to November 2026.⁸

1 Australian Institute of Health and Welfare (2022). People with disability in Australia 2022, catalogue number DIS 72, AIHW, Australian Government. Accessed 20 December 2022.

2 Ibid

3 National Disability Insurance Agency (NDIA) (2022). Quarterly Report to disability ministers (30 September 2022). National Disability Insurance Agency. Accessed 20 December 2022.

4 Wood, D. (2022). Think big: a new mission statement for Australia. Grattan Institute. Accessed 20 December 2022.

5 National Skills Commission (2022). Health Care and Social Assistance Industry Analysis Special Topic Report. National Skills Commission. Accessed 20 December 2022.

6 Australian Government (2022). Labour Market Insights – Health and Social Assistance. Jobs and Skills Australia. Accessed 6 January 2023.

7 Statista (2021). Health care and social assistance industry gross value added Australia 2011-2021. Statista Research Department. Accessed 20 December 2022.

8 Australian Government (2022). Employment Outlook (five years to November 2026). National Skills Commission. Accessed 20 December 2022.

A recent report calculated that NDIS providers employ over 270,000 people directly (indirect employment is likely to be far higher) across 20 different occupations and that the NDIS was estimated to have contributed \$52.4 billion to Australia's economy in 2020-21. That's a return of \$2.25 for every dollar invested.⁹

Women are significantly overrepresented in this workforce, making up 85 per cent of the welfare workforce compared to 47 per cent of the total workforce.¹⁰ NDS's Workforce Census estimates that 68 per cent of the disability workforce in the July to December 2021 reporting period were women.¹¹

It is difficult to overstate the importance of the disability sector for people with disability in Australia and for our overall economic prosperity. Within this landscape, disability providers play a vital role as caregivers and employers. The experience of providers serves as a useful barometer on the state of the sector and can be used to inform what policy is needed to support the sector to meet the diverse and evolving needs of Australians with disability.

NDS's State of the Disability Sector report based on data collected in our Annual Market Survey has tracked the operating environment for disability service providers and its impact on service delivery since 2014. Conducted in partnership with the Centre for Disability Research and Policy at the University of Sydney, the 2022 report is based on responses from 364 providers from every state and territory, from sole traders to large multi-state organisations, delivering a wide range of services. The latest data was collected across August and September 2022 (shortly before the NDIS Review was officially launched in October 2022).¹²

The 2022 State of the Disability Sector report identifies six major takeaways that are useful to consider in the context of the 2023-24 Federal Budget.

Firstly, disability service providers are more optimistic about the new federal government's NDIS reforms. Some 43 per cent of respondents believe that policy changes are heading in the right direction, compared to just 25 per cent last year.

That positivity, however, is tempered with a profound pessimism about the Australian economy. 67 per cent of respondents believe that conditions have worsened and 36 per cent expect to make a loss in the coming year. Few organisations plan to deliver new services in the year to come, even though many were unable to meet demand for services over the last 12 months, often due to worker shortages. 93 per cent of respondents reported that COVID-19 was having ongoing financial and operational impacts on the sector.

9 Per Capita (2021). False Economy: The economic benefits of the National Disability Insurance Scheme and the consequences of government cost-cutting. Teamwork Works campaign. Accessed 20 December 2022.

10 Australian Government (2021). Welfare workforce. Australian Institute of Health and Welfare (AIHW). Accessed 6 January 2023.

11 National Disability Services (2021). NDS Workforce Census Key Findings December 2021. Accessed 6 January 2023. [Workforce Census Key Findings Report](https://www.nds.org.au/workforce-census-key-findings-report) (nds.org.au)

12 National Disability Services (2022) Victoria, State of the Disability Sector 2022. Accessed 1 December 2022, <https://www.nds.org.au/about/state-of-the-disability-sector-report>.

Recruiting and retaining suitably qualified staff remains a major challenge. The current workforce issues faced by disability service providers are perhaps best described as a full-blown labour shortage, rather than a skills shortage, with providers reporting difficulties recruiting and retaining staff across almost all professions and at all levels.

More than 40 per cent of providers expressed concern about the NDIS Quality and Safeguarding Framework and question whether it is helping to create safer outcomes for participants. 60 per cent of all respondents agreed or strongly agreed that there are too many unnecessary rules and regulations.

Disability employment policy continues to be an area of concern in both open and supported employment settings. Just under half of Disability Employment Services (DES) providers (48 per cent) disagreed or strongly disagreed that DES policy reforms were heading in the right direction. Only 15 per cent agreed or strongly agreed that the current model can provide equitable job support. Only 18 per cent of supported employment providers agreed or strongly agreed that the current operating environment is more certain than it was 12 months ago. Similarly, barely one-third (36 per cent) of respondents agreed or strongly agreed that the transition to the NDIS has enhanced their capacity to provide employment opportunities.

Finally, the sector is suffering from change fatigue. Disability providers are grappling with constant changes to NDIS settings and are exhausted by the challenge of constantly learning new systems and the complex administrative issues that each tend to involve.

It is in this context that NDS makes a number of recommendations to government on behalf of disability service providers that seek to address the following key issues:

- Ensuring Australia has a skilled and capable workforce to fill sector vacancies and meet the needs of people with disability
- Improving employment opportunities for people with disability in all employment settings
- Quality and safeguarding that fosters continuous improvement and addresses the safety of participants and the quality of services
- Investing in the capability of the disability sector to respond to the recommendations from Disability Royal Commission
- Ensuring the NDIS delivers on its vision
- Working with NDS and providers to equip the sector to continuously improve and respond to ongoing reforms.

Workforce issues

Workforce shortages in the disability sector are reaching crisis levels as tight labour market conditions coincide with growing demand for services.

It is estimated that an additional 83,000 workers (or a 31 per cent increase in current workforce size) will be required across the NDIS sector by 2024.¹³ This challenge is compounded by high turnover rates which see many workers leave the sector each year. It is anticipated that the disability sector will lose approximately 213,000 workers by 2025.¹⁴ Combined this means 296,000 new workers will be needed by 2024.

Evidence from NDS's State of the Disability Sector 2022 report shows a sector under increasing pressure to attract and retain the workers required to meet demand. Disability providers consistently report workforce as being the most pressing issue.

In 2022, providers reported a dramatic rise in difficulties recruiting disability support workers, with 83 per cent of providers experiencing difficulty compared to 59 per cent in 2020.¹⁵ It is worth noting that shortages of disability support workers existed before COVID-19. In 2017, 57 per cent and in 2018, 63 per cent of respondents reported moderate to extreme difficulty in recruiting disability support workers, indicating that this has been a longer-term challenge.¹⁶

Disability providers are also finding it increasingly difficult to retain staff. While worker satisfaction¹⁷ in the disability sector is strong, pressures from various issues (such as wages and conditions, covering shifts, managing infection control, lack of supervision and training opportunities, etc.) impact on wellbeing, job satisfaction and retention. In turn, severe and chronic workforce shortages lead many service providers to turn reluctantly to casual, agency staff.

