

State of the Disability Sector Report 2024

Disability service providers remain resilient and determined to thrive despite an operating environment that continues to create significant challenges for the sector. Financial viability is an issue for many providers, with concerns that this will cause widespread disruption to services to people with disability.



Cover art

Arts Project Australia is a creative social enterprise that supports artists with intellectual disabilities, promotes their work and advocates for their inclusion in contemporary art practice.

Anna Dehm is an emerging artist who joined Arts Project Australia in 2021. Anna expresses her creativity through vibrant and captivating artworks made with markers and mixed media techniques such as collage.





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The state of play

Last year, our survey report was delivered when the sector was on the cusp of reform. The Independent Review of the NDIS had just been released and some of the positive steps in the recommendations gave the sector a bump of optimism.

Clearly, there was a lot of work to be done. But for many providers, against the background of last year's poor financial results, finding the resources to do this work was becoming increasingly difficult.

This latest State of the Disability Sector Report shows significant challenges remain. In the 2023–24 financial year, half the respondents made a loss and 13 per cent said they broke even. Eighty per cent of respondents said that they worry they won't be able to continue providing NDIS services at current prices.

Twenty-one per cent are considering getting out of the disability sector entirely — more than double the response last year.

It's clear that for many in the sector viability is an issue, and providers are concerned that this

will cause widespread disruption to services to people with disability.

We calculated that the organisations in the survey that are thinking of quitting the sector support more than 28,000 people with disability. If we extend that to the whole sector, more than 100,000 people could be facing disruption to the services and supports that are a core part of their daily lives.

The survey found that not-for-profit organisations and those established before the NDIS are much more likely to report a loss. Many of these organisations were established decades ago by families to create a better life for their children.

But pressures are being experienced across all organisations, not-for-profit and for-profit, those that have been around for fifty years, fifteen or five.

Supports for people with the most complex support needs are at greatest risk.

Poor pricing approaches and unfunded

supports mean that the NDIS and other government programs are at risk of not realising their potential.

This has added to the uncertainty created by the lack of a detailed plan for the reform agenda.

It's unreasonable to expect any sector to operate in such an environment, let alone one that provides such essential services.

That most organisations, despite these most challenging of circumstances, remain resilient and are determined to thrive is one of the most positive findings in this report.

Although stretched, almost all providers (96 per cent) say they are working hard to improve productivity; 51 per cent plan to expand their operations.

Although stretched, almost all providers (96 per cent) say they are working hard to improve productivity; 51 per cent plan to expand their operations. Of these, 89 per cent are working on increasing their client base and 58 per cent are working on increasing their workforce. There is a general will to do things smarter and get creative.

But they can't do that much longer under current conditions, and they can't do it alone.

Since the federal government controls many of the levers on the market, government must also help shape the conditions providers need to operate effectively — and fast.

For their part, states and territories cannot lose any time in putting foundational supports in place that will contribute to the overall sustainability of the NDIS.

On the following pages, we outline the Way

Forward for the sector: what each of us — government, providers and NDS — must do, individually and collaboratively, to create a sector that best serves people with disability.

At NDS, we will keep up our advocacy for a sustainable sector, for policies that recognise that delivering a fair and efficient market for providers is the surest way to deliver the highest quality services.

We successfully advocated for risk-based registration and independent pricing to be included in the NDIS Review recommendations, which was followed up by a budget commitment on pricing reform. More recently, we supported a combined sector advocacy campaign to achieve the reinstatement of high intensity payments for behavioural supports.

But advocacy is not all we'll do. Over the last 12 months we have focused on learning about what's working for members and what improvements we still need to make. We believe that the way forward is to leverage those hard-won experiences and insights and continuously evolve into best-practice support.

NDS is proud of our credibility in the sector, and the position we occupy. We are thought leaders and have strong relationships with the decision makers. Our insights and analysis are trusted and best-in-class. Our state and territory presence and influence is unique and highly valued.

