



ASU Submission

Inquiry into market readiness of the NDIS

Joint Standing Committee on the
National Disability Insurance
Scheme

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1. Introduction

The Australian Services Union (ASU) is one of Australia's largest Unions, representing approximately 135,000 members.

The ASU was created in 1993. It brought together three large unions – the Federated Clerks Union, the Municipal Officers Association and the Municipal Employees Union, as well as a number of smaller organisations representing social welfare workers, information technology workers and transport employees.

Current ASU members work in a wide variety of industries and occupations because the Union's rules traditionally and primarily cover workers in the following industries and occupations:

- Social and community services, including mental health services
- Local government
- State government
- Transport, including passenger air and rail transport, road, rail and air freight transport
- Clerical and administrative employees in commerce and industry generally
- Call centres
- Electricity generation, transmission and distribution
- Water industry
- Higher education (Queensland and SA)

The ASU has members in every State and Territory of Australia, as well as in most regional centres as well. Around 50% of ASU members are women, the exact percentage varies between industries, e.g. in social and community services around 70% of our members are women.

2. Who we represent in disability services

The ASU is the largest union of workers in the social and community services sector, which includes workers in disability support services across the country. We are the major NDIS union in Queensland, New South Wales, ACT, and South Australia. We also represent public sector disability support workers in Queensland.

The ASU's expertise in disability arises from representing the disability support workforce working in a range of different jobs roles including disability support work, care management and coordination, disability advocates, Local Area Coordinators, team leaders, and managers in disability providers.

3. The Inquiry

The ASU is pleased to provide this submission to the Joint Standing Committee's inquiry into the market readiness for provision of services under the NDIS.

We do not intend to address all of the issues outlined in the Terms of Reference. We do however wish to respond to:

- (c) the development of the disability workforce to support the emerging market; and
- (d) the impact of pricing on the development of the market.

We believe there is an urgent need for a transparent and fair approach to developing, supporting and maintaining a skilled and high-quality disability workforce to deliver the NDIS.

Our concerns in these regards are primarily as follows:

1. NDIS prices limit the capacity to attract and retain a workforce of the size required to roll out the NDIS; and
2. There is presently no comprehensive plan that deals with careers or training for disability support workers under the NDIS.

4. The capacity to attract and retain a workforce of the size required to effectively roll out the NDIS

The ASU is concerned that the current NDIS price settings undermine the capacity to attract and retain an NDIS workforce that is required to deliver a quality NDIS. We are also concerned that the price settings are facilitating the proliferation of insecure work in the sector.

The NDIS will double the number of people with disability currently receiving support and total government funding will increase from \$7 billion per year before the scheme commenced to over \$22 billion annually by 2020.

In order to meet the increased demand for person-centred, individualised supports the disability sector workforce will also need to double by 2020.

4.1 A decent safety net of pay and conditions to attract, retain and value the workforce

It is estimated that at least an additional 100,000 workers need to be found to support people with disability in the NDIS. In order to attract sufficient workers to meet this demand, disability support jobs must be secure and well paid, with career paths to retain workers in the sector.

We believe the current NDIS pricing regime does not provide for this. It is based on assumptions made about the nature of disability support work without any consultation with frontline workers, people with disability or their representatives.

We consider that a number of key assumptions underpinning the NDIS unit price are flawed, in particular:

- **Classification and pay level of disability support workers**
NDIS pricing assumes that disability support workers are employed at a SACS level 2.3 under the *Social, Community, Home Care and Disability Services Industry Award 2010* (the Award). However, this is, even in the eyes of the NDIA, the rate that reflects the minimum level of experience and qualifications required of a disability support worker. Not only does this mean the price does not allow for any career advancement for employees who are employed at this minimum, but many disability support workers are required to have skills and experience well above the minimum, and many support workers are presently employed at SACS level 3 or above. Additionally, NDIS pricing does not take into account the higher minimum rates of pay required to be paid by in excess of 300 organisations in QLD as a consequence of the 2008 QLD pay equity case (known as the 'Fisher' rates).

Furthermore, as supports are made individualised under the NDIS, a higher level of skills will be required to support the various needs of people with disability. This will require a higher classification of work for many disability support workers.
- **Client-facing time**
NDIS pricing assumes that only 5% of time excluding leave (which works out to just 3 minutes an hour) is not directly with participants or travelling between clients. This simply does not adequately allow for the necessary administration, training, peer support, team meetings, and supervision that is required in the role of a disability support worker.
- **Span of control**

NDIS pricing assumes that a supervisor is employed at SACS level 3.2, and a workforce ratio of 1 supervisor to 15 employees (to increase to 18 employees).

This is contrary to the Award provisions – a graduate with a 3 year degree should be employed at a minimum of SACS level 3.3, and should only supervise a “limited number” of lower classified employees.

We are concerned that these pricing assumptions do not meet the minimum Award conditions, nor do they reflect the reality of disability support work. In response, many providers are seeking to reduce NDIS workers’ pay and conditions either through restructures or setting up new organisations to deliver disability support. This will only exacerbate the workforce shortages in the sector, and mean less quality and continuity in support for people with disability.