Over half (56 per cent) of respondents in the 2022 survey reported difficulties in retaining their existing disability support workforce. This increased significantly from 2020 (40 per cent) and 2021 (44 per cent).¹⁸ Given that disability support workers provide significant amounts of core daily living supports, in real terms this means that some people with disability were not able to access the daily support that they need.

In 2022, 80 per cent of providers responding to NDS's Annual Market Survey as part of our State of the Disability Sector report received service requests that they were unable

13 Australian Government (2021). NDIS National Workplace Plan: 2021-2025. Australian Department of Social Security. Accessed 6 January 2023.

14 Ibid

15 National Disability Services (2020 and 2022) ACT, State of the Disability Sector 2020 and 2022. Accessed November 2022, <https://www.nds.org.au/about/state-of-the-disability-sector-report>

16 National Disability Services (2017 and 2018) ACT, State of the Disability Sector 2017 and 2018. Accessed November 2022, <https://www.nds.org.au/about/state-of-the-disability-sector-report>

17 Seek (2022). Disability Support Worker profile. Job satisfaction rating of 4.3 (out of 5). Accessed 6 January 2023.

18 National Disability Services (2022) Victoria, State of the Disability Sector 2022. Accessed November 2022, <https://www.nds.org.au/about/state-of-the-disability-sector-report>

to provide. Further to this, very few organisations plan to increase services levels or deliver new types of services to meet this gap largely due to a shortage of workers.¹⁹

The disability sector continues to report high levels of casual and part-time work compared to the greater job market. In the disability sector, full time employment ranges between 20 per cent and 24 per cent.²⁰ Casual employment rates are also high. Respondents to NDS's latest Workforce Census reported that 35 per cent of disability support workers were employed on a casual basis.²¹ This compares with 23 per cent for the overall Australian workforce.²²

While a percentage of workers may choose to maintain part time or casual working arrangements for personal reasons, high levels of casualisation contributes to lack of job security, reduced training and investment in workers, inconsistent wages and hours and high turnover rates.

Issues with predictability of income in an individualised, budget driven system, economic uncertainty and continuing reform has made workforce planning challenging for disability service providers. These factors contribute to a reluctance to employ staff on a permanent basis, even in the face of growing retention issues.

Increasing productivity in the human services sector relies on supporting and developing the capabilities of people working in the sector. Innovation, improved service technologies and better outcomes will be generated by investing in the skills and capabilities of new and existing workers in the sector.

However, both disability sector workers and employers consistently report that training and development opportunities in the sector are limited. Disability service providers note difficulties managing the cost of training – even where the training may be ‘free’ – as backfilling or paying for staff time to attend training comes at a cost that is currently not recoverable.

Workers also report a lack of support and supervision in their workplaces.²³ It has been noted that the cost modelling that underpins NDIS pricing allows for little or no training and supervision costs.²⁴ Providers recognise the importance of supervision for service quality, coaching, worker wellbeing and retention but struggle to provide it within the current NDIS pricing.²⁵

19 Ibid

20 Ibid

21 Ibid

22 Australian Government (2022) Working Arrangements latest release August 2022. Australian Bureau of Statistics. Accessed 6 January 2023.

23 Cortis, N. and van Toorn, G. (2020) Working in new disability markets: A survey of Australia's disability workforce Sydney: Social Policy Research Centre, UNSW Sydney

24 Joint Standing Committee on the National Disability Insurance Scheme (2020). NDIS Workforce Interim Report – December 2020. Parliament of Australia.

25 Unpublished research (2022) done by NDS and Whereto Consulting for an NDIS Quality & Safeguarding Commission project to develop supervision tools to support the NDIS Capability Framework

Pay and conditions represent a barrier to people both entering and remaining in the sector. Providers want to offer workers a living wage and career pathways (including training and development) but are constrained by the cost and pricing model in the NDIS disability support worker cost model.

The results of workforce recruitment and retention issues are concerning: some providers report that it is driving lengthy wait times for therapy services from six months to up to two years in some locations. This is not just restricted to regional and rural areas but is even occurring in capital cities.

Given the projected growth of Australia's disability sector (and the care sector more broadly), policy, funding and price settings must consider a long term, sustainable approach to addressing supply, pay and conditions for workers, removing barriers to employment and strengthening retention of existing workers.

Implement and invest in a coordinated, national approach

Recommendation 1:

Develop and fund a Workforce Strategy focussed on attraction, retention and enhancing capacity for the disability sector in the long term.

NDS has long called for a coordinated approach that outlines practical strategies to meet increasing demands for a skilled, competent and engaged disability workforce.

As outlined in our October 2022 Federal Budget submission, we welcomed development of the NDIS National Workforce Plan: 2021-2025. However, the plan was released without funding, including to support the sector meet the costs of providing on the job training, support and supervision to new and existing employees. Similarly, the cost and pricing models used by the NDIS include little allowance for training, support and supervision. Funding training and supervision for the disability workforce outside of a NDIS participant's plan needs to be considered.

Given the daunting magnitude of the disability workforce challenges there is a need for a suite of well-designed and complimentary workforce sources and initiatives, particularly when considering deep and widespread allied health professional shortages driving long waiting times for services. These should include semi-skilled and skilled migration and migration pathways, including encouraging migration to address workforce needs in regional and remote parts of Australia.

A multifaceted, well-resourced and strategic approach to the disability workforce is critical to ensure that people with disability receive the support they need and to support the growth in demand for care services in the years to come.

Address barriers to recruitment

Recommendation 2:

Partner with NDS on national projects to increase entry pathways for job seekers to the disability sector and encourage labour force participation from cohorts not currently in the workforce.

The supply of suitable workers is the dominant issue for the disability workforce. Current workforce shortages are well known. Developing effective strategies to build the supply of workers within current thin markets is critical, noting that this issue is even more acute in regional and remote areas across Australia. NDIS providers are overwhelmingly reporting that they are unable to fill shifts due to supply and suitability issues. NDIS participants are at risk of missing critical supports altogether or supports being delayed or delivered at a lower level of service.

Given the enormous growth projected for Aged and Disabled Carer occupations, the care sector must look at attracting new workers into the sector at a scale never before seen. This can only be achieved by addressing current barriers and disincentives for certain cohorts to enter and re-enter the workforce.

