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About National Disability Services

National Disability Services is the peak industry body for non-government disability services. We represent service providers across Australia in their work to deliver high-quality supports and life opportunities for people with disability. NDS's Australia-wide membership includes about 1200 non-government organisations which support people with all forms of disability. NDS members collectively provide the full range of disability services—from accommodation support, respite and therapy to community access and employment. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Federal governments.

Executive Summary

One in six or about 4.4 million Australians have a disability.¹ 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.

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

The National Disability Insurance Scheme (NDIS or ‘the Scheme’) has transformed the experience of many people with disability. As of 30 June 2022, there were 534,655 people with an active NDIS plan.³ Since the commencement of the Scheme, 18,347 providers have made a claim and in the March to June quarter 9,456 service providers lodged a claim against a NDIS plan.⁴

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% of Australia’s economic output.⁵ It is estimated that the NDIS alone contributed \$52.4 billion to Australia’s economy last year – a return of \$2.56 for every dollar invested.⁶

This budget is being developed amidst a range of growing economic challenges. Continued investment in the NDIS, increasing employment opportunities for people with disabilities and supporting the sustainability, viability, quality, and safety of disability services will not only drive positive outcomes for Australians with disabilities but assist the disability sector to realise its potential to be a significant contributor to our economic recovery and future prosperity.

NDS calls on the Government to:

- 1. Ensure that the NDIS delivers on its vision through appropriate pricing mechanisms via an Independent Pricing Authority that can respond quickly to the changing needs of people with disability and the conditions in which providers operate.**
- 2. Maintain current and increase future employment opportunities for people with disabilities by:**
 - extending the Pensioner Work Bonus to DSP recipients.

1 Australian Institute of Health and Welfare (2022) People with disability in Australia 2022, catalogue number DIS 72, AIHW, Australian Government. Accessed at [People with disability in Australia, Australian Institute of Health and Welfare \(aihw.gov.au\)](#)

2 Ibid

3 [NDIS Quarterly Report to disability ministers June 2022](#)

4 [NDIS Quarterly Report to disability ministers June 2022](#)

5 [Think big: a new mission statement for Australia - Grattan Institute](#)

6 [FALSE ECONOMY: The economic benefits of the National Disability Insurance Scheme and the consequences of government cost-cutting](#)

- subsidising the increase in supported employee wages arising from the review of the SES award.
- 3. Invest in the disability workforce by developing and funding a Workforce Strategy that is focused on attraction, retention and enhancing sector capacity in the long term.**
 - 4. Enhance the quality and safety of disability support services through equipping the sector to respond proactively and progressively to the recommendations arising out of the Disability Royal Commission.**
 - 5. Fund NDS to undertake peak body activities of benefit to Government.**

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About our sector

A growing economic contributor

The health care and social assistance sector is one of the fastest growing sectors in Australia. In the 10-year period to 2020, it recorded the most significant employment growth of any sector and in 2020 was Australia's top employing industry.⁷ In 2021 it is estimated that the health and social assistance sector added \$158.5 billion to the national economic output.⁸

Over one-in-10 of all workers in the health and social assistance sector were employed in aged and disability related occupations and as subset, the disability sector continues to grow at a rapid rate. A recent report⁹ identified NDIS providers employ over 270,000 people directly (indirect employment is likely to be far higher) across 20 different occupations. The NDIS was estimated to have contributed \$52.4 billion to Australia's GDP in 2020-2021. In dollar-for-dollar terms a conservative estimate indicates that every dollar invested in the NDIS returns \$2.25.¹⁰

Supply versus demand and the impact of workforce shortages

In the face of this growth and the potential that this represents, the disability sector and the health and assistance sector more broadly is experiencing significant and long-standing workforce shortages. These shortages impact on the availability and quality of supports available to people with disability in Australia.

It is estimated that an additional 83,000 workers (or a 31% increase in current workforce size) will be required across the NDIS sector by 2024.¹¹ This is against consistently high turnover rates which see many workers leave the sector each year. In fact, it is anticipated that the NDIS will lose approximately 213,000 workers by 2024.¹² When considered together the challenge facing the sector to attract, recruit and retain workers is considerable.

Disability service providers consistently report workforce as being their most pressing issue and this has only been exacerbated by COVID-19. In 2021, 77% of providers responding to NDS's 2021 Annual Market Survey received service requests they were unable to provide.¹³ In real terms this means that some people with disabilities were not able to access the support that they needed.

