

2016 Federal Budget Submission

Australia is on the road to creating a world-leading disability service system. If designed and implemented well, the National Disability Insurance Scheme (NDIS) will support innovative and sustainable service provision, advance the social and economic participation of people with disability and reduce the need for crisis expenditure in health, justice and welfare sectors.

If these benefits are to be delivered, there are transition risks which require attention in the 2016 Budget. Social Services Minister Christian Porter stated in his address to the NDS CEO Meeting on 8 December 2015 that he would prefer “to speed up the supply side rather than slow down the demand side.” To do this, the 2016 Federal Budget must invest in the supply of NDIS services.

Combined with other reforms, the NDIS provides an unprecedented opportunity for Australia to improve employment for people with disability and their families. The Budget should fund employment service reforms that strengthen the capacity of disability employment service providers to support people with disability to find and retain jobs.

## Budget priorities in 2016-17

National Disability Services (NDS) proposes the following six 2016 Budget priorities to ensure a successful transition to the NDIS and improved employment outcomes:

1. **Confirm future funding for the NDIS**
2. **NDIS market stewardship:** prevent abuse and neglect, confirm regulation, monitor the market and invest in organisational preparation, innovation and research.
3. **Strategic investment in the disability support workforce:** establish and continue measures that support workforce growth, efficiency and sustainability.
4. **Expand work opportunities for people with disability:** advance the most effective parts of the current employment service and welfare system aligning with NDIS principles and abandon unproductive administrative barriers to work.
5. **Improve the response to disability in all service sectors:** establish a stronger accountability and performance framework for the National Disability Strategy; improve access to education; increase housing supply for people with disability; clarify funding responsibility for disability advocacy; and align aged-care reforms with the NDIS.
6. **Protect and enhance social capital:** ensure sensible regulation, tax concessions and commissioning processes that help sustain the added value of the not for profit sector.

## Priority 1

## Future funding for the NDIS

### The disability sector applauds the Australian Government’s commitment to the NDIS. We recognise the significant cost of the Scheme but are confident that results over time will justify the Productivity Commission’s conclusion that the benefits of the NDIS will far outweigh the costs.

### We believe that increased transparency about the financing arrangements and commitments would improve public confidence and reduce the opportunity for mixed messages in the media.

### Drawing on various Budget papers Professor Richard Madden has estimated that, in 2019-20, the first year in which the NDIS will be fully rolled out, Commonwealth Government’s share of NDIS cost is about $11 billion. Of that, almost $9 billion is covered by the DisabilityCare Levy and reduction in other appropriations funding, leaving $2.02 billion of additional funding to find. In subsequent years, he estimates the net Commonwealth financing requirement to be $4.07 billion, which represents 37 per cent of the Commonwealth’s share of total NDIS expenses.[[1]](#footnote-1)

Recommendation

### The 2016 Budget should include funding in forward estimates to cover fully the Commonwealth share of NDIS cost. It should also include a comprehensive report on the financing of the NDIS and a funding plan beyond 2019-20.

## Priority 2

## NDIS market stewardship

The Australian Government must embrace a market stewardship role in relation to the NDIS, as advocated by the Harper Competition Policy review. Disability service providers need information, certainty, support and monitoring to ensure they can meet new, changing and growing demand. Experience in NDIS trial sites indicates that the Government should help promote a diverse and vibrant disability market, where good providers survive the transition to the NDIS. The stewardship role is critical to ensure that essential, safe and quality support is available for people with disability throughout the transition to a fully implemented NDIS. Good stewardship requires the following measures:

### Strategies to prevent abuse and neglect of people with disability

State and federal reviews into abuse and neglect of people with disability highlight that preventing, responding to and remediating the abuse or neglect of people with disability require more than just effective regulation; they require investment to improve capacity within disability service organisations. Through its Zero Tolerance initiative[[2]](#footnote-2), NDS has an evidence-based program of work, based on extensive consultation and review of the academic literature, focused on policies, practices, systems and cultures within disability service organisations.

Recommendations

The 2016 Budget should provide funding to develop the capacity of disability workers and provider organisations to prevent abuse and offer quality services through:

* the promotion of strategies that improve organisational culture and practices in line with the NDS ‘Zero Tolerance’ initiative
* induction training for workers with orientation to the NDIS and human rights.

### Confirm funding for the foundations of an effective quality system

NDS appreciates the consultation undertaken by the Department of Social Services to ensure an effective NDIS quality and safety system. The new quality and safety system will not be built quickly but the construction work can start if the 2016 Budget identifies funding for key regulatory components of the NDIS. Finalising the detail urgently will enable providers to plan and invest.