Targeted, place-based strategies are needed to encourage and support young people, men, mature, CALD, Indigenous communities and people living with disability into the workforce and to work in regional, rural, remote, very remote and other thin markets. Wrap around and trauma informed support services for job seekers to address barriers to entering the sector are critical in ensuring workers from disadvantaged communities are welcomed into the sector. Data also suggests that retention of these workers is improved if onboarding and induction processes are thorough and supportive.²⁶

NDS has success in designing, developing and implementing place-based projects to increase entry pathways for job seekers to the disability sector and encourage labour force participation from cohorts not currently in the workforce. There are opportunities for these approaches to be increased in relevant jurisdictions as well as scaled at a national level. Key opportunities that can be delivered in partnership with NDS include:

- **Better connecting existing stakeholders and initiatives relevant to disability workforce to magnify the impact of existing investment**

NDS has a demonstrated ability to get positive impact from place-based, connector projects. Examples include: the Job Matching Service currently being ran by NDS with funding from the Western Australian Government; the Disability Workforce Innovation Project Workforce Connectors, funded by the Victorian Government from 2019 to 2021; and Entry to Care Roles, funded through a Federal Government program.

The Job Matching Service (JMS) project being delivered by NDS connects job seekers

²⁶ Australian Government (2022). Employment and supporting women in your organisation – Onboarding. Department of Employment and Workplace Relations. Accessed 6 January 2023. Note: focuses on retaining female workers but has broader relevance.

with the right values to employment opportunities in the disability sector. From July-December 2022, JMS supported 950 job placements, 200 student placements and 2,700 engagements with providers and employment and training enablers.

NDS's Disability Workforce Innovation Project (DWIP) involved a team of place-based workforce connectors working with local disability stakeholders to identify and facilitate collaborative workforce solutions. The DWIP evaluation found that 45 per cent of stakeholders did things differently as a result of their engagement with the Workforce Connectors. 77 per cent of stakeholders formed new relationships and 98 per cent reported these as useful, including 78 per cent deeming them very or extremely useful. Innovations from this project were utilised as part of the design of the Entry to Care Roles project, included as a good practice example in the HSSO guide to Mandatory Student Work Placements and a range of other solutions that have continued.

The Entry to Care Roles (ERC) project, funded through the Local Jobs Program Recovery Fund delivered by NDS in Victoria, is another example of the power of a connector approach. ECR sought to create a sustainable and scalable collaborative model to support the transition of people from long term unemployment into entry level disability support worker roles. It builds long-term, sustainable, relationships between Workforce Australia providers and disability employers to establish a pipeline of suitable workers. ECR worked with 37 long term unemployed job seekers who participated in training and 22 (60 per cent) were employed in disability roles.

- **Promotion of job and career opportunities in disability to secondary, TAFE and tertiary students and education providers**

Another part of the suite of disability workforce supply strategies is to promote careers in the sector to students while studying and before they make their career choices.

projectABLE is a high energy, interactive workshop program, designed to inspire senior school students to consider a career in disability. Led by a regional network of 56 presenters with disabilities, projectABLE enjoyed outstanding feedback and acknowledged social impact. Over 6,500 students have experienced the program and 84 per cent report feeling inspired to “now think about a career in disability”.

Gateways to Industry Schools program is a Queensland-based program that works to link schools with Vocational Education and Training (VET) and industry and strengthen the pipeline of students into priority areas such as disability support work. The program is seeing huge success in breaking down the misconceptions around care work and in building critical connections between the education system, school students and parents with VET and industry. Students in 92 schools have been engaged in the program. Students have been linked into work experience and undertaken awareness raising workshop such as using robotics to develop solutions for disability challenges.

- **Campaigns promoting the value and opportunities of careers in the disability sector**

Awareness campaigns, such as *A Life Changing Life, Work That Matters* (Victoria) and NDS's *#ThinkSupport* Campaign (Western Australia), that directly promote the career opportunities and values alignment between the care workforce and people with

experiences of giving/receiving care are an important part of increasing attraction to the sector. These advertising campaigns (billboards, buses and social media channels) direct job seekers to job boards and websites. Job seekers can access information about training, the range of roles and career pathways in the sector, the characteristics that disability sector employers are seeking in their employees and much more. NDS has contributed to shaping campaigns and project manages #ThinkSupport in WA. Another important contribution from NDS is alerting service providers so that they make the most of the impact of campaigns and are ready to respond to interested job seekers.

Recommendation 3:

Reduce administrative and other barriers to recruiting new entrants to the disability sector.

Removing barriers to successful recruitment and long-lasting, fulfilling work in the disability sector is crucial if we are to successfully meet the challenge of providing high quality supports for all Australians with a disability who need them.

This includes measures targeted at individual workers, such as enhancing and ensuring existing mechanisms that support job seekers to obtain a driver's license are funded, easily accessed, and remain viable. In 2021, the Department of Education, Skills and Employment estimated that one third of job seekers on the Job Active lists didn't have a driver's license.²⁷ Many otherwise suitable job seekers are precluded from employment as disability support workers as they do not have a driver's license and/or access to a suitable vehicle for work purposes.

The NDIS Worker Screening Check timelines, expense and processes often pose a particular barrier for job seekers. This is particularly the case in a highly competitive labour market where job seekers can immediately commence work in other sectors such as retail and hospitality with comparable pay and working conditions.

Providers report a significant number of cases where high-quality applicants have found alternative employment in other industries or with unregistered NDIS providers due to delays of months in receiving their NDIS check.

The sector has been resourceful and has opened up opportunities for new recruits from migrant or refugee backgrounds, people of Aboriginal and/or Torres Strait Islander heritage, long term unemployed, and people from low socioeconomic backgrounds. The NDIS check can add another barrier for these cohorts. Many individuals face significant difficulty in utilising online NDIS Worker Screening application processes due to holding international documents, having handwritten documents, or not having the identity documentation required to complete the online application. This forces these applicants to use the manual application process, which is time consuming and often plagued by delays of more than 12 weeks. NDS has heard recent reports of applications that have

²⁷ Australian Government media release (31 August 2021). Minister for Employment, Workforce, Skills, Small and Family Business. Morrison Government puts job seekers in driver's seat to get into work. Accessed 6 January 2023.

been delayed by more 6 months. While these may be outliers, the impact of these delays for service providers, workers and participants are very real.

Registered NDIS Providers are committed to the requirement for relevant worker screening as a safeguard for people with disability. However, the administration of these must not preclude suitable workers from joining the sector and increasing the diversity of the disability workforce.

Reducing barriers to obtaining worker clearances should consider:

- Streamlining checks for care workers to enable workers with a recognised check to work across the care sector
- Including Working with Children Checks in care sector checks
- Allowing applications for a NDIS Worker Screening check prior to an offer for employment
- Removing the cost for the NDIS Worker Screening check
- Provide a one-off payment to assist job seekers starting in the disability sector to cover the costs associated with the NDIS Check, First Aid, CPR, Working with Children and Care Insurance.