We will continue to build on this strong foundation of service to members. We will provide high-quality conferences and events. We will foster collaboration, learning and networking with your peers and stakeholders. We will give you the tailored tools, practical resources and training to meet the evolving needs of your organisation.

The sector is working hard to find a way forward to a more sustainable future and NDS will be right there with you to help make that a reality.

The way forward

We can do this together

Governments, providers and NDS share the same aim: an Australia where people with disability receive the highest quality support to lead their best lives.

NDS believes that, with pooled wisdom, shared solutions and combined effort, we can create a diverse and sustainable market for high-quality disability services.

With the right funding, policies and relationships, we can all play a part in finding a way forward.



What providers are doing

- **Listening to the people who matter most**
Working to improve customer experience, and better meet expectations and preferences.
- **Lifting productivity and efficiency**
Working smarter, not harder, with new technologies, systems and financial controls.
- **Taking a strategic approach to growth**
Using research and data to find new paths.
- **Training the workforce of tomorrow**
Setting up the supervision and mentorship for great on-the-job training.
- **Investing in strong leadership and skilled staff**
Creating the pathways that reward and encourage quality.
- **Collaborating with other providers on complex support**
Working together with participants and partners to find workable solutions.

What we need from governments

- **Renewed relationships with stakeholders**
Reforming not just the disability system but all its vital connections.
- **Fair and independent pricing**
Creating a disability service market that works.
- **A clear direction and action**
Formulating a detailed, sequenced roadmap.
- **Support for sector transformation and new ways of working**
Supporting the sector in reform and helping it to be the best it can be.
- **Bold workforce initiatives**
Finding tomorrow's skilled workforce and keeping them in the sector.
- **Continue with regulatory reform**
Setting high standards that apply to all providers.
- **Prioritise employment and social procurement**
Using government's economic strength to support people with disability.
- **Consultation with stakeholders at every opportunity**
Drawing on the expertise of the community, including providers.
The sector is willing and able to be part of the solution.



How NDS plays our part

- **Leading policy and advocacy expertise and engagement**
Listening to our members and amplifying their voices.
- **Acting as a sector steward**
Shaping the future of disability services and quality practice.
- **Providing in-depth information and analysis**
Supporting members with timely and trusted sector insights.
- **Delivering change guidance and business support**
Providing tools, resources and training to support providers to strengthen their organisations.
- **Creating opportunities for networking and collaboration**
Being the hub that connects providers to share experiences, learn and innovate.
- **Providing local expertise and influence**
Harnessing our strong presence in every state and territory through deep understanding of the local context.
- **Building community inclusion and support**
Driving the inclusive future that Australians with disability deserve.



The state of disability reform

The Disability Royal Commission

In July 2024, the Australian Government, along with all states and territories, formally responded to the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability (Disability Royal Commission). While the government response was much anticipated, only 13 out of the 222 proposed actions were accepted in full, leaving many parts of the disability community wanting more.

The powerful contributions made by so many individuals throughout the inquiry, especially people with disability and their representative organisations, must continue to be acknowledged. The instances of abuse, violence, exploitation and neglect that were unveiled are unacceptable and highlight the ongoing urgent need for systemic change.

In its response, the federal government accepted the intent of the majority of recommendations, a positive sign that it agrees things need to change. However, there is still much work ahead to translate these good intentions into a series of actionable steps that effectively implement the Disability Royal Commission recommendations and ensure that the voices of people with disability are heard and acted upon.

The NDIS Review

Much of the NDIS reform agenda over the past 12 months has been driven by the recommendations and findings of the Independent Review of the NDIS. Making 26 recommendations and outlining 139 actions, underpinned by almost 1300 pages of supporting analysis, the NDIS Review went to the heart of long-standing and well-known issues affecting the NDIS. Key recommendations included clarifying distinct and tailored pathways for young children and families and people with psychosocial disability; establishing an ecosystem of supports where the NDIS is one option — as opposed to the only option — for people with disability; and reforming the way that the NDIS operates.