Recommendations

The 2016 Budget should clarify how key elements of the NDIS quality and safety system will be structured and funded, including the creation of:

* an independent complaints body
* a national staff screening system (NDS would like see one coherent scheme cover the disability, aged care and child services sectors)
* a national employee exclusion scheme to prohibit workers who are established, on the balance of probability, to have committed unacceptable breaches of conduct
* a standards setting and compliance monitoring system for providers.

### Invest in organisational preparation for the NDIS

The Council of Australian Governments (COAG) endorsed the NDIS Integrated Market, Sector and Workforce Strategy in June 2015. The strategy recognises the risk that demand for services may outgrow supply. However, the level of detail on action to address this risk is disappointing. Furthermore, expenditure from the Sector Development Fund (SDF) established in 2012 to prepare the sector will expire in 2017, just as many areas are being brought into the NDIS.

While the National Disability Insurance Agency (NDIA) is focused on the task of escalating from 30,000 (in June 2016) to 460,000 participants (three years later), it is imperative that the parallel market transition is not neglected. We have learnt from the trial sites and are clear about organisational readiness priorities. Providers need support to prepare and adapt their IT and business systems to accommodate itemised costing and pricing, a shift to payment in arrears, increased financial uncertainty and consumer-focused marketing. Many will need to access temporary funding to manage the transition and this will not be easy, particularly for smaller providers.

Recommendations

The 2016 Budget must increase the Sector Development Fund, established in the 2012 Budget, and extend its timeframes so that it is sufficient to prepare the sector to implement the NDIS across Australia.

An action plan should guide coherent funding for sector development, with priorities including:

* national financial benchmarking to assist providers to understand their cost structures and help address the risk of undersupply and/or price inflation in a deregulated market
* establishing an ICT hosting environment to assist small capital-poor providers with administrative functions (scalable business models without the need for merger)
* individualised consultancy support tied to the staged implementation of the NDIS addressing specific organisational challenges
* strategic support for transition cash flow management to help retain social capital and community infrastructure especially in thin markets.

### Invest in NDIS market monitoring

NDIA and DSS market monitoring activity to date has not paid sufficient attention to supply issues or the impact on the not-for-profit (NFP) sector. A $6M evaluation undertaken by National Institute of Labour Studies commenced in May 2013 and is focused on outcomes for individuals, carers and families. Legitimate policy questions about social capital creation, thin markets and price de-regulation are not addressed in the scope of work. This is a missed opportunity to influence the design of the Scheme in its formative years. Similarly the Integrated NDIS Performance Reporting Framework does not include measures for monitoring the quality and diversity of supply.

All governments, the NDIA, providers and participants will benefit from the collection and dissemination of comprehensive market information especially during the transition to the NDIS. NDS would like to see regular NDIS market position statements based on regions or local areas that cover:

* the structure and composition of the sector
* financial capability and growth capacity of suppliers
* workforce indicators of total hours billed where relevant
* changes in volunteer capacity or other social capital impacts
* service offerings and service gaps drawing on market intelligence received by planners and local area coordinators
* demand data both from plans and as billed with comparisons between the two
* participant outcomes (outcome measurement methods should also be shared).

Some of this will be achieved through existing funding, but the NDIA and governments cannot do this on their own and additional provision is required. Industry bodies should be included in market monitoring activity. NDS has been able to combine information from provider readiness activities with business confidence and intelligence at the state level to form a picture of the state of the sector. We have also instigated tracking of financial and workforce metrics. Recently NDS initiated research in partnership with Curtin University assessing the financial sustainability of non-government disability service organisations in Australia.

Recommendation

The 2016 Budget should ensure provision for ongoing monitoring and information dissemination about NDIS markets. This should include an expanded role for NDS in gathering and sharing market intelligence.

### Invest in co-ordinated collaborative disability research and innovation

The NDIS is based on insurance principles where investment over a lifetime for social and economic gains relies on best practice being identified early and put into practice. Investment in building evidence about effective and efficient disability support is the key to this endeavor. It would be naïve to think that markets alone will overnight solve longstanding supply problems, such as remoteness, lack of cross-sector coordination, worker turnover, or lack of appropriate housing. Solutions to these supply issues require investment in innovation and research.

To achieve this, NDS would like to see the establishment of a disability research structure similar to the successful Australian Housing and Urban Research Institute (AHURI). This involves upfront financial commitments from universities and governments and enables long-term coordinated and collaborative research programs.