Some of these measures include state and territory government oversight and/or involvement and should be considered in the context of the Disability Reform Ministers Meetings and negotiation of bilateral agreements between the Commonwealth and state and territory governments.

Address barriers to retention

Recommendation 4:

Implement policies to ensure Australia retains a skilled and capable workforce to meet the needs of people with disability.

Effective retention strategies could make a real difference to workforce shortages. If just 20 per cent of the 213,000 workers predicted to leave the sector by 2025 can be retained this would be 42,600 workers that don't need to be replaced. Retention of suitably qualified workers in the disability sector remains challenging and has become more difficult in the last 12 months across almost all occupations according to the latest data from disability service providers.²⁸

NDS has made a series of recommendations as part of our submission to the Jobs and Skills Summit Employment White Paper to address workforce retention issues, which are useful to consider in the context of the 2023-24 Federal Budget.²⁹

As submitted by NDS, workforce impacts must be appropriately considered in the current

28 National Disability Services (2022) Victoria, State of the Disability Sector 2022. Accessed November 2022, <https://www.nds.org.au/about/state-of-the-disability-sector-report>

29 National Disability Services (2022), NDS submission to Employment White Paper. Accessed January 2022. <https://www.nds.org.au/index.php/policy-library/nds-submission-to-employment-white-paper>

NDIS Review to ensure the NDIS Scheme design enables secure job opportunities that support full employment for disability support workers.

As part of this, it is essential that NDIS pricing and funding enables workers to benefit from life-long learning opportunities and that NDIS pricing appropriately funds adequate training and supervision for disability support workers.

Funding models for disability (and other care sectors) must be designed so that they support secure employment and a salary equivalent to the all-jobs median, as well as recognising frontline worker capability to undertake complex care work and removing any gender-based undervaluation of care and support work. This could include, for example, increasing the Child Care Subsidy for care workers to allow women to return to the workforce and/or increase their paid work hours.

Housing shortages continue to present a substantial barrier in attracting and retaining workers in regional/remote areas, particularly in Western Australia and the Northern Territory though this is a problem throughout Australia. In regional areas in particular, accommodation shortages mean that even if workers are available and willing to relocate, they have nowhere to live. Allied health professionals and workers employed on full time salaries cannot find and/or cannot afford renting in regional areas.³⁰

Major projects such as the NDIS require a dedicated housing solution. The design and implementation of the NDIS has pushed the worker housing problem onto small to medium not-for-profit organisations who are not equipped to meet this challenge. Housing solutions at all levels of government for regional and remote disability workers are urgently needed, such as a specific NDIS or Key Worker Housing Strategy.

Complementary to this, innovative employment models like telehealth, Fly-in-Fly-out (FIFO) and Drive-in-drive-out (DIDO) should continue to be trialed in remote and very remote regions and to address workforce challenges specific to particular regions and/or occupations. FIFO and DIDO models should only be considered where there is no capacity to deliver services using the local workforce and for FIFO models in particular, for specialised services only.

In Western Australia, new models are being attempted in regions where high cost-of-living is deterring or preventing workers from relocating. In locations where there is a lack of suitable, affordable worker accommodation, disability funding models must include capability to cover the costs of worker travel to those locations.

30 Coates, B and Moloney, J (2022). The housing crisis has spread to the regions. Grattan Institute. Accessed 6 January 2023.

Employment issues

As highlighted in the 2022 Jobs and Skills Summit, there should be a focus on investing in supporting people who want to work, to take advantage of one of the lowest unemployment rates that Australia has experienced in many years.

Workforce participation for people with disability in Australia sits at 53.4 per cent compared to 84.1 per cent for people without disability of the same age.³¹ Unfortunately, we have seen little improvement in these statistics over the past 20 years. This is a workforce that remains grossly underutilised across all industries, including the disability and care sectors.

The number of people with disability of suitable working age in Australia constitutes a vast underutilised pool of labour. There is an opportunity for people with disability to help meet critical workforce shortages.

The benefits of employment for individuals are well known. Employment enables wider engagement with society as well as giving our lives both meaning and purpose. For a jobseeker with disability who gains employment, the outcomes can include improved health and overall wellbeing, a wider social circle, and the opportunity to learn new skills, which are likely to further enhance their career prospects and participation in rewarding, sustainable employment.

There are a number of levers that should be utilised to increase employment opportunities for people with disability – from measures that encourage and support organisations to embrace diversity and employ more people with disability, through to measures that support people with disability to find and remain in rewarding and well-paid jobs.

Leverage social procurement to drive economic benefit in the disability sector

Recommendation 5:

Implement a model similar to the Commonwealth Government's Indigenous Procurement Policy (IPP) to stimulate investment in organisations that employ people with disability, particularly Disability Social Enterprises.

Social procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services or construction being procured.³² The purchasing decisions of government matter and social procurement models are now widely used at the federal and state and territory government level to help drive positive outcomes throughout the community and economy.

31 Australian Government (2022). People with disability in Australia – Employment rate and type. Australian Institute of Health and Welfare (AIHW). Accessed 6 January 2023.

32 Victorian Government (2020). Understanding social procurement. Buying for Victoria. Accessed 6 January 2023.

At the federal level, the Indigenous Procurement Policy (IPP) applies to all non-Corporate Commonwealth entities that are required to comply with the Commonwealth Procurement Rules (CPRs).³³ The purpose of the IPP is to leverage the approximately \$81 billion in Commonwealth procurement³⁴ to stimulate Indigenous entrepreneurship, business and economic development, providing Indigenous Australians with more opportunities to participate in the economy.³⁵

There are a range of measures in place under the IPP and similar state-based programs that could be applied to Disability Social Enterprises (also known as ‘Australian Disability Enterprises’ or ‘ADEs’) and in the wider business community. These could include:

- Annual targets for the volume and value of contracts to be awarded to Disability Social Enterprises by the Commonwealth for each Department
- A Mandatory Set Aside (MSA) that requires Disability Social Enterprises to be given an opportunity to demonstrate value for money before a general approach to the market (within relevant parameters to be determined, such as location and/or value of the procurement)
- Disability employment targets to apply to contracts wholly delivered in Australia within relevant parameters to be determined, such as industry/occupation and value of the procurement.
- Exemptions under the CPRs that allows government departments and entities to procure directly from a Disability Social Enterprise (without going to open tender), provided the enterprise can demonstrate value for money.

Implement measures to support employers

Recommendation 6:

Introduce measures to encourage and incentivise the employment of people with disabilities.

It is extremely important that assistance is available to help employers adopt a disability confident culture and understand concepts such as reasonable adjustment. Enhanced disability confidence of employers will also help minimise the instances of violence, abuse, neglect, and exploitation of people with disability in employment settings as well as reducing discrimination in employer recruitment practices.

