

NDIS Review Secretariat - Department of the Prime Minister and Cabinet
PO Box 6500
Canberra ACT 2600

By email: contactus@ndisreview.gov.au

14 September 2023

Dear Secretariat,

Catholic Social Services Australia (CSSA) appreciates the opportunity to provide input into the Independent Review of the National Disability Insurance Scheme (NDIS). Catholic Social Services Australia (CSSA) advocates for the Catholic Church's social service ministry and is the peak body for Catholic social service providers, including CatholicCares and Centacares in dioceses across the nation and providers such as Mackillop Family Services, Marist 180, and Jesuit Social Services.

CSSA members provide a wide range of services across the social services sector, including family support, early childhood education and care, community aged care, and disability support. Our interest in the NDIS Review comes from our commitment to a fairer, more inclusive Australian society that reflects and supports the dignity, equality and participation of all people. Eighteen of our member organisations provide NDIS services.

Our members work to support a cohesive, inclusive, and just society where everyone has the opportunity to thrive, flourish and develop their full potential. CSSA's work is underpinned by Catholic Social Teachings principles: solidarity, the preferential option for the poor and vulnerable, the rights of workers, the dignity of work, and protection and care for the environment.

Please see the CSSA submission attached. Please contact the principal author, CSSA Government Relations and Policy Officer Ron Johnson, (ron.johnson@cssa.org.au) if you require any clarification or further information.

Yours sincerely,

Monique Earsman
Executive Director
Catholic Social Services Australia

Catholic Social Services Australia (CSSA)

Submission to the Independent Review of the National Disability Insurance Scheme (NDIS)

CSSA commends the Albanese Labor Government and Minister Shorten for their stated determination to reform the NDIS to ensure the best possible services are provided to people with a disability, in a sustainable way. We also commend the reform steps taken by the Government thus far to ensure a more representative NDIS Board, crack down on fraud through the establishment of the Fraud Fusion Taskforce, improve NDIS hospital discharge times for NDIS participants who are medically ready, and to clear much of the backlog of NDIS decision appeals cases through the Administrative Appeals Tribunal (AAT).ⁱ

CSSA agrees with Minister Shorten that there is a great need for “systemic reform of the entire disability support eco-system – the NDIS, mainstream and community services.” CSSA supports in-principle the six (6) policy directions outlined by Minister Shorten, in April 2023, that the Government is committed to working on to deliver better outcomes for people with disability. The CSSA submission summarises the key policy directions identified by Minister Shorten and for each we have outlined some ways in which we believe the Government agenda needs to be broadened.

In summary, CSSA is seeking the following from the Australian Government:

- Broad labour market reform to ensure that sufficient suitably qualified and experienced staff can be attracted and retained in the NDIS workforce in all geographic areas and care specialities. This would include housing assistance and possibly tax breaks for NDIS workers.
- A review of funding methods in the NDIS and the care and support economy to prioritise secure employment over casual work and ensure adequate funding to cover all overheads and various costs associated with the workforce.
- Long-term planning for support provision that does not adopt a one-size-fits-all approach but instead acknowledges the need for agility, recognising that certain disability conditions may improve or deteriorate with time.
- Expert redesign of the NDIS pricing and funding system to better guard against fraud, factor in the real costs of providing NDIS services, and prevent not-for-profit providers from being disadvantaged compared to for-profit providers.
- Assurance that sufficient new housing is built and made available to meet the community demand for Supported Independent Living (SIL) arrangements and other housing needs for people living with a disability.
- A thorough review and risk analysis concerning the involvement of for-profit and unregistered providers in the NDIS, with a focus on ensuring the best allocation of resources and the provision of quality care for participants.
- A review of the negative 'Efficiency Dividend' applied to some of the Commonwealth Department of Social Services (DSS) Disability programs.
- Exploration of the collection of unearned windfall gains through land speculation to fund community and mainstream supports for people with disabilities and the NDIS.
- A comprehensive review of Australia's taxation system to make it fairer and more progressive, while also assessing the costs imposed on Australian taxpayers by for-profit service providers in the care and support economy.