7 See [Health Care and Social Assistance Industry Analysis Special Topic Report.pdf \(nationalskillscommission.gov.au\)](#)

8 See [Australia: gross value added health care and social assistance industry 2021 | Statista](#)

9 FALSE ECONOMY: The economic benefits of the National Disability Insurance Scheme and the consequences of government cost-cutting available at [Per Capita Report teamworks.pdf](#)

10 FALSE ECONOMY: The economic benefits of the National Disability Insurance Scheme and the consequences of government cost-cutting available at [Per Capita Report teamworks.pdf](#)

11 See [NDIS National Workforce Plan 2021 -2025](#)

12 See [NDIS National Workforce Plan 2021 -2025](#)

13 NDS State of the Disability Sector can be accessed at <https://www.nds.org.au/about/state-of-the-disability-sector-report>

A sector supporting women

It is also important to note that at a time when investing in women, recognising and supporting the economic contribution that they make to the community is a focus of government, the disability sector is a significant employer of women. Women are significantly overrepresented in the welfare workforce making up 77% of the aged and disability support workforce compared to 47% of the total workforce.¹⁴

NDS's Workforce Census,¹⁵ which documents key metrics, including rates of casual and part-time employment, employee turnover, working hours, and gender and age cohorts across the disability workforce, estimates that 69% of the workforce in the July to December 2021 reporting period were women.

In addition, women with disability are more likely to experience a range of violent behaviours and are twice as likely to experience violence from a partner over a 12-month period.¹⁶ The disability sector plays an important role in reporting this to the appropriate bodies and in supporting women with disability speak up about their experiences.

An untapped workforce

As highlighted in the recent 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% compared to 84.1% for people without disability of the same age.¹⁷ Sadly, we have seen little improvement in this over the past 20 years. This is a workforce that remains grossly underutilised across all industries, including the disability and care sectors.

Quality and safeguarding

The work of the Disability Royal Commission will significantly impact the disability sector. The hearings will result in a range of recommendations and outcomes that will require disability service providers and government to invest in new structures and systems that not only ensure compliance but continuous improvement in how supports are delivered and managed.

The Disability Royal Commission will hand down its final report in September 2023. This report will undoubtedly contain findings about failures of systems and supports and make recommendations for future actions and changes. 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.

14 See [Welfare workforce - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au)

15 Workforce Census data can be accessed at [June 2021 NDS Workforce Census data released](#)

16 See [Disability and Violence - In Focus: Crime and Justice Statistics, Disability and violence - April 2021 Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au)

17 See [People with disability in Australia, Employment rate and type - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au)

The Budget Opportunity for Government

NDS acknowledges the significant work this government has already undertaken to improve the lives of people with a disability and support the disability sector.

As the first budget following the May federal election, this budget presents an opportunity for the Federal Government to realise election commitments, whilst continuing to support the sustainability, viability, quality, and safety of disability services and drive positive outcomes for people with disabilities.

To capitalise on this opportunity NDS calls on the Federal Government to:

1. Ensure that the NDIS delivers on its vision by establishing a NDIS Independent Pricing Authority

In passing the legislation to enable the Independent Hospital Pricing Authority to become the Independent Health and Aged Care Pricing Authority (IHACPA) the Government recognised the importance of an independent assessment of costs and the provision of costing and pricing advice on aged care to the Commonwealth Government. Prices for NDIS supports should also be determined by an independent body.

In June 2022 NDIS prices for some supports were increased. A one-off payment for some providers was also made. These actions recognised the inadequacy of previous NDIS pricing across a range of supports and were welcomed by the sector. However, many providers remain worried they will not be financially sustainable into the future when faced with increased operating cost pressures. Concerningly, NDS's [State of the Disability Sector Report](#)¹⁸ based on the 2021 Annual Market Survey reflected a sector less confident than ever in their capacity to operate within current NDIS pricing and funding approaches.

A mechanism similar to that provided by IHACPA that supports responsive pricing with the aim of achieving sustainable and efficient services is required.

2. Maintain current and increase future employment opportunities for people with disabilities

NDS welcomes the Government's commitment to closing the gap in disability employment as demonstrated by the initiatives announced following the Jobs and Skills Summit. This includes the Visitor Economy Disability Employment pilot, the Economic Initiative Pilot with the Business Council of Australia and better embedding of employment in the NDIS.

The Jobs and Skills Summit¹⁹ identified the need to continue to work with stakeholders to develop new disability employment service models. NDS notes that the review of the

¹⁸ NDS State of the Disability Sector can be accessed at <https://www.nds.org.au/about/state-of-the-disability-sector-report>

¹⁹ See Jobs and Skills Summit Outcomes at <https://treasury.gov.au/sites/default/files/inline-files/Jobs-and-Skills-Summit-Outcomes-Document.pdf>

current Disability Employment Services (DES) program has only recently concluded. DSS recently released the list of recommendations developed by the DES Reference Group that provided a number of options for government to consider. The real design work is still underway. Now is the time for government to finalise design principles and trial any new program models to ensure there are no unintended consequences. NDS urges government to extend the current DES program for at least 12 months.