33 Australian Government (2021). Indigenous Procurement Policy (IPP). Department of Finance. Accessed 6 January 2023.

34 Australian Government (2022). Total Procurement Contracts 2021-22. Department of Finance. Accessed 6 January 2023. Note: In 2021-22 there were 92,303 contracts published with a combined value of \$80.8 billion. The contract values represent the total maximum value of each contract over its life (not annual expenditure).

35 Australian Government (2020). Indigenous Procurement Policy. National Indigenous Australians Agency. Accessed 6 January 2023. <https://www.niaa.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp>

The Government's www.jobaccess.gov.au website contains an excellent suite of resources designed to assist employers to recruit and retain people with disability in their workforce. However, small to medium employers often state that they are strongly focused on running their business and are unaware of disability employment related assistance initiatives for employers

Assisting employers with their disability confidence could be achieved through additional support for service providers to engage constructively with employees to meet their needs and encourage flexibility in employment practices.

NDS recommends that the www.jobaccess.gov.au website be more prominently promoted among employers.

- **Rescind the removal of the thirty hours plus work capacity and non-allowee job seekers from eligibility to DES**

A 2020 budget initiative removed two classes of job seekers from eligibility for Disability Employment Services (DES) – those with thirty hours plus work capacity and non-allowees (i.e.: job seekers who are not in receipt of an income support allowance) – has had adverse consequences for both job seekers with disability and DES providers. This change has seen a significant decrease in referral to the DES program since it was introduced.

Changes to the eligibility criteria have excluded some young unemployed people from the DES Program at a time when they are most vulnerable. Previously DES Providers were able to support young people who are not receiving income support to gain employment, which reduces the government's budget outlays.

The requirement for young people to be in receipt of income support delays their ability to access specialist support, which is not available through Workforce Australia.

Family circumstances such as having two parents who work, should not exclude a young person from receiving specialist DES Program support when they need it.

Consequently, NDS recommends that the Government reconsider the changing of the DES eligibility criteria for the two cohorts identified above.

- **Design of the new DES program**

The Government recently extended the current DES contract until 30 June 2025. The additional time should be used to trial different service delivery models focusing on current best practice and ensure a more fit for purpose service model reflecting the supports required by jobseekers and employees with disability.

NDS recommends thorough modelling of the real cost of achieving sustainable employment outcomes for the various cohorts of people with disability (e.g., intellectual disability and autism) is required, prior to the introduction of any new funding model. To complement this modelling, there should be an examination of the cost structures of current best practice DES provision. The funding model should recognise the different support costs for service provision to specialist cohorts.

In addition, any new funding model should also incorporate a Social Return On Investment (SROI) approach to assess the true cost of DES service provision. Participants with disability who gain employment will create cost savings for society in several key areas, for example, DSP income test recoveries and tax paid. The latter two savings can be quantified and should be included when assessing the true cost of service provision in any new DES program.

Significant reform of the Employment Services Assessment (EASt) and eligibility gateway process for people seeking to access DES should also be undertaken.

NDS recommends that the Government allocate sufficient resources to ensuring that the next DES contract reflects best practice, has a properly tested SROI based funding model and includes an assessment and gateway process that ensures the people best serviced by DES can access it

- **Financial Assistance to assist providers to adopt the new SES Award requirements**

It is anticipated that the Supported Employment Services (SES) Award's new classification and wage structure will result in higher wage rates for a significant proportion of supported employees. The likely wage increases arising from the new wage structure will represent yet another unfunded increase in costs for Disability Social Enterprises.

NDS recommends that a time limited wage subsidy be provided to Disability Social Enterprises. The funding for this subsidy should be provided via the existing budget allocation of \$67 million for the introduction of a new wage tool in supported employment. NDS recommends that any wage subsidy be provided on a tapered basis over a maximum period of three years, like the previous subsidy provided to Disability Social Enterprises using the Supported Wage System (SWS).

Following estimates provided by DSS, the additional costs of SWS assessments for the new wages structure (of around \$12 million p/a) should be funded separately by government – not as a component of the \$67 million for wage subsidisation.

NDS recommends the government provide some funding for the additional costs incurred by supported employers when transitioning to the new wages structure. These include costs incurred updating IT systems and training for supported employees and support staff. In addition, government should monitor the financial impact on Disability Social Enterprises to ensure there is no loss of employment or reduction in hours for current employees

Implement measures to support employees

Recommendation 7:

Remove existing financial disincentives for people with disabilities to enter and remain in the workforce, including extending the pensioner work bonus to people receiving DSP who are in work and reviewing policies at all levels of government that create a negative financial impact on people with disabilities in employment.

The Australian Human Rights Commission identified a range of barriers faced by people with disability when seeking access to employment, including the potential loss or reduction of the Disability Support Pension due to earned income.³⁶

As part of the Jobs and Skills Summit, the government announced a one-off change to the pension income credit arrangements, allowing pensioners to earn up to \$4,000 more during the 2022-23 financial year without having their pension payments reduced.

NDS was disappointed that this arrangement was only extended to employees and job seekers with a disability who are in receipt of the Disability Support Pension (DSP) and are over the age of 65. Of the 119,294 DSP recipients aged 65 plus as of 30 June 2022,³⁷ we estimate that only a small proportion would still be working.

Currently, DSP recipients of working age in paid employment are subject to an income test that results in a reduction of the DSP by 50 cents for every dollar earned above \$95 per week. Disability pensioners do not have access to the pensioner work bonus, which allows for example, aged pensioners to earn up to \$245 per week before having any pension recovered through the income test. This is a significant disincentive to work.

People with disability will often also incur increased accommodation costs if they earn additional income. In NSW for example, the rate of increase is 25 cents in the dollar for each additional dollar of income earned. For a DSP recipient in employment, combined with the pension income test, this would equate to an effective marginal tax rate of 75 per cent – a clear disincentive to earning additional income.

NDS has long advocated for the extension of the pensioner work bonus and income bank arrangements to people on DSP. The increase in the income test threshold by \$150 per week would remove some of the disincentive for people with disability to either increase their current working hours or receive increased wages. It would also align with government policy, which seeks to increase the rate of people with disability in employment.

36 Australian Human Rights Commission (2005), National Inquiry into Employment and Disability, Issues Paper 2: Issues facing people with disabilities. Accessed 6 January 2023.

37 Australian Government (2022), DSS Demographics – June 2022. Data.gov.au. Accessed 6 January 2023.

Quality and safeguarding issues

NDS's Vision is for an inclusive Australia where all people with disability live safely and equitably. Everyone has the right to safe quality services and any instance of abuse, neglect or violence is unacceptable.