We have consistently raised this concern in parliamentary inquiries, in DSS consultations, in the Productivity Commission Inquiry into NDIS costs, with the NDIA directly, in annual price reviews, and in the most recent McKinsey review of pricing, and to date nothing has been done to address this issue.

DISABILITY SUPPORT WORKER SURVEY - concerns about the unit price

In 2017 the ASU, in conjunction with HSU and UV conducted a survey of 1522 union members who work supporting people with disability. In that survey, we found:

- 56% of workers feel they do not have time to do everything in their job; and
- Only 23.6% of workers feel that they are paid fairly for the work they do.

Of the 416 respondents to the survey that identified as being supervisors, 65% are supervising 8 or fewer employees (compared to the NDIS pricing assumption of supervisors supervising 15 – 18 employees). Indeed, only 17% are supervising 14 or more employees. Of those supervising 14 or more employees, 83% agreed or strongly agreed that they could not provide proper supervision because they have too many people to supervise.

Further, as part of that survey, ASU members told us:

- *The NDIS does not allow funding for staff development or team meetings. It seems all training and further skill development costs will be placed on the worker. This will reduce the high level of care that can be provided to our clients as our wages will not increase to cover these costs. Communication will be affected as team meetings won't be funded. There are a lot of things that will not be funded through the NDIS. Higher expectations of care with less training.*
- *This is the lowest paid job I have ever been paid. It is not much.*
- *I am concerned about changes to my working conditions under the NDIS. Forced to use own vehicle to provide support. Associated costs e.g. business rego and insurance, cleaning, wear and tear. Not paid until I reach the home of my next client. Not paid for admin time. I believe that the NDIS can be beneficial for people with a disability and may offer great opportunities. However the disability support staff seem to be the ones that have to make all of the sacrifices, money, time and work load.*
- *There are no longer many opportunities for training, staff meetings. There is more admin and not enough time. Managers don't cover staff when they are sick. The budget has become very tight. We are doing more work than ever.*
- *Increase in non-billable administrative workload & employer pressure to meet billable KPIs have led to increased employee stress.*
- *We have been advised that our hourly rate is higher than what the NDIS rate is so as grade 3 employees, we will be now classed as grade 2. We won't lose pay immediately however we won't be getting a payrise until grade 2 rates catch up to ours. We currently access cars from our organization on leaseback as we use our cars daily for our work. We are losing the cars*

too. We have also lost our first aid allowance and we no longer get our first aid training paid for by our employer.

- *I am struggling to understand how quality staff will be retained, where supervision will fit in, where the opportunities for team debriefing will be and how professional development will occur.*

4.2 Secure jobs at the centre of service delivery

As the NDIS rolls out and competition intensifies for flexible and responsive person-centred service delivery, there has been, and we anticipate there will continue to be, will be a rise in insecure work arrangements in the sector. The traditional model of permanent employment with a single service provider will be eroded by alternative employment models, in particular:

- A rise in the casualisation of workforce as providers shift risks associated with flexible service delivery onto the workforce;
- A rise in instances of employment across multiple disability service providers as workers try to maximise a stable income in the face of provider hesitancy to embrace permanent full-time work under the NDIS;
- A rise in self-employment as a sole trader providing services directly to clients as workers seek to cut out the “middle man” of a controlling employer limiting their own hours and flexibility;
- A rise in “gig-economy” work as platform services (e.g. uber style services) enter the market; and
- A rise in people with disability wanting to employ directly their own support workers to have greater control over the type of support they want and when they want it.

Retaining and attracting workers to the sector is crucial for the NDIS to be a success. Quality, responsive supports for people with disability will not be available if the workforce is insecure and therefore unstable, and if the workforce is unable to develop and refine the skills and qualifications necessary to meet the needs of people with disability.

Further, People with Disability Australia (PWDA), a national cross-disability rights and advocacy organisation run by and for people with disability made a submission to the Fair Work Commission in relation to an application made by employer groups to amend the part time employment provisions of the Award.¹ In that submission PWDA set out the risks that arise to people with disability of the disability support workforce being employed in predominantly insecure employment arrangements, as follows:

Devaluing the work of disability support workers devalues the lives of the people with disability they support

13. The proposed changes to the definition of part time work are dangerous to the success of the NDIS, specifically by threatening the quality of staff and thus services on offer to people with disability. Limiting the hours required to be specified on part-time contracts, say to 4 hours (even if more is expected) creates insecure employment. A person in this position would be in a financially worse position than a casual doing the same hours as casuals receive additional loading. It also risks the introduction of zero-hour contracts as has occurred in other jurisdiction such as the UK.

14. Low pay and insecure employment would make disability support work an increasingly unattractive career path and lower the level of skills and commitment in the already strained workforce. This is at a time when the workforce should be expanding, diversifying, and upskilling to adapt to the new environment and provide innovative solutions to people with disability. Disability support work is a challenging and rewarding career path, it should not be characterised as a fall back, or stop gap career for people unable to secure alternative better paid work with more standardised working conditions.