Existing research funding is inadequate to support the disability sector reforms. The 2014 Audit of Australian disability research found that the current disability research agenda lacks critical mass, is poorly co-ordinated and is disconnected from sustainable funding[[3]](#footnote-3). Existing funding mechanisms for disability research such as the National Health and Medical Research Council and the Australian Research Council have not assigned disability research a high priority, and are under significant pressure across a wide range of research demands. State and federal disability agencies have provided relatively small amounts in the past, notably $10M over five years was aligned to a Disability Research Agenda in 2011. This one-off program is now exhausted and there is no follow up in place.

Recommendations

The Budget should provide funding to establish a collaborative disability research structure (similar to the AHURI model). The scale of investment should be commensurate with the scale of taxpayer investment in the NDIS and be sufficient to:

* co-ordinate programs of research that stimulate service innovation and build knowledge
* test the efficacy of various support interventions and service practices to help understand what works, for whom, under what circumstances and at what cost
* conduct evidence-based policy inquiry directed at pressing policy questions
* identify effective early interventions which over time reduce the need for supports
* disseminate and promote knowledge of best practice and effective support
* connect researchers to industry and consumers as end users of research.

## Priority 3

## The disability workforce

Successful implementation of the NDIS requires increased, diverse and flexible workforce supply to support people with disability into the future. Investment is required to promote:

* **Growth** – across the various components of the disability workforce.
* **Efficiency** – effective deployment of the disability workforce across regions, states and territories and effective use of the workforce within organisations.
* **Sustainability** – the development of work arrangements within disability services that sustain a committed, high quality workforce that can deliver on the promise of the NDIS in terms of client choice, continuity and independence.

Achieving these objectives is a joint responsibility across government agencies and employers and is reflected in the top ten workforce challenges outlined in the Integrated, Market Sector and Workforce Strategy endorsed by COAG in June 2015. It is imperative that this strategy is now actioned and that the Commonwealth addresses its disability workforce responsibilities in the 2016 Budget through its Education and Training, Industry and Social Services portfolios.

NDS welcomes the recent extension of funding for the workforce recruitment campaign ‘carecareers’ and ‘ProjectAble’ to all NDIS trial sites. This campaign will continue to support disability providers to raise the profile of disability services as an attractive career option. We note that from the middle of 2016 there will be a rapid expansion of the NDIS and we look forward to an evaluation of the effectiveness of the campaign. This will hopefully result in an ongoing partnership and extension to all areas implementing the NDIS. This initiative is good, but by no means sufficient. The following initiatives are also needed:

### Assist disability service providers to innovate and grow their workforce during the transition to the NDIS

The NDIS creates profound challenges and opportunities to innovate in how the workforce is managed. This is driven by the increased volume of work for many organisations, the need to offer high quality services at a sustainable price in a competitive market and the expansion of choice and control for people with disability. Many disability services are looking beyond small-scale change to a transformational reshaping of part, or all, of their organisation. In this context, disability should be recognised as an innovative sector and included in industry development programs and innovation initiatives. This is not the case currently as the Industry Skills Fund curiously omits not-for-profit businesses from its scope. Not-for-profit organisations make up the bulk of the disability sector and are the key engines of growth that will implement the NDIS efficiently.

It is also important to ensure that early investment in workforce innovation through the trial sites can be capitalised. In particular, a Disability Workforce Innovation Network was established in 2014 (initially funded by the Australian Workforce and Productivity Agency before responsibility was transferred to the Department of Education and Training). This initiative employed disability workforce advisors in trial sites and developed workforce planning skills, tools and networks. The knowledge gained could be usefully transferred to the wider communities involved in full NDIS implementation.

Recommendation

The 2016 Budget should establish a 'Transforming the Disability Workforce Program’ (as indicated in the Integrated, Market Sector and Workforce Strategy) to stimulate innovation and to support providers transitioning to the NDIS. This should include workforce planning and development support, a nationally coherent framework, on-the-ground support from expert workforce advisors, structured events and networking opportunities.

### Adopt a national approach to disability support worker training

Vocational education and training (VET) for disability workers has traditionally relied on state government funding. With changes to VET funding regimes limiting subsidies to specific qualifications and providers, the already inadequate support for upskilling workers has diminished and in some states is very scarce. NDS's advice to the Government in September 2014 proposed a national training fund for new workers in the sector offering part and full qualification funding contributions for a limited period of time. This would quickly build the capability of the influx of new workers in the sector.

