

National Disability Services

# 2024–25 Federal Budget Submission





## 2024–25 Federal Budget

### Five asks for the disability sector

1. Sector support for transformation
2. Enhancing social procurement from supported employment services
3. Sector support for industrial relations reform
4. Implement safeguarding initiatives
5. Enhance cybersecurity awareness and capabilities

## About this submission

National Disability Services welcomes the opportunity to provide input to government for spending priorities in the 2024-25 Federal Budget.

We advocate for a wide range of policy priorities on behalf of the sector, across NDIS services, pricing and payment reform, workforce development, employment of people with disability, regulatory reform, improved planning and support pathways, supports for people with disability outside the NDIS, home and living supports and supports for children, young people and families.

This submission is focused on five asks for the 2024-25 Federal Budget and actions that governments can take now to improve the operating environment for disability service providers and ensure quality, sustainable services for people with disability.



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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 1,000 service providers. Collectively, NDS members operate several thousand services for Australians with all types of disability. Our members employ around 100,000 people and provide a full range of disability services to some 500,000 people with disability.

Our vision is for an inclusive Australia where all people with disability live safely and equitably. To achieve this, people with disability need to access the right supports, at the right time, from the right people, services and systems.

### NDS Impact: 1 July 2022 – 30 June 2023





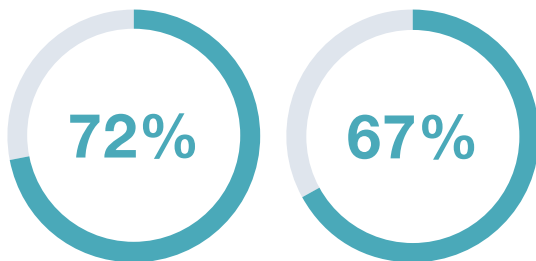
## State of the Disability Sector

The NDS State of the Disability Sector report,<sup>1</sup> released in December 2023, forecasts an alarming outlook for the future viability of the disability services sector.

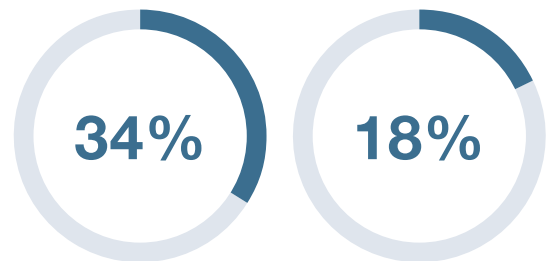
The data shows the disability sector is at breaking point as providers report their worst financial year ever, with more organisations running a deficit and far fewer breaking even.

Keeping services going is getting harder than ever. Hope persists that current reforms will reverse the trend towards market failure. But time is running out.

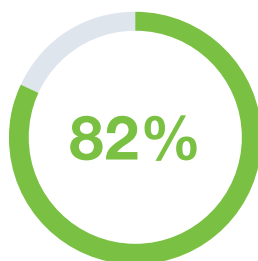
### The report found:



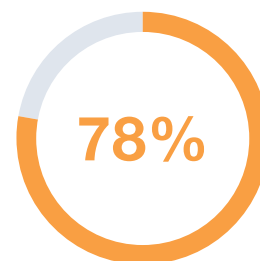
**72 per cent** of not-for-profit providers and **67 per cent** of for-profit providers said they worry that they won't be able to provide NDIS services at current prices.



**34 per cent** of providers made a loss in FY 2022-23.  
**18 per cent** just broke even.



**82 per cent** of respondents said they had received requests for services that they could not fulfill.



**78 per cent** reported extreme to moderate difficulty in finding support workers, with availability of allied health professionals ranging from low to non-existent.

<sup>1</sup> National Disability Services (2023) Victoria, State of the Disability Sector 2022, Accessed 11 January 2024, <https://www.nds.org.au/about/state-of-the-disability-sector-report>

# 1. Sector support for transformation

Changes to disability services expected from the NDIS Review and Disability Royal Commission are a once-in-a-lifetime opportunity for reform, however sector capacity is limited.