The Review noted that almost all critical steps in a participant's journey through the NDIS required reform — from access, budget setting, planning, engaging supports and finding providers through to how these supports are paid for. Calling out issues with homes and living, workforce, quality and safeguarding, sustainability and market stewardship, we were pleased that many of the solutions proposed by the NDIS Review aligned with the ten priorities for reform that we outlined last year in our State of the Disability Sector report.



The NDIS Amendment Act

In August, federal government passed the National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No. 1) Act 2024, the first major piece of legislation to implement the NDIS Review recommendations. The subject of debate and amendment, the Act sets the stage for significant changes to the way in which the NDIS operates.

These include:

- temporary lists of supports funded by the NDIS
- new ways for people to access the NDIS, with a focus on early intervention pathways
- a whole-of-person approach to setting budgets that enables participants to have more flexibility over their budget.

This flexibility comes with increased expectations that participants (and providers) will not exceed this budget. Key to achieving

this, of course, is also making sure participant plans are appropriate in the first place.

Most changes from the Act will be implemented through new NDIS Rules or legislative instruments. Most of these amendments require agreement by states and territories or consultation with key stakeholders before they can take effect.

Foundational supports

The NDIS Review emphasised the urgent need to overhaul how states, territories and the Commonwealth collaboratively fund and provide supports for people with disability, particularly those outside the NDIS. Called foundational supports, these will build on mainstream or universal supports and will include general supports (available to anyone with a disability) and targeted supports for specific groups of people who need additional support outside the NDIS.

The Review also recommended that a

navigation function be established to support people accessing and moving between mainstream, foundational and individualised NDIS supports.

While National Cabinet agreed to jointly fund foundational supports in 2023, there have been calls for more detail on this crucial redesign of the system. We are still waiting for a Foundational Supports Statement of Intent and the Foundational Supports Strategy, which the NDIS Review recommended as initial steps.

With foundational supports slated for commissioning in mid-2025 and a full rollout expected by mid-2027, this development is one to closely monitor. NDS state and territory managers have reported varying levels of preparedness across jurisdictions.

Australia's Disability Strategy

It is easy to overlook Australia's Disability Strategy 2021–2031 (ADS), which serves as the cornerstone of national disability policy. Due for a major independent review in 2025, the ADS outlines priorities for all levels of government to drive meaningful change, ensuring the rights, inclusion and participation of people with disability in all aspects of Australian life.

Both the Disability Royal Commission and the NDIS Review have proposed enhancements to the ADS. In response, the Department of Social Services conducted a review of the ADS in September 2024, with plans to update the Strategy by December 2024. It is crucial that the updated ADS aligns with the coming intergovernmental agreements for foundational supports and integrates priorities and accountability mechanisms seamlessly.

Provider and Worker Registration Taskforce

In an effort to tackle one of the thorniest but most crucial issues highlighted in the NDIS Review, Minister Shorten established the NDIS Provider and Worker Registration Taskforce to provide advice to government on the implementation of proposed market regulation changes. Since this is a longstanding issue for NDS and our members, we engaged deeply with the Taskforce.

We have consistently argued that the standards for entry into the sector are alarmingly low. As one member pointed out, it takes more regulation to serve a beer than to provide personal support in someone's home — a situation we find unacceptable.

We are yet to see the full government response to the Taskforce's advice for a proportionate registration model and how recommendations, such as the regulation of providers and workers directly engaged by participants and the proposed worker registration scheme, will be operationalised.

NDIS pricing

The 2024–25 NDIS Pricing Arrangements and Price Limits (2024) dealt a significant blow to a sector already grappling with viability issues. The modest 3.19 per cent increase for most core supports barely covered the annual wage rise from the Fair Work Commission. Even more troubling, support coordination, plan management, and allied health services (except for a small increase for psychology) saw no price adjustments for the fifth consecutive year despite rising operational costs.

And, in a move that perplexed participants and providers, the definition of high intensity support was changed, meaning participants requiring behaviour support would no longer



receive this support in their plans. It was only through strong advocacy from NDS and others that common sense prevailed, and this decision was eventually reversed.