NDS is committed to assisting disability service providers to understand, implement and improve practices which safeguard the rights of people they support. Findings of the Royal Commission into Violence, Abuse Neglect and Exploitation of People with Disability (or 'Disability Royal Commission') and more recently the NDIS Commission's Own Motion Inquiry into Aspects of Supported Accommodation in the NDIS call attention to the harm experienced by people with disability and begin to identify the areas of system and service provision improvement needed. Creating safer, quality services for all people with a disability is the role of all providers.

Providers are also keen to see a regulatory approach that balances compliance and auditing with educative and developmental approaches that support good practice and innovation. In the 2022 State of the Disability Sector report, providers indicated that they are concerned about the effectiveness of the current Quality and Safeguarding Framework in supporting and driving safe and quality services. Overall, only 39 per cent of providers were confident that the Framework supported quality services and outcomes for participants (a significant decrease from 45 per cent in 2021).³⁸ These results reflect general concerns about the regulatory environment across the entire service ecosystem. 60 per cent of all respondents agreed or strongly agreed that there are too many unnecessary rules or regulations. More broadly, only 11 per cent of providers agreed or strongly agreed that "taken together NDIS pricing and regulation are conducive to providing innovative services that respond to participant needs".³⁹

The way forward needs to consider the regulatory approach, a serious consideration of the cost model in relation to regulatory obligations and ongoing support to ensure all providers have information and resources to provide safe and high-quality services.

Recommendation 8:

Ensure resources enable worker screening for all workers supporting NDIS participants and for high risk supports to be delivered by registered providers.

Since before the NDIS began, NDS has been arguing the need to strengthen some of the safeguarding measures to protect participants. Currently, only workers working in risk-assessed roles with providers registered with the NDIS Quality and Safeguarding Commission (the NDIS Commission) are required to undergo a NDIS Worker Screening Check. The current system gives room for unscreened workers, or those who have not meet requirements to continue working in the sector. This introduces clear risks for

38 National Disability Services (2022) Victoria, State of the Disability Sector 2022, accessed November 2022, <https://www.nds.org.au/about/state-of-the-disability-sector-report>

39 Ibid

participants. There is no justifiable reason not to require this safeguarding measure for all workers with more than incidental contact with NDIS participants, and not only those engaged by registered providers.

NDS recommends that all workers in risk assessed roles should require a NDIS Worker Screening; that the government is accountable for educating consumers on the requirements for NDIS Workers Screening; and changes are made to the NDIS Worker Screening process to ensure it is accessible and timely, as noted in the recommendations above.

The sector has been pleased to see some engagement from the NDIS Commission on the issue of registered and unregistered providers. This issue is likely to require a nuanced approach based on the relative risks of the supports being provided with higher levels of oversight required for supports such as personal care and accommodation.

When the scheme began, all supported independent living (SIL) funding was managed by the NDIA and thus only delivered by registered providers. SIL funding can now be managed by plan managers, meaning unregistered providers can be used. The NDIS Commission Own Motion Inquiry into Aspects of Supported Accommodation identified a small percentage of participants receiving these supports from providers who could not be identified. This loophole should be closed. All accommodation-based supports (including Short Term Accommodation) should only be delivered by registered providers. Now is the time to restrict the delivery of these high-risk supports to those providers that are registered with the NDIS Commission and therefore fall under their oversight.

Recommendation 9:

Invest in NDS's Zero Tolerance initiatives to prevent violence, abuse, neglect and exploitation of people with disability.

NDS's Zero Tolerance Initiative⁴⁰ has, over several years continued to support disability service providers to take a holistic approach to the prevention, identification and response to allegations and incidents of abuse and neglect in different service environments. Developed and 'owned' by the sector, this cache of resources educates providers about the responsibilities that sit at every level of an organisation to promote human rights. It offers a range of tools and resources including online training, practice advice, workbooks, templates, videos and guides.

The resources reflect evidence around what works, the actual experiences of people with disability, and practical feedback from disability service providers and frontline staff. Organisations can use the range of Zero Tolerance resources to take a whole of organisation commitment, from support workers to the board, to prevent and respond to abuse and neglect.

Zero Tolerance resources, with their focus on embedding contemporary good practice,

40 National Disability Services (2022). Zero Tolerance: Focus on Rights. Target Abuse. Accessed 6 January 2023, <https://www.nds.org.au/resources/all-resources/zero-tolerance>

require periodic review, development and promotion. This is particularly critical now in the context of the Disability Royal Commission findings and the issues highlighted in the recent NDIS Commission Own Motion Inquiry in to Support Independent Living. The resources also need to continue to be actively promoted across all disability services, including to the many new and inexperienced organisations entering the market in recent years.

NDS has committed internal resources to enable ongoing hosting of Zero Tolerance resources and to undertake minor updates to reflect federal regulatory changes. Funding is required to extend this important work to ensure the Australian disability sector can provide services which are high quality and safe, and free of the threat of violence, abuse, neglect, or exploitation of people with disability.

NDS is seeking an investment of \$750,000 over three years to develop new resources to reflect the current climate, to further develop existing resources, to promote the resources across the sector, including sole and small providers, and reinvigorate a Zero Tolerance Community of Practice to foster the sharing of best practice among providers. These activities would be co-led by people with disability and build sector capacity to implement zero tolerance policies within their organisations.

Investing in the Zero Tolerance initiative will help equip the sector to respond proactively and progressively to the recommendations arising out of the Disability Royal Commission.

Recommendation 10:

Invest in provider engagement and education to support positive health outcomes for people with disability.

Forty-two per cent of adults with disability rate their health as fair or poor, compared to 7 per cent of adults without disability.⁴¹ Health inequities for people with a disability are well documented and NDS is proud to work be a part of initiatives such as the National Roadmap for Improving the Health of People with Intellectual Disability.

NDS has a strong track record in building the capacity of the disability sector to respond to important health issues. Safer and Stronger (a Victorian initiative) provided much needed support to assist the sector to navigate COVID-19 and to ensure better health outcomes for people with disability. This included the collaborative development of a well-regarded online course – Maintaining safe and effective infection control in disability settings. The Ready to go Home project is another example of work undertaken by NDS. Co-designed with people with disability, the project has successfully improved the transition experience for people with disability from hospital to community settings.

NDS engagement with providers highlights a number of emerging health issues in need of coordinated support and sector engagement. Whilst NDS is proactive in supporting

41 Australian Government (2022). People with disability in Australia, Health Status. Australian Institute of Health and Welfare. Accessed 17 January 2023.

providers with these issues, initiatives are often limited to individual jurisdictions based on state and territory funding.

More needs to be done to support providers to navigate this area of growing complexity and to best meet the health and well-being needs of all participants. A national approach to funding NDS to facilitate education and engagement on health and wellbeing would introduce equity for participants living in all areas of Australia.