Disability Support- Identified Government Policy Directions and the CSSA Response

1. The NDIA workforce: *To increase the NDIA workforce and give a better experience when participants engage with the NDIA. Minister Shorten stated: "We also need to have the capability and specialisation to proactively intervene to fill service gaps in places like rural and Indigenous communities, and regional and remote Australia."*

CSSA response: CSSA agrees with the Minister's plan to expand the capability and skills of the NDIA workforce. However, CSSA members report major concerns with the NDIS labour market and workforce more broadly. We concur with the NDIS Review "What we have heard" documentⁱ, which states:

As the NDIS grows, more workers are needed to support people with disability. Both service providers and participants report that it is hard to find and keep workers with the right skills, values and attitudes, especially for complex clients and in remote areas. Jobs can be short term with poor conditions and many workers aren't staying.

CSSA submits that the high labour turnover in the NDIS workforce, due to low wages and poor conditions, is fundamentally inefficient. It would be far more cost-efficient over the long term for government to ensure that funding for not-for-profit providers is genuinely sufficient to cover for the real cost of attracting, retaining, and training and developing a quality, predominantly permanently employed, NDIS workforce.

CSSA members are concerned that to a significant extent, the 'casualisation' of the care and support economy workforce is caused by the nature of funding models. That is, 'fee-for-service' funding with very thin margins can drive employers towards casual employment for staff. For example, in circumstances when people receiving care and support cancel or postpone a booking, as often occurs, casual employment can prevent additional labour costs.

We agree with the NDIS Review "What we have heard" document summation that:

Coordinated action is needed across the care support sector. Making care and support work more attractive, as well as making it easier for workers to move across the sector may open up more career options and encourage people to join and stay.

However, in order to make care and support work sufficiently attractive, a range of fundamental reform directions need to be considered-

- a) CSSA recommends that all funding methods used by the Australian Government in the NDIS and the care and support economy broadly be reviewed to ensure that funding and indexation arrangements are fully transparent, preference secure employment over 'gig' or casual work, and fully cover increases to all labour, overhead and other costs.

- b) CSSA supports the Government's commitment to preference direct employment in aged care and encourages the Government to examine the advantages of extending this commitment to other parts of the care and support economy, including the NDIS.
- c) Further, such NDIS workforce funding should include the capacity for providers to enter into efficiency-enhancing enterprise agreements with their NDIS workforce that include wages, allowances, and conditions well above current award standards.
- d) CSSA submits that the Government needs to maintain and expand current policies that provide for fee-free places in TAFE for courses where skills are required in the NDIS labour market. Such a policy approach also needs to be comprehensively expanded in the university sector.
- e) CSSA submits that a major Government investment is needed to focus upon improving workforce health and safety in the care and support economy including the NDIS labour force, with a particular emphasis upon reducing excessive workloads, minimising the risks of psychological injuries, and improving approaches to manual handling. Such an initiative could deliver significant cost-saving efficiencies through reducing time lost due to illness and injury and the costs of labour turnover and workers compensation insurance premiums.
- f) One of the fundamental and extreme difficulties faced by low-paid workers in Australia, including most of those engaged in the NDIS workforce, is being able to access affordable and suitable housing within reasonable proximity to their workplace. The government must address the major impact that housing unaffordability and the regional variability in housing costs, have upon the capacity to attract and retain a suitable NDIS workforce.

Some examples of initiatives that could be explored include:

- i) Zero-interest housing loans for care and support workers through the National Housing Finance and Investment Corporation.
- ii) Residential land grants for care and support workers, perhaps especially in regional and rural areas.
- iii) Significantly raising the tax-free threshold for care and support workers and/or other tax breaks.
- iv) Improved access to public housing for care and support workers.