Extending the Pensioner Work Bonus to DSP recipients

Pension income credit arrangements that allow pensioners to earn up to \$4,000 more during the 2022-23 financial year without having their pension payments reduced recognise that current arrangements can present a barrier to entering the workforce. This should be extended to all people of working age on the Disability Support Pension (DSP).

Extending eligibility for the existing pensioner work bonus and income bank arrangements to all people in receipt of the DSP and increasing 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.

The Fair Work Commission's Supported Employment Services (SES) Award Review decision identifies new wage setting arrangements for supported employees. In combination with the wage increases arising from that decision, extension of the work bonus to supported employees would ensure a significant increase in their wages.

Subsidise the increase in supported employee wages arising from the Review of the SES Award

The Fair Work Commission (FWC) delivered a landmark decision in the Review of the Supported Employment Services Award in late 2019. A new sector wide wage structure for supported employees was proposed as the preferred model by the FWC, that could be implemented through a redesigned Award classification structure. Supported employee wages would reflect both the value of their work and their rate of productive output. In addition, a new hourly minimum wage rate was set of \$3.50 (since increased to \$3.78 as of the July 2022 minimum wage increase).

At a time when the pressures on Australian Disability Enterprises are significant with large risks of market failure resulting in people with disabilities facing job losses, the sector will not be able fund the likely increases arising from the new wage structure.

A time limited wage subsidy similar to the previous subsidy provided to disability enterprises using the Supported Wage System (SWS) will be required. The funding for this subsidy should be provided from the \$67 million allocated in a previous Federal Budget.

3. Invest in the disability workforce by developing and funding a Workforce Strategy that is focused on attraction, retention and enhancing sector capacity 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 NDIS workforce. As such we welcomed the development of the [NDIS National Workforce Plan: 2021 – 2025](#).²⁰ However, it was disappointing that this 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 to determine funding include little allowance for training, support and supervision.

Funding training for the disability workforce outside of a NDIS participant’s plan needs to be considered.

The successful implementation and long term value of any workforce initiatives will rely on the sector to develop strategic, long term workforce planning, cultural transformation, leadership skill development and capability, yet providers consistently report that these are areas where they need support to build capacity.²¹

NDS welcomed the Federal Government’s commitment to establish the Jobs and Skills Australia work plan in consultation with key stakeholders “to address workforce shortages and build long term capacity in priority sectors.”²²

Given severe and chronic workforce shortages, the disability sector must be named as a priority sector. The adverse implications of not doing so are too significant for members of the Australian community.

NDS has had success in designing, developing, and implementing small scale place-based projects to increase entry pathways for job seekers to the disability sector. We believe that there are opportunities for these approaches to be scaled at a national level. These projects are consistent with the strategies identified in the Jobs and Skills Summit²³ including:

- exploring place-based approaches that drive coordination at the local level and address barriers to employment among disadvantaged groups and the long term unemployed;
- developing a set of best practice principles to guide meaningful work experience opportunities and workplace based mentoring programs for people experiencing disadvantage.

20 See NDIS National Workforce Plan 2021-2025 at https://www.dss.gov.au/sites/default/files/documents/06_2021/ndis-national-workforce-plan-2021-2025.pdf

21 See the NDS State of the Disability Sector Report 2021 at <https://www.nds.org.au/about/state-of-the-disability-sector-report> , p. 26

22 See Jobs and Skills Summit Outcomes at <https://treasury.gov.au/sites/default/files/inline-files/Jobs-and-Skills-Summit-Outcomes-Document.pdf>

23 See Jobs and Skills Summit Outcomes at <https://treasury.gov.au/sites/default/files/inline-files/Jobs-and-Skills-Summit-Outcomes-Document.pdf>

4. 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

NDS's [Zero Tolerance Initiative](#)²⁴ 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. It 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.

Due to a lack of funding over past years these resources require updating, refreshing and a concerted effort to drive their uptake across the sector.

Funding is required to extend the reach of this important work to ensure the Australian disability sector can achieve world's best practice in providing services which are high quality and safe, and free of the threat of violence, abuse, neglect, or exploitation of people with disability.

5. 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 how we can strengthen NDS's – and the government's and other stakeholders' – contribution to delivering high quality disability supports for people with disabilities.

Peak bodies such as NDS play 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.

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.

The upcoming NDIS Review announced by Minister Shorten is another opportunity for NDS to work closely with the government, including consulting our 1,200 members,

²⁴ The suite of Zero Tolerance resources is available at <https://www.nds.org.au/resources/zero-tolerance>

using unique data sources such as the State of the Sector survey (formerly the Annual Market Survey) and Workforce Census, and analysing and collating this feedback to help design and implement improvements to the Scheme.

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