

Opening remarks from NDS, 28 June 2024

National Disability Services (NDS) is Australia's peak body for disability service organisations and our members provide services for people with all types of disability. We have a very diverse membership, from small to medium-sized organisations through to much larger multi-state providers and collectively they employ around 100,000 staff and support to approximately half a million of people with disability.

As the peak body, we are deeply concerned about the ability of service providers to continue offering support to NDIS participants, particularly in regional, rural and remote areas of Australia.

State of the disability sector

The current state of the disability services sector presents significant challenges that threatens the sustainability of essential services in these regions.

NDS does a yearly State of the Disability Sector report in partnership with the Centre for Disability Research and Policy at the University of Sydney. Our most recent report shows some really concerning trends.

- 69 per cent of providers fear they cannot sustain services and are worried about their financial viability. More than 50 per cent of providers reported making a loss or just breaking even last year.
- Despite these serious financial difficulties, demand for services continues to grow. 82 per cent of providers had requests for services they could not fulfill due to staff shortages, a lack of resources or lack of suitably trained staff.
- From our regional and remote providers, we hear about long waiting lists, particularly for early childhood and allied health services.
- Recruiting qualified workers is a huge challenge, especially in allied health. However roles in other parts of the organisation are also increasingly hard to

find, like management, IT, finance and HR where there is strong competition from other sectors.

These combined financial and workforce challenges create what we're calling a perfect storm for service providers in regional, rural and remote areas. Meeting the complex needs of participants in these regions becomes increasingly difficult when providers struggle to find qualified staff and operate within unsustainable financial constraints.

Workforce challenges in regional, rural and remote areas

The latest NDS Workforce Census also paints a concerning picture. We see a heavy reliance on casual staff, with 37 per cent of the workforce categorised as such. This creates instability, as casual staff are prone to high turnover. This year alone, casual staff turnover reached 24 per cent. This constant churn of staff makes it incredibly difficult to deliver consistent, high-quality care.

Staff turnover is also incredibly expensive. Conservative estimates of the cost of staff turnover based on modelling from the Australian Services Union puts the cost of onboarding new staff between \$80 to \$190 million for the sector. This is an unfunded cost worn by organisations delivering services.

Along with inadequate NDIS pricing, protracted years of workforce shortages, and the financial crisis facing so many service providers, this is an unsustainable environment for disability services. Without fixing these issues and without intervention, our concern is that the quality services people with disability rely on, delivered by legitimate providers, are at risk of disappearing.

We think the system needs an urgent reset.

These concerns have been well-documented by various inquiries and reviews, prompting the need for a more comprehensive evaluation.

The NDIS Review provided a fresh perspective on the scheme's design, operations, and sustainability, including considerations for improving pricing, funding and workforce capacity.

We welcome the government's focus on NDIS sustainability and agree that we need fundamental and systemic reform. But this reform must go hand-in-hand with proper resourcing to transform the sector. The current funding model fails to properly support training, supervision, and retention programs for skilled professionals. These are the very elements crucial for delivering high-quality care. We need a scheme that invests in people with disability, as well as a skilled workforce and high-quality servicers.

In order to be sustainable and meet its objectives, the NDIS funding model must reflect the true cost of providing quality care, especially for those with complex needs and especially in regions where there are limited supports.