This year's pricing adjustments seemed to reflect misunderstanding of the real costs of delivering safe, quality services. It is time for a fresh approach to pricing, one that recognises the need to support quality providers committed to continuous improvement, fair wages and robust staff development.

We were encouraged to see the government take initial steps towards a more transparent and accountable pricing system by funding the Independent Health and Aged Care Pricing Authority (IHACPA) to explore future reforms. This included reviewing current pricing models and developing a comprehensive pricing data strategy.

Independent pricing is not a silver bullet for sector sustainability, but it represents a crucial and positive step forward that we can all support.

PACE

With a suite of digital transformations recommended through the Independent Review of the NDIS, providers were hoping that plenty of lessons would be learned from the implementation of the new computer system for the NDIS. PACE began its national rollout in October 2023. The intent of the system was to improve NDIA service standards through a system design that prioritised participant autonomy. Providers were asked to adapt to this new way of doing business without receiving the proper training, support or implementation funding that NDS advocated for at roll out.

Instead, providers reported payment delays, faced the risk of delivering unfunded services, and absorbed the cost of troubleshooting participant concerns. Administrative burden again hampered providers in delivering quality disability services.

Done right, PACE has the potential to streamline service delivery for both



participants and providers. NDS will work towards making sure practical improvements for providers are a feature PACE.

What's next?

Finding the right tempo for change presents the government with a goldilocks dilemma: move too quickly, and you risk unintended consequences and leaving people behind; move too slowly, and people with disability miss out on improved outcomes and long-standing issues get worse.

There is significant pressure on the sustainability of the NDIS. Along with the eight per cent growth target announced last year, the government has projected \$14.4 billion in savings over four years from July 2024. These savings are heavily reliant on successful reforms to the NDIS and foundational support system.

The Disability Royal Commission and NDIS Review have laid out an ambitious reform agenda. It sets a clear direction but leaves the sector to navigate the path forward. Government, via the Disability Reform Ministerial Council, has published a high-level roadmap for reform — a commitment

we believe NDS and our members played a crucial role in.

But more detail is needed. Since the announcement of the NDIS Review, we have called for a detailed roadmap that integrates these multiple, complex, interrelated reform agendas. With Minister Shorten set to retire in February 2025, securing bipartisan and whole-of-government support will be essential for successful implementation.

Our sector stands ready and eager for change, having long championed it. Yet many providers are deeply concerned about sustaining their operations. To achieve meaningful reform, NDS is advocating for the adequate resources and supportive policies that enable the sector to play a critical role in delivering practical, on-the-ground changes. Much of the success of the government's reform agenda hinges on the capacity and capability of providers. Ignoring this reality risks undermining the entire effort.

The state of the operating environment

The 2024 National Disability Services State of the Disability Sector annual survey was conducted by the Centre for Disability Research and Policy at the University of Sydney.

We received complete responses from 397 organisations, down from last year's recent peak of 432. The survey was sent at a particularly busy time in the sector — with many organisations responding to NDIS consultations and other changes in the sector.

Respondent demographics

Once again, the majority of respondents were from New South Wales, followed by Victoria, Queensland, Western Australia, South Australia, ACT, Tasmania and the Northern Territory.

This year, we asked a more specific question: where do responding organisations provide services? Organisations were able to indicate that they provided services in more than one state or territory.

Figure 1 Responses by head office location and service location



We also asked organisations about the regions where they provide services. Seventy-nine per cent provided services in metropolitan areas and regional centres (major cities and population centres greater than 50,000). Fifty-one per cent provided services in rural areas (large rural, medium and small rural towns). Fourteen per cent provided services in remote areas (remote communities), and five per cent provided services in very remote communities.

Respondents also estimated the number of participants supported by their organisations in the various geographic areas. They identified 171,674 participants, with 130,268 participants in metropolitan and regional centres, 37,373 in rural areas, 3309 in remote areas and 724 in very remote areas.

Over half of responding organisations (57 per cent) were companies, while 36 per cent were incorporated associations, three per cent were trusts, three per cent were sole traders, and one per cent were partnerships.