Recommendation

The 2016 Budget should establish a flexible national disability worker training fund, available to services for use with frontline workers between 2016 and 2019.

### Fill gaps in allied health education and training

The risk of critical shortages, leading to delays in treatment and inadequate early intervention is greatest for allied health therapists, a group that 69 per cent of respondents in the 2015 NDS Business Confidence Survey expected difficulties in recruiting. Allied health workforce shortages have presented a particular challenge in the NDIS trial sites where the target population requires intensive therapy services to overcome previous neglect and in regional and remote areas. These challenges will be intensified with full implementation.

Currently those allied health courses of greatest relevance to disability (occupational therapy and speech pathology) are not offered to undergraduates in Tasmania, the Australian Capital Territories (ACT) or the Northern Territory (NT), which hampers the development of a sufficient workforce in these areas.

Recommendations

The 2016 Budget should make funds available for:

* university consortia to offer undergraduate allied health courses needed in the disability sector in partnership with universities in Tasmania, the ACT and the NT
* an allied health remote and rural delivery strategy for student placements, professional support and regional service delivery in disability.

## Priority 4

## Expand work opportunities for people with disability

### NDS supports disability employment reform proposals that expand the role of individual choice; give providers more flexibility and less red tape and work closely with employers to create sustainable jobs. NDS will continue to work with its membership to help inform the further development of the Disability Employment Framework.

A concerted focus on improving employment for people with disability is needed as Australia’s employment rate of people with disability is below the OECD average and has been static for two decades. People aged 15 to 64 with disability have a workforce participation rate of 52.8% (compared to 82.5% of people without disability) and an unemployment rate of 9.4% (almost twice that of people without disability). The situation is worse for people with severe or profound disability, with only 29.7% in the labour force. Only 8% of people on a Disability Support Pension (DSP) receive any income from paid employment.

Despite these bleak statistics, many people with disability currently work or want the opportunity to build careers. Increasing workforce participation would help reduce the long-term fiscal pressure from our ageing population, alleviate the high poverty rate and improve wellbeing among people with disability, as well as contributing to Australia’s economy. To reap these benefits, the Government’s employment and welfare portfolios should undertake the following measures to embrace the opportunities of the NDIS and prepare for a new disability employment framework:

### Ensure welfare reform assists people with disability to find and keep work

Changes to DSP rules over recent years – in particular the introduction of revised Disability Impairment Tables in January 2012 and the requirement for DSP reviews conducted by Centrelink-nominated doctors – have significantly slowed the growth rate of the DSP population. In December 2011, there were 831,908 DSP recipients; in mid-2015 the figure had fallen to 814,391. Measures introduced in the 2014 Federal Budget (including the imposition of participation requirements on DSP recipients aged under 35 and extending eligibility reviews) have also contributed.

The key question is, what happens to people with disability who move off (or are prevented from accessing) DSP? If they move into jobs, the outcome is positive; if they shift to the Newstart Allowance, there is no progress (and they are poorer). The success of welfare reform should be measured principally by how well it achieves the goal of increasing employment of people with disability while preventing poverty.

Recommendations

The 2016 Budget should implement the following measures to ensure the interaction of income support, employment support and wages create incentives to work:

* Extend the ‘Pensioner Work Bonus’ to DSP recipients. The pension withdrawal rate constitutes an effective marginal tax rate of 50% and can act as a disincentive to extra work. The bonus helps to counteract this by allowing the first $250 of earned fortnightly income to be excluded from the income test and a total income test offset amount of up to $6,500 per annum to be accumulated. However, currently the bonus is only available to Age Pensioners and Veterans of Service Pensioners.
* Allow Disability Employment Services (DES) to access the same level of wage subsidies as jobactive to create a more equitable job marketplace. Currently, the only subsidy that DES providers can access is the Wage Subsidy Scheme ($1,500) whereas the jobactive program has access to subsidies ranging from $3,250 to $6,500 for long-term unemployed, youth, parents and Indigenous jobseekers, who may have similar complex support requirements to people with disability.
* Allow automatic entry to Employment Support Services for people eligible for DSP. The best indicator of capacity to work is the desire to work. All people should be given a chance to work if they want to.

### Ensure disability employment services are effective, viable and accessible

### The lack of indexation applied to DES fees remains a significant concern. NDS’s analysis of DES Deeds shows that inflation will erode the real price of fees by 14.8 per cent from 2012/13 to 2017/18. This compounds the cost pressures on DES providers that threaten their viability. The day-to-day operational costs for organisations have grown exponentially and are exacerbated by compliance requirements, with many DES providers engaging dedicated Compliance Officers.