NDS is seeking federal government funding of \$250,000 to support our continued engagement and education on health matters with the sector and the further development of collaborative partnerships with experts in the field.

Additionally, Australia's health system needs to be equipped to support and respond to the needs of people with disability and have mechanisms in place to resolve disability specific issues. Health professionals should be supported to understand their role in changing negative community attitudes, and given the tools to support people with disability, their families and carers.

For example, the Disability Royal Commission's summary of submissions to the health issues paper notes that multiple respondents, including health professional bodies, highlighted how health professionals are not always equipped to communicate with people with a cognitive disability.⁴² Respondents noted that this meant they were not able to conduct a proper health assessment and treatment of conditions. Providers are regularly negotiating these interfaces and NDS is well placed to support codesign of systems that can improve health and well-being outcomes for people with disability.

Recommendation 11:

Review data sharing regarding restrictive practices to improve the safety of all NDIS participants subject to restrictive practices and reduce the burden of duplicative reporting.

The NDIS Review includes a focus on the Quality and Safeguarding Framework and the role of regulation. This will provide a critical opportunity for the sector to give feedback on how quality and safeguarding mechanisms can continue to be improved.

Duplicative reporting has been identified as a key issue in some jurisdictions. Providers are entering the same, or slightly different data sets, regarding the same participant, the same restrictive practice, sometimes on differing reporting timelines. NDS advocates on behalf of providers in the relevant jurisdictions to remove this duplication and refocus this unfunded time on activities that can contribute to the reduction of restrictive practices. But it is important to consider the root issue driving the duplication. NDS understands that local jurisdiction calls for duplicative reporting rests on the need for informed authorisation decisions, evidenced driven activities to reduce restrictive practices and an absence of data sharing arrangements to facilitate this.

⁴² Australian Government (2020). Overview of responses to the Health Issues Paper. Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. Accessed 6 January 2023.

NDS recommends that data sharing protocols and agreements are reviewed to ensure all jurisdictions are well placed to make authorisation decisions and reduce the administrative burden on many providers.

The NDIS Review includes a focus on the Quality and Safeguarding Framework and the role of regulation. This will provide a critical opportunity for the sector to give feedback on how quality and safeguarding mechanisms can continue to be improved.

Recommendation 12:

Extend NDS's successful Risk, Incidents and Complaints Management project to support more providers to implement a well-managed risk, incidents and complaints system to help drive safer and good quality outcomes for people with disability and meet the regulatory requirements of the NDIS Commission.

The Risk, Incidents and Complaints Management project (or RICM) was funded by the NDIS Quality and Safeguards Commission as part of the Support for NDIS Providers Program. Over the 30 months of the project, NDS developed a comprehensive list of resources and provided workshops and training to support individual, small, and medium providers build their management capabilities in the risk, incidents, complaints, and continuous quality improvement and meet NDIS Commission requirements.

To date, the project has provided training opportunities for 2,903 providers, delivered 47 workshops and information sessions and created 42 editable resources that can be easily accessed in an interactive PDF.

Feedback was consistently positive, including 97 per cent of respondents making plans to use 10 or more of the resources in their future work to safeguards participants. Attendance numbers were high over the two rollouts of workshops and an ongoing turnover of staff, generally in quality roles was evident, with people commenting they were new to the sector or newly appointed to quality roles.

The RICM project gave a platform to develop a substantial cache of easy to use, accessible resources, designed by subject matter experts to meet the needs of small, sole, and medium providers. NDS will continue to promote these resources over the next six months to raise awareness of these resources.

There is a further opportunity to rollout the series of online workshops again. Given the existing resources in place, this is achievable with federal funding of \$180,000.

The need for quality RICM training and resources is an ongoing need of the sector. Additional funding at this time can extend the impact of the RICM project and leverage off the NDS engagement infrastructure to reach new and existing providers. Well managed risk, incidents and complaints are central skills to respond to issues arising out of the Disability Royal Commission and are essential to all providers delivering NDIS services.

Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability

Recommendation 13:

Enhance the quality and safety of disability support services by equipping the sector to respond proactively and progressively to the recommendations arising out of the Disability Royal Commission.

Recommendation 14:

Ensure that findings and recommendations from the Disability Royal Commission are considered and where required supported and funded in the development of disability workforce strategies.

Recommendation 15:

Ensure access to a range of employment supports and options that take account of the career aspirations, individual choices and training and development needs of people with disabilities. This includes recognising the Disability Social Enterprise employment model as an ongoing, legitimate option for people with more severe and profound disabilities.

The Disability Royal Commission will hand down its final report in September 2023. NDS and our members are seeking ways to proactively respond to the themes, findings and recommendations emerging from the work of the Royal Commission now, rather than wait. Government can support this work by partnering with NDS to update the Zero Tolerance program.

People with disability, like everyone else in our community, have the right to live free of violence, abuse, neglect and exploitation. NDS supports the full implementation of the United Nations Convention on the Rights of Persons with Disabilities (CRPD) and zero tolerance approaches to violence, abuse, neglect and exploitation in all disability service organisations. All Australians should have confidence in the quality and safety of supports provided to people with disability.

NDS will not defend the indefensible. Any behaviours or practices that represent the abuse, neglect or exploitation of people with disability are unacceptable.

It is vital that funding is made available for this change agenda and tangible outcomes established to support the implementation of necessary reforms and recommendations for the Disability Royal Commission. Responding to the Disability Royal Commission will require additional Commonwealth funding to support the ambitious and quick implementation of the inevitable sector development recommendations and that effort must start with the 2023-2024 Federal budget. The way forward is to focus on the things

that matter to create safer services, focus on quality and safeguarding, measures that improve outcomes and share data that support providers to innovate and identify good practice.

Without immediate changes to better support the workforce, the ability of providers to consistently meet the needs of people with disability will be further impacted. The Disability Royal Commission has received submissions discussing:

- the lack of appropriate management, safeguards and complaint mechanisms in disability services which results in the provision of inadequate care of clients
- concerns with the lack of appropriate training, qualifications and/or academic background of disability support workers to ensure reasonable care of people with disability
- inadequacies of incident reporting processes of support services.

The support sector needs more staff who are adequately trained, skilled and qualified, and paid appropriately. As noted previously, the cost modelling that underpins the NDIS means that most providers are unable to do this. This must be prioritised by government in responding to the recommendations of the Disability Royal Commission and the NDIS Review.

In the most recent NDS State of the Disability Sector Report, organisations reported having difficulty identifying and recruiting suitably qualified disability support workers.⁴³ The way forward is to help keep workers engaged through fit-for-purpose training, support and supervision, visible career pathways and leadership opportunities.

The work of the Disability Royal Commission has looked at the role of Disability Social Enterprises as part of its inquiries and the experiences of people with disability in these environments.