Seventy-three percent of responding organisations were not-for-profits, while 26 per cent were for-profits and one per cent were “other” types of organisations.

Organisations ranged from sole trader to small organisations with less than 50 employees (35 per cent), medium organisations with between 50 and 199 employees (34 per cent), large organisations with between 200 and 999 employees (26 per cent), and very large organisations with over 1000 employees (4 per cent).

There was a range of incomes:

- very small — incomes of less than \$1 million (14 per cent)
- small — between \$1 million and \$5 million in income (27 per cent)
- medium — between \$5 million and \$20 million in income (32 per cent)
- large — with incomes over \$20 million (28 per cent).

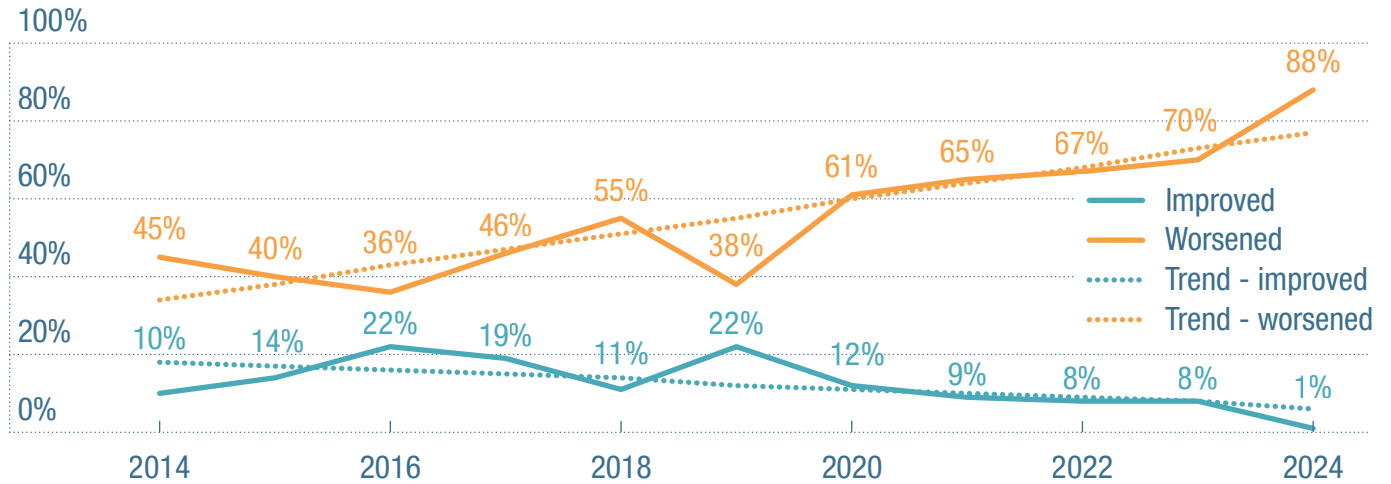
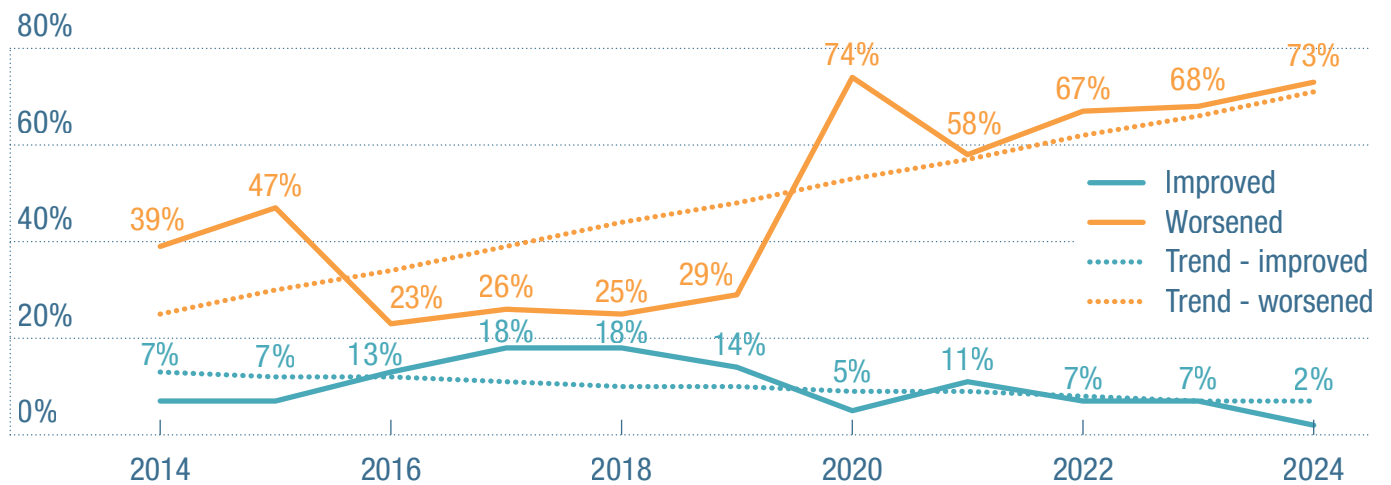
Ninety-nine percent of respondents provided services under the NDIS. Ninety-three percent were registered to provide services under the NDIS and were providing services, five per cent were not registered but provided services, two per cent were previously registered but have deregistered, one per cent were not registered and did not intend to register, and one responding organisation was not registered but intended to provide services under the NDIS.

