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21 November 2024

Independent Health and Aged Care Pricing Authority (IHACPA)
Eora Nation, Level 12,
1 Oxford Street,
Sydney NSW 2000

Email: ndispricingreform@ihacpa.gov.au

Re: Exploring opportunities for NDIS pricing reform

The Australian Services Union ('ASU') is a union of 135,000 workers, and we are the union for workers in the social, community and disability services sectors.

We support independent NDIS pricing and price setting as per recommendation 11 of the NDIS Review: Final Report¹.

We note our previous submissions to the National Disability Insurance Agency (NDIA): *NDIA 2023-24 Annual Price Review; Annual Pricing Review 2022-23 Consultation Paper; Annual Pricing Review 2021-22 Consultation Paper; and Annual Pricing Review 2019-2020*². These submissions outline current issues with NDIS pricing arrangements and make recommendations as to how these can be overcome. We summarise as follows:

The National Disability Insurance Scheme (NDIS) requires targeted investment to support people with disability and to build a more equitable and supportive nation. Recent Final Reports by the Disability Royal Commission and the NDIS Review have recognised urgent workforce action is needed to build a highly skilled and qualified workforce that can deliver high-quality and individualised services.

Pricing needs to accommodate for career pathways, pay progression, training and professional development

The NDIS Disability Support Worker (DSW) Cost Model has had significant consequences for training and development in the sector and for the capacity of providers to participate actively in providing a high standard of training and supervision – or any training at all.

There have been cut-backs in the time allocated for training; team meetings have all but disappeared; supervision has been severely curtailed; and large numbers of casual workers are being newly employed with almost no supervision at all.

¹ Australian Government, NDIS Review Final Report <https://www.ndisreview.gov.au/resources/reports/working-together-deliver-ndis>

² Australian Services Union, Submissions [Online] <http://www.asu.asn.au/resources/submissions>
Annual Pricing Review 2022-23 Consultation Paper, Annual Pricing Review 2021-22 Consultation Paper and Annual Pricing Review 2019-2020

Not only is there no requirement for training, but there is also no ongoing professional development for the sector, a sector that is meant to provide a range of services to meet the diverse needs of people with disability.

DSWs must be supported to access quality accreditation and training to ensure the NDIS delivers on its promise to people with disability. Accordingly, the ASU commissioned research by the Australia Institute Centre for Future Work who found there is a strong case for funding training and professional development for the sector. A copy of the report can be viewed [here](#).

In May 2024, the ASU, along with the HSU, USU and AWU made a submission to the NDIS Provider and Worker Registration Taskforce calling for a worker registration scheme that supports workers to access minimum training and supports their professional development.³

In response, the Taskforce recommended a Worker Registration Scheme be introduced for all workers and should include:

'b. requirements for professional development

c. a worker training and qualifications framework (including minimum training and qualification requirements) to apply to the disability sector.⁴

The Disability Royal Commission's Final Report made some key recommendations for the disability workforce including: portable training and leave entitlements; continuing professional development; as well as recommending service providers ensure workers have sufficient paid time built into their rosters for training, as well as for handovers and completing essential administrative tasks like record keeping and making and reviewing daily notes as well as effective supervisory arrangements for workers.⁵

These findings were supported by the NDIS Review Final Report with recommendations focusing on trialling a portable training and a portable personal leave scheme. The Review also recommended the NDIS pricing and payments framework should be reformed to improve incentives for providers to deliver quality supports to participants including price caps to reflect the market price for delivering supports including costs associated with training and other indirect labour costs.⁶

Pricing needs to accommodate for portable leave entitlements

Introducing portable leave entitlements such as long service leave, personal/carers leave, annual leave and sick leave, into NDIS pricing arrangements would go some way to enhancing worker retention and job satisfaction.

The characteristics of the Community Services Sector, including the disability support workforce is widely documented as low paid; highly feminised; and sustained by short term funding arrangements which ultimately results in short term tenure for workers (often with multiple employers), but paradoxically long-term service within the industry.

³ Australian Services Union, Joint Union Submission – NDIS Provider and Worker Registration Taskforce [Online] <http://www.asu.asn.au/resources/submissions>.