Disability Social Enterprises are a critical part in the continuum of employment options for people with disability. Disability Social Enterprises are also among the most disability confident employers in the country. They possess a wealth of knowledge and practical firsthand experience in a number of aspects of disability employment (including recruitment, work experience, transitioning to work supports for young people, vocational training, workplace health and safety, on-the-job support and non-vocational training and support).

As the work of the Disability Royal Commission continues and recommendations are delivered, NDS calls on the government to ensure that a range of employment options are available for people with disability, including Disability Social Enterprises, and that government supports such enterprises through social procurement measures to leverage investment in the sector and increase employment opportunities for people with disability.

43 National Disability Services (2022) Victoria, State of the Disability Sector 2022. Accessed November 2022, <https://www.nds.org.au/about/state-of-the-disability-sector-report>

NDIS reforms

Recommendation 16:

Ensure that the NDIS delivers on its vision by establishing fair and transparent pricing mechanisms that are fit for purpose and support positive participant outcomes.

Regular NDS polling indicates that economic viability is a major concern for disability service providers, with many members facing challenging budget situations.⁴⁴ Day services are experiencing challenges with the shift to the new pricing model, and reports of some participants who have chosen not to return to services after the pandemic lockdowns. Short term measures such as JobKeeper payments and one-off NDIS funding have been welcome, but do not address the underlying multiple pressures impacting the market.

While the recent increase to the NDIS pricing of some support categories was very welcome, the underlying hourly rate still does not adequately reflect the large amount of administration required to operate under the Scheme. Inadequate NDIS prices pose a risk not only to individual disability service providers, but to the Scheme as a whole.

Concerningly, NDS's 2022 State of the Disability Sector report reflected a sector less confident than ever in their capacity to operate within current NDIS pricing and funding approaches, with 59 per cent of providers concerned they cannot continue to provide NDIS services at current prices. This is even more the case in remote and very remote areas and other thin markets where cost pressures are more intense.

Providers reported that unfunded activity, such as helping people understand and navigate the Scheme, was time consuming, unfunded and diverting budgets from direct service provision. 73 per cent stated there was insufficient advocacy for the people they support.⁴⁵

Providers are willing to assist people to understand and engage with the NDIS however this comes at a cost and places additional pressure on providers already struggling to meet demand. Primarily, sustainability problems centre on the inadequacies of the Disability Support Worker Cost Model (DSWCM). The costs of compliance with both NDIA processes and systems and with NDIS Commission requirements is high and not adequately covered by the DSWCM; a greater allowance needs to be made in the DSWCM for these costs.

A mechanism similar to the Independent Health and Aged Care Pricing Authority (IHACPA) that supports responsive pricing with the aim of achieving sustainable and efficient services is required. Current arrangements that have prices set by the NDIA involve a conflict of interest. The NDIA should be trying to ensure there is a vibrant market for high-quality supports, but it also has a strong agenda on constraining costs,

44 Ibid

45 Ibid

as evidenced by the public debate on the sustainability of the NDIS.

In passing legislation to enable the IHACPA, government recognised the importance of an independent assessment of costs and pricing advice on aged care. Prices for NDIS supports should also be determined by an independent body.

NDS members believe that a new NDIS price setting body outside of the Agency will enable transparency for service providers, participants and taxpayers to contribute to how prices decisions are made, increase the emphasis of service quality, and plan for eventual NDIS price deregulation.⁴⁶ Funding must be based on objective and independent advice on the cost of providing care universally to those who need it.

For a market-based approach to operate efficiently, it is reliant on informed and capable consumers. In the case of the NDIS, participants struggle to have sufficient information and capacity to be able to make informed choices to drive a market-based approach. For some participants with more complex needs and/or providers who operate in remote and very remote areas, the individualised approach of the NDIS leads to fragmentation of the system and services, and to poorer outcomes.

Other ways of commissioning supports for participants in thin markets also need to be considered. These approaches need to be nuanced, account for the unique characteristics of the 'market' and support the sustainability of ongoing support provision rather than a one-off, short-term intervention that solves an immediate issue but does not create longer term outcomes. Where these approaches are considered, they need to be co-designed with the community and the impact of any commissioning process on the community 'support ecosystem' considered.

The way forward is to keep reviewing the cost model. It needs to be continually reviewed to reflect economic conditions, wage pressures and changes, including changes to the SES and SCHADS award, adequate training, and support and supervision needs.

Working together

Recommendation 17:

Fund NDS to undertake peak body activities of benefit to government.

For many years, NDS received funding from the Department of Social Services (DSS) to undertake functions that assisted the government, disability service providers and associated stakeholders.

NDS's peak body funding ceased at the end of 2020. Reinstating this funding would enable us to work more effectively with government to establish an ongoing tripartite approach (with NDS, other stakeholders and government) to delivering high quality disability supports for people with disabilities.

NDS plays a critical role in contributing to effective government policy development and implementation, through distilling input from a diverse and complex sector and the early identification of issues and risks. We support quality services through research, policy development, advice to government, sector consultation and coordination and sector capacity building to enable better service delivery and supports.

Throughout COVID-19, for example, we have worked with DSS and other departments including the Department of Health to provide high-level advice, resources such as webinars, and vital information to the disability sector.

NDS has been supporting providers to continuously improve the quality of services and supports and respond to regulatory changes. For example, NDS provided seminars, newsletters, resources and responded to many queries to support providers implementing new Practice Standards.

Looking ahead, NDS will continue to actively contribute to discussions on how to ensure disability supports are of the highest quality possible in the lead up to the report from the Disability Royal Commission. In this spirit, NDS can engage with the sector and Royal Commission to propose solutions and innovations to assist providers to deliver high-quality, equitable and sustainable supports into the future – a future that offers choice, control and independence for people with disability.

NDS has continued to keep our members informed during what was another busy year for the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. In April 2022, NDS gave evidence to the Royal Commission on our work with supported employment providers, the challenges facing them in the provision of employment supports, and NDS's Supported Employment Industry Vision. NDS noted the sector has the will to transition to provide greater options for employment for people with disability, but that this transition process will need to be supported by government. Throughout the year, NDS has continued to distribute regular Disability Royal Commission newsletters and provide our members with concise summaries of each hearing as it unfolded. We also expanded our online information hub, adding new material and recruiting expert panellists, to help our members continue to improve

current risk management practices, and look at what they might need to do from a legal and insurance perspective.

The NDIS Review is another opportunity for NDS to work closely with government, including consulting more than 1000 members, using unique data sources such as the NDS's State of the Sector, Workforce Census, commissioning new research, and analysing this feedback to help design and implement improvements to the Scheme.

All of this work is vitally important to collaborating with and preparing the sector to respond to the recommendations of the NDIS Review, the Disability Royal Commission, and supporting sustainable, quality services for people with disability.

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