<p><u>2. Long-term planning:</u> Move from short to long term planning. This means more flexible and sustainable multi-year plans for NDIS participants and less red tape in the planning process.</p>	<p><u>CSSA response:</u> CSSA supports this policy direction in-principle. However, this needs to be done in a way that makes fair provision for circumstances where the acuity of a person's particular disability changes over time.</p> <p>Also, CSSA understands that providers do not have visibility of participant plans which places the provider at "significant risk of providing unfunded or underfunded supports and being unable to recoup these expenses."ⁱⁱⁱ CSSA asks that the Panel consider this statement from one of our members that is a large provider of NDIS and disability services:</p> <p style="text-align: center;"><i>In addition, not involving the provider in discussions about the client's full needs and requirements further impedes clients and providers receiving adequate funding.</i></p> <p>Effective long-term planning will require providers to have visibility of participant plans, with appropriate safeguards to protect the dignity and privacy of participants.</p>
<p><u>3. Eliminate unethical practices:</u> To target the misuse of NDIS funds. The NDIA will focus on maximising every dollar spent and eliminating misuse of funds and corruption in the scheme. Minister Shorten stated: "More NDIA staff in place with the skills to ensure providers deliver outcomes and don't over-charge is the answer."</p>	<p><u>CSSA response:</u> CSSA fully supports this policy direction. Additionally, we submit that-</p> <p>There is a clear need to re-design the NDIS pricing and funding system to:</p> <ul style="list-style-type: none"> a) Better guard against fraud, misuse of funds and other abuse, unsafe or unfair treatment of NDIS participants. b) Ensure the real costs of providing NDIS services are factored in, including things such as staff training, staff supervision, IT, insurance, increases to wages, superannuation, and other award conditions and other overheads. c) Ensure that not-for-profit providers are not disadvantaged compared to for-profit providers and sole traders due to the current capacity of the latter two to inappropriately or unsafely cut corners or avoid overhead costs which are necessary to maintain quality of care standards. <p>CSSA asks that the Independent Review Panel consider this statement from one of our member Agency Heads with many years of experience in the area of disability services:</p>

Funding models such as the NDIS have commodified the care sector and for a lot of people, who work in the sector because they want to make a difference, the move to a market-based approach, has meant that the important work we do has become about money not people.

CSSA submits that, in exploring the best way to re-design the NDIS pricing and funding system, the NDIS Review Panel would benefit greatly from seeking the assistance of Professor David Gilchrist and his team at the University of Western Australia, Centre for Public Value.

See: <https://www.uwa.edu.au/schools/Research/Centre-for-Public-Value>

Further, the savings made through stamping out fraud and misuse of NDIS funds need to be re-directed to ensure that honest providers are fully funded to cover the real costs of providing NDIS services.

4. Supported Independent Living (SIL): *A full and proper review of SIL, because people who live in supported living are not necessarily getting the best outcomes and there is limited choice about where and how people live when they need support.*

CSSA response: CSSA supports a full and proper review of SIL. CSSA member feedback is as follows:

- (T)he NDIA's Disability Support Worker Cost Model (DSWCM) does not reflect the actual cost of support delivery for Supported Independent Living (SIL).
- One of the issues facing providers of SIL is the aging housing stock, which can be government owned or controlled.
- The NDIS funding assumes full occupancy... if a house is not fully occupied, the provider is not fully funded.
- The cessation of SIL quotes has resulted in reductions in SIL funding, often with no consultation, leaving providers with unviable support packages.
- CSSA members commitment to Mission and the community means they bear the costs of providing underfunded SIL services by cross-subsidising from other service lines or donations. This is not sustainable.^{iv}

Clearly, just as is the case for the NDIS workforce, there is a need for government review and action to ensure that sufficient new housing is built and made available to meet the community demand for SIL arrangements and the other housing needs for people living with a disability.

5. Addressing spiralling expenses:

To address how much the NDIS costs and how these funds are directed for people with disability. Minister Shorten has said- "I expect the Independent Panel to provide recommendations on ways to maximise the participant outcomes for every NDIS dollar spent."

CSSA response: CSSA supports the efficient use of resources. However, we submit that it is fiscally unwise and potentially dangerous to assume that a market-based system, which includes for-profit providers pursuing the highest possible profit margins, will necessarily achieve the best value for taxpayers and the best quality of service for NDIS participants.

Several aspects of this concern are very well articulated by Professor Mark Considine, from the University of Melbourne, in his recent publication, *The Careless State*.^v He writes:

The hinge that holds the two sides of the scheme [the NDIS] in place is the individual plan and the funding package. This connects empowered consumers, who have support from LAC's and support coordinators, on one side with a competitive supply of services, subject to relatively limited controls, on the other. Seen from the client perspective, the use of these funding packages is the core commitment being made to empowerment. Such mechanisms have a long history, and we know that they can work well when supply is strong, and quality is transparent. But they create increased vulnerability when this is not the case. They also create a rift in the service sector if some clients achieve very positive financial outcomes and others are denied access.