Most responding organisations were established between 1951 and 2000 (60 per cent).

In addition to NDIS service provision, 10 per cent of responding organisations provided Supported Employment Services, five percent provided Disability Employment Services, and 13 per cent provided other services. Most responding organisations were established between 1951 and 2000 (60 per cent), while seven per cent were established between 2001 and 2013 (pre-NDIS legislation) and 26 per cent were established in or after 2014.

Disability sector operating conditions

Disability sector operating conditions continued to decline, with a striking 348 respondents (88 per cent) indicating that operating conditions in the non-government disability sector have worsened, while only 287 respondents (73 per cent) said the same about the wider Australian economy. Both of these responses were significantly more negative than in 2023. Trendlines included on the graphs show an increasingly negative trend. This is particularly pronounced in the non-government disability sector.

Figure 2 Operating conditions in the non-government disability sector**Figure 3** Operating conditions in the wider Australian economy

We asked respondents for further comments about the operating environment, disability sector, or actions by the Commonwealth or their state government's support of disability services in the last 12 months. In these free-text responses, respondents expressed concerns about pricing and funding-related issues:

"Price settings are creating a race to the bottom. The only way to remain viable is to compromise quality."

NSW medium not-for-profit

"The omission of a price increase for the Intermediary services in the last two years is destroying our business."

NSW very small for-profit

"The current pricing model is now and has been unsustainable for several years."

Vic small not-for-profit

Respondents often described the operating environment as confusing, uncertain and complicated:

“The level of confusion in the sector is unsustainable.”

WA very small social benefit

“The uncertainty that the scheme brings to participants and providers is costly and draining.”

NSW medium not-for-profit

“Constant change and uncertainty can be an exhausting operating environment. We’re like that leathery, resilient little frog in the heating saucepan, where increasing difficulty is the norm until the point where you realise the best parts of the sector are at risk and that is NOT normal, sensible or good for our participants.”

Vic medium not-for-profit

“Many providers continue to experience delays and complexities in navigating the updated systems.”

NSW very small for-profit

Several respondents noted planning and coordination challenges of the operating environment:

“Provide a longer-term roadmap and stick to it.”

Tas large not-for-profit

“We need a formal response to the NDIS review and a timeline of which changes will come in.”

Vic large not-for-profit

Several respondents raised communication and stakeholder consultation issues in the operating environment:

“The NDIS is not very consistent with information that it provides.”

Qld small not-for-profit

“As a larger provider and member of multiple organisations that represent NDIS providers, I am very disappointed in the way the Commonwealth Government and NDIA have treated large providers asking for our help, our insights, our thoughts and then completely ignoring our advice.”