NDS State of the Disability Sector data (2023) shows that while disability providers are focused on improving productivity (94 per cent), 82 per cent received service requests they could not fulfill and 62 per cent are worried about their ability to adjust to reforms. More than half report that leadership teams find it difficult to develop strategy in the current environment.

Achieving reforms will require transformation across most aspects of service delivery. Co-designing the roadmap with providers is critical.

Funding is needed for structural adjustment. This could assist with the introduction of new navigation models and supports for homes and living, managing vacancies, investing in/divesting infrastructure, new regulatory and training requirements, delivering trauma informed supports and adapting to new systems, including enhanced incident reporting, digital platforms and e-markets.

## Policy proposals to government

- 1.1 **Establish a NDIS Reform Taskforce that is sector-led**, including people with disability, advocacy groups and providers. The Taskforce would advise governments on creating a high quality and sustainable sector **and develop a Transformation Roadmap**.
- 1.2 **Establish a \$1 billion fund to boost NDIS services and rollout measures to support transformation over the next 5 years**. Grant funding can be directed at projects to increase utilisation, services in thin markets, and increase new and innovative services. The NDIS Temporary Transition Payment (TTP) should be increased and extended through NDIS Pricing Arrangements in 2024-25 to reflect this transformative period in the sector and provide cost relief for registration. Business support programs should be developed in partnership with NDS to assist providers with strategy development, governance, review operating challenges, and position organisations for investment and growth.
- 1.3 **Government funding to NDS to employ dedicated Sector Support Officers and focus on sector development**. Funding of \$950,000 to NDS over 5 years to support one Sector Support Officer at a minimum. Funding can be scaled and expanded to support a network of information and resources for providers and a critical feedback loop to policymakers on progress.



\$700,000



\$1 billion



\$950,000

## What outcomes will be achieved?

Disability service providers will have a seat-at-the-table to ensure reforms can be safely and practically implemented. Funding structural adjustment will help maintain quality services while supporting new service offerings. Business support programs will help build a viable and sustainable industry, focused on doing new things and adapting to reforms.

## 2. Enhancing social procurement from supported employment services

Supported employment services provide jobs for people with disability who often face the biggest barriers to employment. In Australia there are around 160 registered NDIS providers offering employment options to almost 16,000 people.

Their commercial operations are involved in the production of high-quality products and services, which include some of Australia's best-known brands. Their employees with disability are increasingly involved in many complex supply chains nationally, distributing thousands of commonly used household products. As well as these commercial and industrial activities, these enterprises provide work and training in the community or at the work sites of mainstream employers.

There are large numbers of NDIS participants of working age who want to work but can't find a job. They are a pool of underutilised labour who can bring a wide range of skills, talents and abilities the workplace, especially during this time of skills and labour shortages.



### Policy proposals to government

- 2.1 Government should work with state, territory and local governments to **develop a National Social Procurement Strategy for Supported Employment Services** to increase government purchasing from supported employment services, including procurement and employment targets and mandatory set aside policies, similar to the model developed with the Indigenous Procurement Policy. This could be a key piece of work delivered across government through the Disability Reform Ministerial Council.
- 2.2 Government should work with NDS to highlight the social impact value of supported employment services, as well as **invest in and actively promote BuyAbility** ([buyability.org.au](http://buyability.org.au)) to support increased government and non-government procurement from supported employment services. Funding of \$50,000 to NDS would support phase one of a scoping study on what's needed to update and extend the reach of BuyAbility as a key action in a National Social Procurement Strategy.

Funded within existing resources

\$50,000

### What outcomes will be achieved?

Financially viable supported employment services that have a steady source of income from government purchasing are more likely to offer an increased range of quality, sustainable employment options to people with disability. More procurement from supported employment services will increase employment of people with disability and the range of quality jobs available. It will also strengthen pathways to mainstream employment by having a stronger and more dynamic sector.