### NDS is encouraged by the Government’s commitment to reduce regulatory burdens. However, the DES program is still bound by a prescriptive Deed and 900 pages of guidelines. Not only does this divert provider attention away from service delivery, it reduces their flexibility and responsiveness and their capacity to meet the diverse needs of people with disability.

Recommendations

The 2016 Budget should include the following measures to assist the employment service sector to prepare for the new Disability Employment Framework in 2018:

* Adapt the DES guidelines to enable DES providers (rather than DHS) to undertake a 78 week program review. This would result in significant cost savings to government through reduced Employment Support Assessments as well as a reduction in administration for providers and improved access to employment support for participants.
* Index the DES fees to take into consideration the average Wage Price Index (up to June 2015) over five years of 3.0% (ABS 6345.0 Labour/Wage Price Index) and the CPI for 2014-15 which was 1.5% and to counter the effect of no indexation over the last five years.
* Invest in the specialist foundation skills for work with different disability types (such as Autism or intellectual disability) and in interventions assisting people to learn work-related skills, and how to both find and keep a job. Price pressure has led providers to redirect funding from staff development.

### Improve employment pathways for young people with disability

### Many young people with disability exit the school system unprepared for the world of work. This can have a lifelong negative impact on individuals. Evidence demonstrates that some school leavers with disability will greatly improve their chances of successful employment if they receive intensive pre-employment support. However, despite this evidence, the only formal intensive Transition to Work program in Australia is in NSW and, starting in January 2016, a School Leavers Employment Support initiative being trialed through the NDIS in Tasmania and the ACT. Transition-to-work programs provide intense pre-employment interventions such as community confidence, travel training, communication and life skills.

### Evidence also demonstrates that an immediate connection between a transition-to-work program and DES leads to a reduction in the time a job seeker spends in the employment assistance phase of DES and results in more sustainable employment.

A successful and growing initiative for improving transition to employment is ‘Ticket to Work’ established nationally in 2014. It uses an evidence-based model comprised of a national network managed by NDS and local networks located in communities across Australia. To date, local Ticket to Work Networks have engaged over 500 employers using a demand-led approach to assist over 1000 young people with significant disability to carry out traineeships/apprenticeships, work experience and work preparation activities. The National Ticket to Work office received one-off trial funding from DSS in 2014 and an extension to 2016. In 2015, NDS successfully gained philanthropic funding to expand Ticket to Work into four NDIS sites to explore how to improve employment pathways within an NDIS framework.

Funding is now required to ensure continuity of Ticket to Work in areas outside the trial sites post June 2016. This will ensure the sustainability of 30 active networks and enable further expansion. Funding is also required to further develop Ticket to Work over the next two years and incorporate it as a core component of the new Disability Employment Framework from 2018.

Recommendations

The 2016 Budget should invest in the following measures to help young people with disability transit from school to work successfully:

* Fund Ticket to Work’s national management and Intermediaries for each of the next two years at a total cost of $2,000,000, enabling the initiative to operate in 30 networks around Australia.
* Provide funding to extend the School Leavers Employment Support initiative being trialled by the NDIS in Tasmania and the ACT to more areas.
* Make it easier for students with disability to access DES by removing the “not studying full time” requirement from the referral and commencement guidelines.

### Improve the responsiveness of employers to people with disability

### Effective DES providers invest in building and maintaining strong relationships with employers. Some successes are identified by the Australian Chamber of Commerce and Industry’s ‘Employ Outside the Box’ publication produced in partnership with NDS. However, more needs to be done to demonstrate to employers that engaging with a DES and employing people with disability will add value rather than pose a risk or be simply an altruistic activity.

### Government should build on the success of the NDIA where 18 per cent of employees have a disability compared to an overall public service average of 3.5 per cent. By taking a lead in disability employment, the Government can demonstrate the possibilities and benefits to other large employers.

Recommendations

The 2016 Budget should lead improvements in employer responsiveness to opportunities for people with disability in work through:

* Investing in innovative employer engagement practices through a fund that supports DES providers to trial and share effective practices.
* Partnering with DES to increase the number of employees with disability in the Australian public service.

### Support the sustainability of Australian Disability Enterprises (ADEs): The mission of ADEs is to provide work for people with disability who would otherwise be excluded from work. However, sustaining ADEs is a challenge and the jobs of 20,500 ADE employees are at risk.