15. The proposed changes will create a category of worker who is offered insecure, low paid employment specifically because they work with people with disability. The inference being that people with disability somehow still require something ‘different’ than others in the

community, and cannot be served by mainstream style supports. The NDIS challenges this perception, and it is the service sector that must respond by changing working cultures, raising expectations, and rewarding good staff as opposed to targeting the workforce for cuts and placing the responsibility for this on people with disability who are merely seeking the choice and control experienced by others in the community. Moreover, the changes will disproportionality affect women who make up the majority of the current disability support workforce. It will also create a further barrier to employment for people with disability themselves who could be using their skills and expertise to increase their economic participation and strengthen their economic security by working in the sector.

16. Creating systemic employment discrimination problems for disability support workers discriminates against people with disability too by indirectly channeling potential staff into other industries with better working conditions. Devaluing the work of disability support workers devalues the lives of the people with disability they support.

17. Furthermore, there is considerable evidence linking underpaid, unmotivated, undervalued staff to violence, abuse, neglect and exploitation of people with disability especially those living in residential institutions or receiving personal care in their own homes. Research demonstrates that violence, abuse and neglect tend to occur where work is precarious, unstable or contingent (Mayhew and Quinlan, 2000). Both PWDA and the ACDA have advocated extensively on this topic, most recently in evidence to the Senate Community Affairs Inquiry into Violence, Abuse and Neglect Against People with Disability in Residential and Institutional Settings (2015). The Senate Report made specific recommendations around workplaces and worker practices with regard to addressing violence committed by staff. Attractive working conditions for disability support workers are essential in order to support the paradigm shift embodied by the NDIS, encourage the development of a high quality market for disability supports which meets the needs of consumers, and to ameliorate the risk of violence towards people with disability.

DISABILITY SUPPORT WORKER SURVEY - concerns about secure work

In the 2017 ASU, HSU and UV survey of 1522 disability support workers, we found:

- 72.2% of workers are worried about the future of their job; and
- Only 10.6% of workers feel the NDIS has been positive for them as worker.

Further, as part of that survey, ASU members told us:

- *The casual nature of the work and the pay/minimum hours is very unsustainable. It is also very difficult to come to work (often travelling 30 kilometres) for a 2 hour shift, then having to wait around for the next shift 4-5 hours later. There is little consideration for the impacts on workers - the entire focus for the organisation is on filling shifts and building customer (participant) numbers.*
- *I started on a 136 hour a month contract and lowered it to 120 and was told I could always put it up if needed. Which was not true they would not let me increase my contract, they have just hired people on a 8 hour a month contract and 30 hour contract and they pick up extra shifts. I have always tried to be a reliable and valued employee but not feeling it now.*
- *Very concerned about job security when NDIS comes to the Gold Coast. Organisations seem to be doing all they can to pay stuff much less than they have been. Conditions seem to be getting much worse in the lead up*
- *My biggest issue has been agency work where you use your own car and do not get paid between jobs. Sometimes I have been paid 1-2 hrs for spending over half a day doing job related activities. I see conditions getting worse under these conditions.*

5. Workforce development and training

Greater choice and control for people with disability over the types of supports they want and need will mean that the NDIS workforce needs to be supported to continuously develop new skills and qualifications relevant to diverse needs of individual clients.

The NDIS will therefore provide opportunities for workers to have more diverse and fulfilling work and career paths, to better recognise and reward person-centred skill development, and to develop new qualifications / specialisations in the sector.

However, there is currently no person-centred professional development plan for the NDIS workforce. Disability sector workers are highly skilled and passionate about what they do – but their capacity to have their skills recognised, to develop new skills and to attain relevant person-centred qualifications is severely limited.

Furthermore, continuing professional development, in-house training and induction, and access to study leave is limited and varies across providers. As the sector becomes more competitive with the entrance of large for-profits in the market, access to these supports by workers will be further diminished as providers drive to reduce costs and increase profits.

Accordingly, we see a need for the establishment of a fund workers can access for RPL, formal qualification attainment and ongoing professional development in specialist skill acquisition relevant to the needs of people with disabilities.

6. Conclusion

The pay and conditions of workers in the disability sector has a direct correlation with the quality, availability and diversity of the support offered to people with a disability. A system of poorly paid workers with no training opportunities cannot give each client the quality individualised supports they need, nor will it attract the workforce required to meet demand for person centred services. This can be addressed by:

a. Pricing Increases

Currently the NDIS pricing model does not deliver enough funds to cover minimum award wages and leave entitlements, with some organisations restructuring to create a “two tiered” workforce to employ workers on less pay and conditions. The current NDIS pricing arrangements reflect systemic undervaluation of disability support work. We call on the government to review the NDIS pricing model to ensure the NDIS will not only maintain but attract disability workers to the sector.

b. Developing a workforce plan

There is no plan for career planning or professional development under the NDIS. Along with pricing that supports decent pay and conditions, is essential to attracting and retaining a stable and skilled disability support workforce. Furthermore, workers must be provided access to education and training opportunities in disability support work.

The ASU seeks the opportunity for our members who are frontline disability workers to present evidence before any public hearing in this inquiry.