⁴ NDIS Provider and Worker Registration Taskforce Advice [Online] https://www.dss.gov.au/sites/default/files/documents/08_2024/ndis-provider-and-worker-registration-taskforce-advice.pdf

⁵ Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, Final Report [Online] <https://disability.royalcommission.gov.au/publications/final-report>

⁶ Australian Government, NDIS Review Final Report [Online] <https://www.ndisreview.gov.au/resources/reports/working-together-deliver-ndis>

The 2023 McKell Institute [report](#) found that whilst NDIS workforce demand is growing, with over 80,000 additional workers needed by 2025, there was a high “churn rate” with 25% of NDIS workers leaving the sector. To overcome this churn, the report recommended the Commonwealth Government extend portable entitlements to registered NDIS workers during this term of parliament.⁷

Adjusting NDIS pricing to include portable leave entitlements would align the scheme with broader labour market standards, ensuring that DSWs are treated equitably as well as offering providers more financial stability to attract and retain skilled workers.

Pricing needs to fully account for Modern Award/NES conditions and any new conditions that may occur

NDIS pricing arrangements must comprehensively account for the full spectrum of employment costs, including those mandated by the Social, Community, Home Care and Disability Services Industry Award, the National Employment Standards (NES), and any additional employment conditions that may arise.

Pricing arrangements should be regularly reviewed and adjusted to reflect changes in employment law, as well as legislative and regulatory shifts. For example: the DSW Cost model should include funding for the new entitlement to paid time delegates leave under s 350C of the Fair Work Act.

Prices need to be updated to reflect growing independency, autonomy and higher skilled DSWs

The introduction of the NDIS has entrenched minimum rates of pay as the standard for wages in the sector. This is because providers cannot charge participants more than the National Disability Insurance Agency price-cap, which is calculated based on minimum wage rate assumptions.

Prices are also tied to the Social, Community, Home Care and Disability Services Industry Award 2010 (SCHADS Award) minimum rates of pay and the SACs Equal Remuneration Order however there is no requirement for providers to pass these rates onto workers. Instead, providers deliberately underpay or misclassify their workers and pocket the difference. This severely limits the pay that can be offered to the disability support workforce.

A recent 2024 [report](#) by UNSW Sydney into Australia’s social and community services workforce revealed “most disability support workers are classified by their employers at the lower levels of the SCHADS Award – predominantly at Level 2 (notably low, given the potential for classification up to level 8) – even though 43% of disability support workers in the study have over 10 years of experience”⁸. The study also found no disability support workers are classified above Level 4.

The report concluded that the nature of social and community service work (including disability support work), and workers’ skills and experience, are not being consistently recognised under current regulatory arrangements. This recent report is a follow-up on a previous 2020 UNSW Sydney [report](#): Working in new disability markets: A survey of Australia's disability workforce.

NDIS pricing assumptions should be reformed so that the NDIS pricing arrangements:

- a) encourages permanent employment, including full-time employment;
- b) ensures disability support workers are not misclassified as home care employees;

⁷ The McKell Institute, Flexible but Fair: The case for extending portable leave entitlements to the NDIS Workforce [Online] <https://mckellinstitute.org.au/wp-content/uploads/2023/02/McKellNDIS-Portable-LeaveWEB.pdf>

⁸ UNSW Sydney, Australia’s social and community services workforce: Characterisation, classification and value [Online] <https://apo.org.au/sites/default/files/resource-files/2024-04/apo-nid326914.pdf>

- c) ensures disability support workers are not under classified at Level 1 of the SCHADS Award or under Schedule E;
- d) holds providers accountable to passing on the correct award wage;
- e) reflects the true cost of disability support work (including appropriate classifications for the work performed, the intensity of support, adequate time allocated for tasks, administration, supervision, training etc.);
- f) meets minimum Award entitlements and the National Employment Standards;
- g) provides for portable training entitlements, as well as professional development; and
- h) provides for portable entitlements to paid leave entitlements such as long service leave, personal/carers leave, annual leave and sick leave.

Until the impacts of the current pricing arrangements for disability support work are addressed and until pricing provides well remunerated, quality secure jobs, the NDIS will be at risk.

Finally, the ASU is supportive of the move towards longer-term NDIS plans and funding, such as five-year plans. This approach offers numerous benefits to participants including greater stability and certainty as well as providing the NDIS workforce with job security. We are also supportive of new funding approaches that will allow for shared or pooled funding arrangements where people with disability choose to live together (e.g. in group homes).

Please feel free to contact me at [REDACTED] should you wish to discuss the contents of this submission in more detail.

Yours faithfully

[REDACTED]

Emeline Gaske
National Secretary

List of Attachments:

1. UNSW Sydney (2024), Australia's social and community services workforce: Characterisation, classification and value
2. UNSW Sydney (2020), Working in new disability markets: A survey of Australia's disability workforce
3. The McKell Institute (2023), Flexible but Fair: The case for extending portable leave entitlements to the NDIS Workforce
4. Centre for Future Work (2018), A Portable Training Entitlement System for the Disability Support Services Sector