### ADEs are the target of legal and industrial action that challenges the legitimacy of the supported employment model and creates uncertainty about wage assessment methods. A financial survey of ADEs found that half of the respondents made a loss for the 2014-15 year (total responses = 85 or 44 per cent of ADEs nationally).

### Demand for employment support will grow rapidly as the NDIS moves from trial phase to full implementation, and assistance for existing suppliers to prepare is essential.

### The Government should also recognise its role as a major purchaser which it can use to support social policy objectives without compromising its responsibility to achieve value for money. The Commonwealth Procurement Guidelines enable Australian government agencies to purchase goods and services from ADEs without an open tender process. However, the take-up of this option by Australian government agencies is currently very limited. [SourceAmerica](http://www.sourceamerica.org/) provides a successful model from the USA; and, in Australia, successful State government procurement projects operate in Western Australia and NSW.

### In NSW, NDS administers the Disability Enterprise Procurement Program which makes engagement of ADEs by government agencies simple and effective. Through this program in NSW, NDS has assisted 43 ADEs to commence work valued at almost $14.5M (plus another $2M if contract extensions are achieved) since January 2011. Around 525 supported employee jobs have already been created. As is occurring with the NSW Disability Procurement Program, a national program would build collaborative arrangements among providers in order to meet large-scale procurement opportunities, thus enhancing the capacity of the ADE sector.

Recommendations

The 2016 Budget should ensure supported employment remains a viable option for people with disability through continued support for ADEs and in partnership with the ADE sector and implement an industry development plan that:

* promotes organisational ADE readiness for the NDIS in terms of business systems, market position and person-centred service approaches
* stimulates the development of innovative employment models and a diverse spectrum of employment choices, including forms of social enterprise and social firms.
* provides assistance for ADE organisations where there is a good case for business re-development to achieve financial sustainability
* explores options for organisations that are unable to make the transition to financial viability or NDIS readiness
* supports ADEs’ financial sustainability and growth through government procurement.

## Priority 5

## Improve the response to disability across service sectors

The ambitions of the National Disability Strategy complement those of the NDIS. Inclusive transport, technology, justice, housing, health and education systems are imperative for a viable NDIS that has capacity to increase the social and economic participation of people with disability. Implementation of the Strategy will also reduce the cost of crisis services in the hospital, justice and income support sectors.

The Strategy requires a clearer performance and accountability framework to ensure all sectors understand and do their part. While it is positive that the Strategy has been endorsed at the highest levels of all governments, progress requires clearly delegated responsibilities and measures of progress, dedicated funding and monitoring.

NDS has identified the following key areas that the 2016 Federal Budget should incorporate to implement the strategy and build on previous investment and policy work:

### Commit to fully accessible education by 2020

The groundwork has been done. The long-awaited nationally-consistent collection of data on school students with disability was implemented in August 2015. The sector understood this would contribute to the establishment of a schooling resource standard which includes an adequate loading for children with disability and helps to enable inclusive education. NDS is disappointed that secure needs-based and targeted funding has not been allocated as an outcome for the start of the 2016 school year.

There have been improvements in education for children with disability over the last decade in Australia. However, some children still experience serious barriers and parents report that they are ‘exhausted by the fight’ for adequate disability education support. There have also been incidents involving inappropriate restrictive interventions for children with disability in schools. In November, the [ACT Government released a review](http://www.det.act.gov.au/__data/assets/pdf_file/0009/795186/62074-Expert-Panel-Report-Web.pdf) which has national relevance. It found that some schools lack appropriate policies and practices for managing complex needs and challenging behaviour, and that teachers may not have the practical resources that would assist (including the availability of safe and calming spaces to which students can voluntarily withdraw). This must be rectified and there are already some good systems that can help if used properly. The Disability Standards for Education 2005 provide a robust framework for ensuring equal and appropriate access to education for people with disability.

Recommendations

The Budget 2016 should provide for the following measures to accelerate compliance with the Disability Standards for Education by 2020:

* Make adherence with the Standards a mandatory part of school registration
* Implement an increased and targeted individualised disability loading which covers all students with disability based on the Nationally Consistent Collection of Data on School Students with Disability as soon as possible.
* Provide non-individualised funding to schools that is dependent on progress made towards disability action plans to ensure children with disability are welcome and supported in schools.
* Educate school communities about disability inclusion and benchmark inclusive education with progress on disability action plans published on the ‘my school’ website.
* Strengthen training for all teachers on the skills required to teach and include children with disability, and promote related professional development
* Ensure specialist advice is available, such as how to modify the curriculum for a particular child, promote positive behaviour for children with disability, and improve general understanding around why certain restrictive interventions must not be used.
* Develop joint planning between schools, families and the NDIA.