What is also important to notice in the current era is that this duty to deliver a strong supply of appropriate services, which is so critical, is now given over to the market. If demand does not create supply, the model fails. Profit seeking is obviously the driver for these service markets. But this can sit awkwardly with, and sometimes in contradiction to, the ideals of long-term support and increased independence. Put bluntly, there is no obligation for a supplier of services in a market to engage in innovation, especially in cases with the more demanding needs for support. Suppliers can choose to provide the best to some and much less to others, or they may not innovate at all if profits are strong and price signals are weak.

CSSA is concerned that funding arrangements afford a biased competitive advantage to sole traders who have limited overhead costs compared with larger organisations. This is compounded by the fact that these sole traders are often unregistered and therefore not adequately accountable to the NDIS. These arrangements need to be reviewed by the Government, as they make it much more likely that deficiencies will arise in the quality of services that are available for people in need of care and support.

CSSA submits that the Review Panel need to investigate and conduct a risk analysis to gauge whether the involvement of for-profit and unregistered providers in the provision of NDIS services is the best way to allocate scarce resources and to deliver the best possible care and outcomes for NDIS participants, especially over the long term.



6. Increasing community and mainstream supports:

To focus on increased supports that help people with disability access what they need and engage in their community. The reform will focus on services and facilities including health, education, and transport to foster inclusion, not segregation.

CSSA response: CSSA wholeheartedly supports the development of increased community and mainstream supports for people with a disability.

A great example of the type of reform that is a step in the right direction is the Australian Government 2023-2024 Budget commitment to put \$32.2 million over four years towards a third of the build cost of a Changing Places facility in local government areas without one.^{vi}

However, CSSA is greatly concerned that, despite the progress made through the NDIS, conservative figures indicate that:

- *Just under 4 of the 10 Australians living in poverty have a disability (739,200 or 38% of the nearly 2 million adults Australians who are living in poverty).*
- *1 in 6 people with disability were living in poverty, compared with just over 1 in 10 Australians without disability.^{vii}*

In this context, CSSA notes with concern that some of the Commonwealth Department of Social Services (DSS) Disability programs still have an 'Efficiency Dividend' applied to them. This negative cost-cutting approach needs urgent review.

The Government's agenda to improve community and mainstream supports for people with a disability clearly has the capacity to help improve the quality of life for disabled persons, their carers' and would bring benefits for the whole community. This agenda needs to be integrated into all new development activities. One possible source of revenue to fund these supports and indeed the NDIS would be for the Commonwealth to collect unearned windfall gains made through speculation in land and land banking.

CSSA acknowledges that the Government needs to review the sustainability of public expenditure in the disability sector and the care and support economy more broadly. However, a crucial part of such a process must be to firstly address the need to reform Australia's system of taxation to make it as fair and progressive as possible and secondly to review the cost imposed upon Australian taxpayers through the involvement of for-profit service providers in the care and support economy.



ⁱ Shorten, Bill. (2023), *Address to the National Press Club*, Canberra, 18 April, <https://ministers.dss.gov.au/speeches/10911>

ⁱⁱ NDIS Review (2023), *What we have heard: Moving from defining problems to designing solutions to build a better NDIS*, <https://www.ndisreview.gov.au/resources/reports/what-we-have-heard-report> , pp. 14-17.

ⁱⁱⁱ Centacare Brisbane et al. (2023), *ISSUES BRIEF: Key issues threatening sustainability of not-for-profits as NDIS providers*.

^{iv} *Ibid.* Pp. 2-3.

^v Considine, M. (2022), *The Careless State*, Melbourne University Press, Melbourne. P. 139.

^{vi} See: <https://www.abc.net.au/news/2023-09-09/calls-for-changing-places-high-support-needs-disability-toilets/102833852>

^{vii} See: <https://www.afdo.org.au/disability-support-pension/poverty-and-disability-fast-facts/>