### 3. Sector support for industrial relations reform

Disability workforce challenges are well-known and immense. Within the next three years an estimated additional 128,000 workers (a 40 per cent increase on today's workforce) are needed to meet the projected demand for NDIS services.<sup>2</sup>

NDS supports an integrated approach to address workforce challenges across the care and support economy. Within this context, the industrial relations environment is a critical piece of infrastructure that needs updating.

The Disability Royal Commission has recommended variations to the Social, Community, Home Care and Disability Services (SCHADS) Award as part of a range of measures to increase the viability of disability work as a career path and to retain workers for longer.

The SCHADS Award was developed during 2009 and amalgamated 40 pre-modern awards. As this was completed well before the enactment of NDIS legislation and the NDIS rollout, it has become evident that the SCHADS Award is no longer fit-for-purpose. Since its introduction in 2010, the Award has had around 18 separate variation determinations handed down by the Fair Work Commission, in addition to scheduled reviews.

It is evident to many in the sector that the nature of work under the NDIS is quite different to that which existed previously. For example, employers now include participants who self-manage and employ their own support workers; the places where work is performed is far wider than those identified under the existing Award; and the market model is predicated upon choice and control, meaning that the hours worked and travel arrangements between participants are more varied. This all necessitates greater alignment between the NDIS Scheme and provisions in the Award.

Shared legal representation for such a wide review of a complex award, involving many stakeholders, would require funding beyond that which NDS receives in membership fees. There are significant concerns about the ability of many providers, particularly SMEs, to fund industrial relations support and NDIS pricing makes no allowance for such activities.

#### Policy proposals to government

- 3.1 **Government funding to NDS and other stakeholders** to support independent strategic and legal advice and negotiations through any review of the SCHADS Industry Award.

Funding as required

#### What outcomes will be achieved?

NDS can facilitate shared representation for NDIS providers as an efficiency measure and to ensure that best practice is represented in the final award. Strategic support for industrial relations reform across stakeholder groups will help ensure the best possible outcomes for participants, providers and government are achieved through a genuinely collaborative process, as recommended by the Disability Royal Commission.

<sup>2</sup> NDIS Review (2023), Building a more responsive and supportive workforce, Accessed 11 January 2024, <https://www.ndisreview.gov.au/resources/paper/building-more-responsive-and-supportive-workforce>

## 4. Implement safeguarding initiatives

NDS is committed to assisting disability service providers to understand, implement and improve practices which safeguard the rights of the people they support.

Creating safer, quality services for all people with a disability is the role of all providers.

There are several projects that have been developed by NDS with government funding and support which, if renewed and extended, will ensure ongoing improvements to safeguarding initiatives across disability service providers. These include Zero Tolerance; the Risk, Incidents and Complaints Management project; and the Positive Health Outcomes for People with Disability project.



### Policy proposals to government

- 4.1 **Upgrade and extend NDS's Zero Tolerance Initiative**, which was identified by the Disability Royal Commission as good practice for disability services. This flagship NDS program aims to prevent violence, abuse, neglect and exploitation of people with disability. Government funding of \$1.8 million over three years will update and modernise the Zero Tolerance materials, developing new evidenced based tools and resources, and extending the reach of the program, particularly to new workers and new entrants to the sector.
- 4.2 **Extend the rollout of the Risk, Incidents and Complaints Management project**, with additional funding of \$190,000 for one year to rollout a further tranche of workshops and enable providers and disability workers build their risk, incidents and complaints management capabilities.
- 4.3 **Additional funding to increase the scope of the Positive Health Outcomes project** for people with disability, with additional funding of \$825,000 over two years. NDS will co-design Quality Use of Medication guidance, case studies and tools, including an evidenced based online training program for direct support staff.

\$1.8 million

\$190,000

\$825,000

### What outcomes will be achieved?

These projects will increase the capability of disability service providers to embed a human rights approach in service delivery, help prevent violence, abuse, neglect and exploitation, support providers and workers build their risk, incidents and complaints management expertise and improve the ability of providers and workers to respond to important health issues for people with disability. Together these projects promote the health, safety and well-being of people with disability and strengthen the skillset of the disability workforce.