**Increase housing supply for people with disability**

Housing is directly connected to wellbeing and employment because ‘place’ matters. If people live where they can get to work, access health services, transport and education, they can flourish. If they are isolated, they flounder and often make more use of expensive crisis services such as hospitals and income support.

It is important to leverage the new injection of support funds from the NDIS, and the related expansion of choices for people with disability about where and how they live. A range of government planning, regulation and supply interventions will be required because the housing market has proven that it will not deliver the accessible and affordable housing options required for people with disability.

NDS notes the release of details around how the NDIA will fund specialist disability accommodation for about 30,000 NDIS participants. This provides increased policy clarity to potential investors in housing for people with high and complex accommodation support needs. It should enable the sector to develop housing options that allow young people to move out of aged care accommodation. It will also ensure residents have increased choice about whom they live with and who they get support from and to ensure positive cultures that prevent abuse and neglect. However, this NDIS funding only addresses a small part of the housing demand that will be driven by NDIS participant access to individualised support. Research indicates 50,000 future participants over 25 years of age, who currently live with their parents, will likely aspire to establish their own home. Most will have low incomes and there is a shortage of affordable and accessible housing in many areas.

The responsibility to address disability housing challenges lies beyond the Australian Government. However, the Commonwealth can play a key role in facilitating collaboration between all governments (including local governments), developers, planners, housing providers, disability providers, families and banks. These groups need to come together to fully understand and act on opportunities to invest and innovate in disability housing. There is also a key role for the Commonwealth to play in ensuring adequate growth in supply.

1. **Establish national funding to stimulate the construction of affordable and accessible community housing for people with disability**

NDS welcomes the new ministerial working group established to investigate innovative ways to improve the availability of affordable housing. It will be important to include disability high on the agenda of this working group. While improving access to affordable housing for people with disability is a key part of the National Disability Strategy and essential for the NDIS, little progress has been made. There is no simple solution to bridging the gap between the rental stream available from people on a Disability Support Pension and the cost of good quality housing that is well located. However, a number of strategies can be used concurrently and lessons from previous initiatives should be heeded. The Commonwealth has a key role.

Recommendation

Budget 2016 needs to complement the NDIS by introducing a national funding scheme that offers financial incentives to persons or entities such as the business sector and community organisations to build and rent dwellings for low and moderate income households. This includes making housing available to people with disability at a rate that is at least 20 per cent below the market value for rent. These incentives should:

* be indexed annually and provided for each approved dwelling for up to 10 years
* either be a tax offset or cash (for endorsed charitable organisations who have not made an election to receive a tax offset)
* complement contributions/investments from state or territory governments
* allow investors in the scheme to benefit from the annual incentive for up to 10 years as well as through rental yields and potential capital gains
* only apply to approved schemes that meet quality and probity standards.
1. **Meet adaptability standards in all affordable housing**

All new and extensively-modified affordable housing that results from initiatives developed by the new ministerial working group should be required to meet access and adaptability standards. This will be a great deal cheaper for the overall economy than retrofitting accessibility at a later date.

Proposed minimum access and adaptability standards are defined by the Australian Network for Universal Housing Design (equal to ‘the silver level’ of the Liveable Housing Design Guidelines). They include: a clear pathway from the street to entry; wider doorways and passages; and reinforced bathroom walls to allow grab rails to be installed if necessary. These access and adaptability features would benefit all people with accessibility needs: older people, people with temporary impairments, young families and people with disability.

### Clarify funding responsibilities for independent disability advocacy

Independent individual and systemic advocacy will continue to be essential for promoting accessible services across all sectors and in building inclusive communities consistent with the National Disability Strategy. In future, it will also play roles in facilitating NDIS markets through assisting participants to exercise choice and control and providing safeguards. Recent inquiries into abuse and neglect of people with disability found there is inadequate funding available for independent individual advocacy.

In April 2015 by the COAG Disability Reform Council decided that systemic advocacy, legal review and representation would be funded outside the NDIS, but that the NDIS would fund:

* decision supports
* safeguard supports
* capacity building for participants, including support to approach and interact with disability supports and access mainstream services.

The Disability Advocacy Framework is being reviewed by DSS. NDS would like to see the revised Framework promote quality advocacy and deter vexatious activity such as early escalation to legal processes before other avenues to resolve problems have been properly explored. Responsible advocacy requires defending the rights of people with disability by considering the practical consequences on their lives, rather than simply pursuing an ideological cause.

Recommendation

The 2016 Budget should fund a revamped National Disability Advocacy Program that ensures suitable, high-quality, independent disability advocacy.

### Continue to progress aged-care reforms in alignment with the NDIS

People who acquire disability support needs over the age of 65 will not be eligible for the NDIS. Therefore it is important that parallel reforms in the aged care sector ensure relatively equitable access to support and are aligned with the NDIS. NDS notes that this alignment will be progressed through the recent decision to make home care packages portable for all consumers from February 2017. We are also pleased to see the commitment to a short-term restorative care program which promotes wellness, reablement and restorative approaches that assist older people improve their function, independence and quality of life. While this program is a good initiative to assist older people to remain at home, the number of available places is too few.

NDS would like to see a coordinated approach to further reform to ensure opportunities for partnership and alignment between the aged-care system and the NDIS are not overlooked. For, example the NDIA is looking to develop an assistive technology innovation hub which could also be very beneficial for the aged-care sector.

Recommendations

The 2016 Budget should consider opportunities for partnership and alignment between the disability and aged-care systems:

* improve access to assistive technology for older people through partnering with the NDIA on technology procurement, innovation and market development investments
* increase access to specialist disability services for older people through expanding the commitment of the short-term restorative care program.
* coordinate responses to workforce challenges facing both sectors including on quality and safety matters.

## Priority 6

## Protect and enhance social capital

### It is important that governments recognise the social and economic value of sustaining a strong not-for-profit sector. Otherwise, there is a risk that major social and community infrastructure, built up over decades, will disappear in the transition to the NDIS. Not-for-profit social capital creates linkages, capacity and social inclusion for people with disability, all essential to the success of the NDIS. For example, volunteer coordination and community inclusion initiatives can build confidence and willingness in families to take on foster care responsibilities of children with disability. The community value which the not-for-profit sector brings goes beyond contractual obligations.

### An important way that governments help sustain a not-for-profit sector is with supportive regulatory settings, including charity tax concessions and reduced ‘red tape’. NDS appreciates the ongoing role that the Australian Charities and Not-for-profits Commission (ACNC) will play in this regard. In particular, we look forward to an ACNC Charity Passport (‘report once, use often’) to operate across state and federal government agencies to reduce red tape. The ACNC also collects useful information on the sector and will enable us to better understand the impact of various policies such as individualised consumer-directed funding and competitive markets.

Retaining the value of tax concessions for NFP disability organisations is essential to ensuring a viable future disability sector. Raising the current cap on the FBT 'living expenses' rebate of $30,000 to at least $45,000 grossed up value per employee would greatly assist NFP organisations to attract and retain skilled staff during the rapid expansion of the NDIS.

It is also important that the Government is careful when designing new commissioning arrangements for the not-for profit sector. The findings of the recent [Senate inquiry](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/Grants/Final_Report) into the Impact on service quality, efficiency and sustainability of recent Commonwealth community service tendering processes by DSS indicated that poor management of grants processes and reform can have damaging outcomes. Significant gaps in essential support are a risk along with the loss of existing social capital, networks and infrastructure.

Recommendations

The 2016 Budget should back the not-for-profit sector with the following measures:

### Raise the current cap on the FBT 'living expenses' rebate of $30,000 to $45,000 grossed up value per employee.

### Support the ACNC in promoting the use of the Charity Passport operating across state and federal government agencies and building public confidence in charities.

### Adopt a cautious approach for new commissioning arrangements with the NFP sector, which include longer-term contracts to promote investment and development; and alternatives to competitive tender processes that are responsive to local networks and respect social capital contributions

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About NDS

### National Disability Services is the peak industry body for non-government disability services. Its purpose is to promote and advance services for people with disability. Its Australia-wide membership includes 1100 non-government organisations, which support people with all forms of disability. Its 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.

1. Madden, R. 2015. National Disability Insurance Scheme: Commonwealth Financial Arrangements Up To 2019-20. Policy Bulletin 5, November 2015. Centre for Disability Research and Policy, University of Sydney [↑](#footnote-ref-1)
2. http://www.nds.org.au/projects/article/194 [↑](#footnote-ref-2)
3. Llewellyn, G. 2014. Report of Audit of Disability Research in Australia. Centre for Disability Research and Policy. University of Sydney [↑](#footnote-ref-3)