## 5. Enhance cybersecurity awareness and capabilities

The concerning rise in cybercrime poses a significant threat to the security and wellbeing of people with disability and the organisations that support them.

As the disability sector increasingly integrates digital technologies for managing personal information, medical resources, communication systems and services, it is a target for malicious actors. This, combined with the typically smaller IT budgets and chronic workforce shortages that extend to IT and corporate services, results in a substantial risk to disability service providers and the people they support.

At the same time, NDS's latest State of the Sector report (2023) shows this is the worst year for financial viability for disability providers in the eight years of the survey, with 34 per cent of providers reporting a loss. This is compounded by workforce shortages, with around half of providers reporting difficulty in recruiting staff in finance/accounting (50 per cent) and IT (48 per cent), and difficulties accessing insurance across a range of operational areas, including cyber security insurance.

While no mitigation strategies are guaranteed to protect against all cyber threats, the Australian Signals Directorate recommends that organisations implement eight essential mitigation strategies, known as the Essential Eight, which makes it much harder for malicious agents to compromise systems.

### Policy proposals to government

**5.1 Government funding to NDS to improve cyber security capabilities of disability service providers and compliance with the Essential Eight maturity model.** Funding of \$2.2 million over two years to NDS would deliver free cyber security awareness training for organisation leaders and subsidised Cyber Security Health Checks for disability service providers. The health check would involve an in-person cyber security review with the organisation's IT department, and a written report of actions to be taken to address security gaps and key risks.

\$2.2 million

### What outcomes will be achieved?

Government funding will support NDS to build cyber security awareness and capabilities of disability service providers and improve sector compliance with government's recommended minimum standard. This will reduce the risk of cyber-attacks.

Government support to increase cyber security capabilities will also help address financial viability concerns for providers by assisting with operating costs and improving access to cyber security insurance.



## Attachment A: Costings breakdown

### 1. Sector support for transformation

- 1.1. Establish NDIS Reform Taskforce:
  - \$700,000 in 2024-25
- 1.2. Establish fund to boost NDIS services and rollout temporary measures to support transformation:
  - \$1 billion over 5 years to establish the fund
    - One source of government funding could be from underutilisation of NDIS plans, which can be directed to disability service providers for projects that increase utilisation, services in thin markets, and new and innovative services.
- 1.3. Government funding to NDS to employ dedicated Sector Support Officers
  - \$950,000 to NDS over 5 years per Sector Support Officer
    - Minimum funding proposed, which can be scaled and expanded as needed.

### 2. Enhancing social procurement from supported employment services

- 2.1. National Social Procurement Strategy for Supported Employment Services
  - Funded from existing resources
    - Initiative can be progressed through work of the Disability Reform Ministerial Council with state and territory government counterparts.
- 2.2. Invest in and actively promote BuyAbility
  - \$50,000 to NDS in 2024-25
    - Funding for phase one scoping study with recommendations for future work.

### 3. Sector support for industrial relations reform

- 3.1. Government funding to NDS and other stakeholders to support negotiations
  - Proposed funding to be developed in consultation with government once scope of the proposed SCHADS Award review is determined.

### 4. Implement safeguarding initiatives

- 4.1. Upgrade and extend NDS's Zero Tolerance Initiative
  - \$1.8 million to NDS over three years
- 4.2. Extend the rollout of the Risks, Incidents and Complaints Management project
  - \$190,000 to NDS in 2024-25
- 4.3. Additional funding for the Positive Health Outcomes project
  - \$825,000 to NDS over two years

### 5. Enhance cybersecurity awareness and capabilities

- 5.1. Government funding to NDS to improve cyber security capabilities in the sector
  - \$2.2 million to NDS over two years:
    - \$500,000 for provision of free online training for disability service providers
    - \$1.4 million for subsidised Cyber Security Health Checks
    - \$300,000 for NDS oversight, supervision, rollout and promotion.