SA large not-for-profit

NDIS operating environment

Opinions of the NDIS operating environment continued to decline. Almost all measures were significantly poorer than in 2023. The only measures that remained the same were:

- “Helping people understand and navigate the scheme is taking us away from service provision” (with a stable 76 per cent of respondents agreeing).
- “There are too many unnecessary rules and regulations my organisation has to follow” (with 63 per cent of respondents agreeing).

Nearly half of respondents (49 per cent) felt that NDIS policy reforms are not headed in the right direction. Eighty per cent of respondents indicated that their staff are exhausted by ongoing changes in the NDIS and 82 per cent felt that their leadership team spends too much time dealing with changes to the NDIS.

Trends over time demonstrate that the situation continues to deteriorate. In one of the most dramatic changes from last year, there was a 20 per cent increase in the proportion of respondents disagreeing with the statement “The NDIA is working well with providers”, with only five per cent agreeing with the statement while 84 per cent disagreed.



Figure 4 Perceptions of the NDIS environment

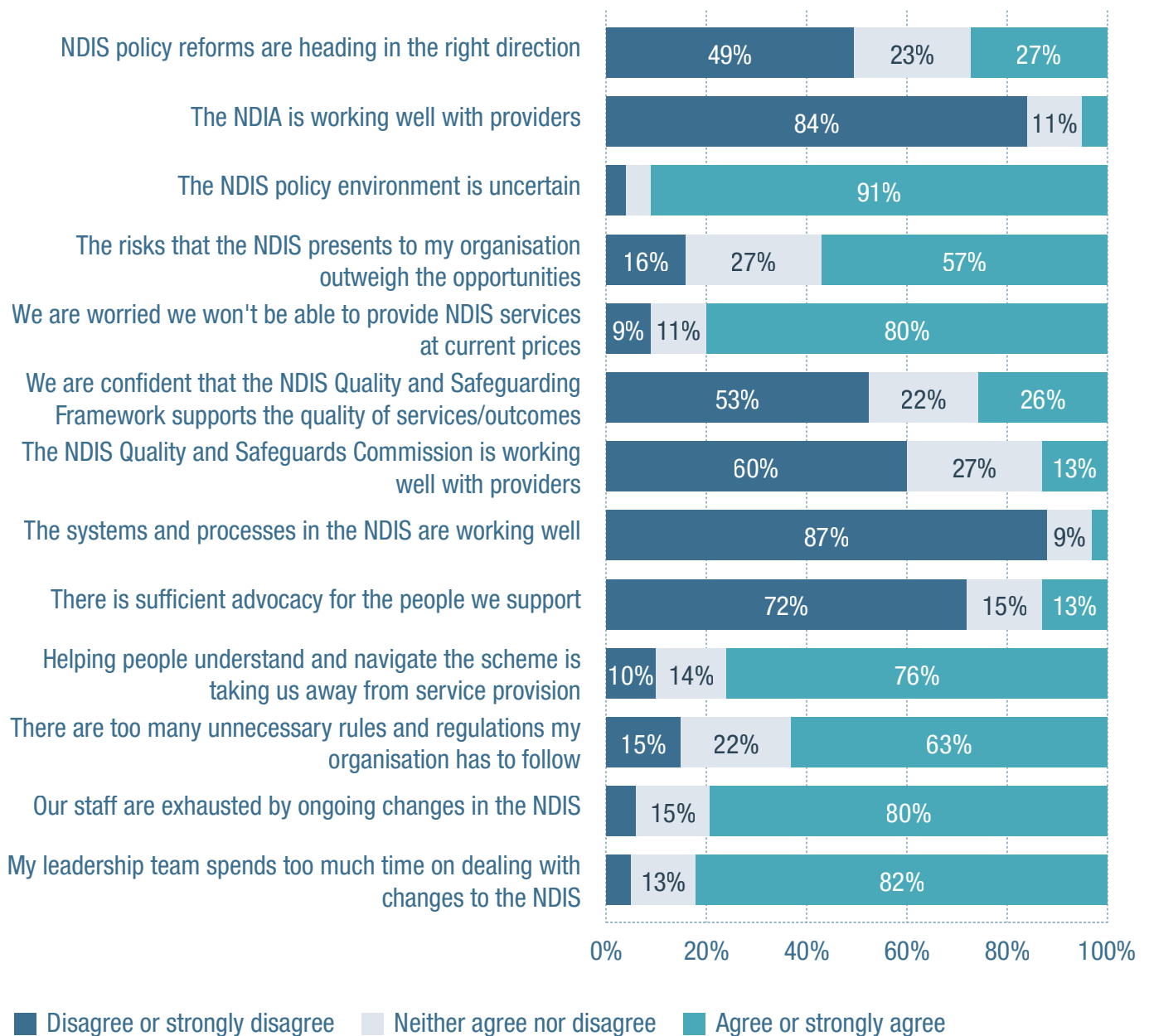
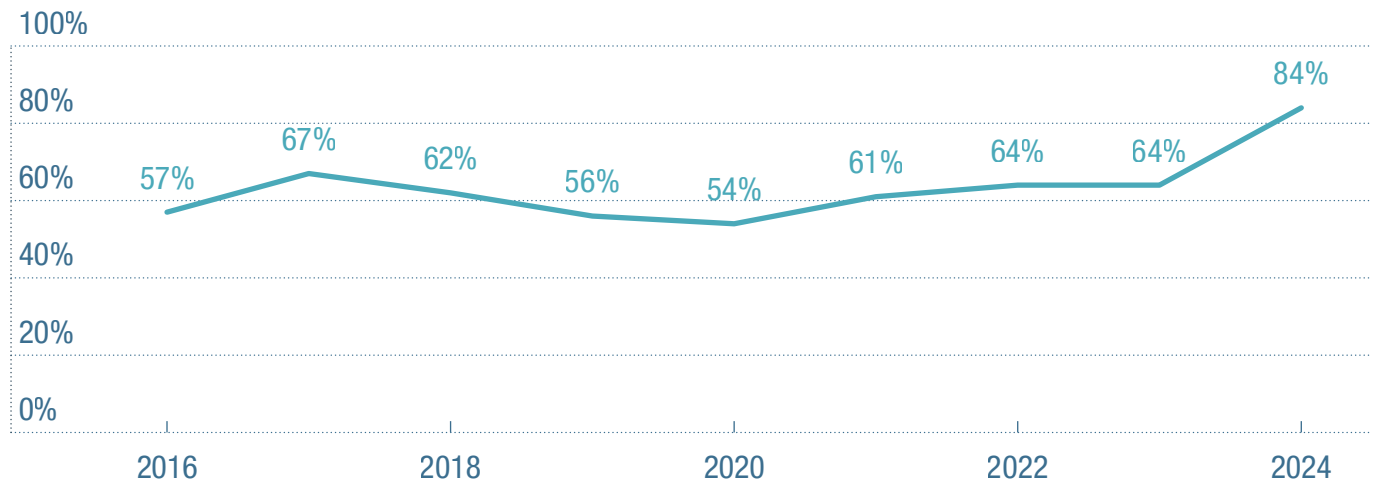


Figure 5 The NDIA is working well with providers; disagree or strongly disagree

There is also increasing uncertainty in the sector, with 91 per cent of respondents indicating that they find the NDIS policy environment uncertain. Over half of respondents (57 per cent) felt that the risks the NDIS presents to their organisations outweighs the opportunities and 80 per cent were worried they would not be able to provide NDIS services at current prices. Only three per cent of respondents felt that the systems and processes in the NDIS are working well.

The proportion of respondents reporting that they do not believe that there is sufficient advocacy for the people they support increased from 70 per cent in 2023 to 72 per cent this year. Although an apparently small increase in the level of disagreement, this was statistically significant, since there was a large increase in the percentage of respondents strongly disagreeing with this statement (36 per cent in 2024 compared to 27 per cent in 2023).

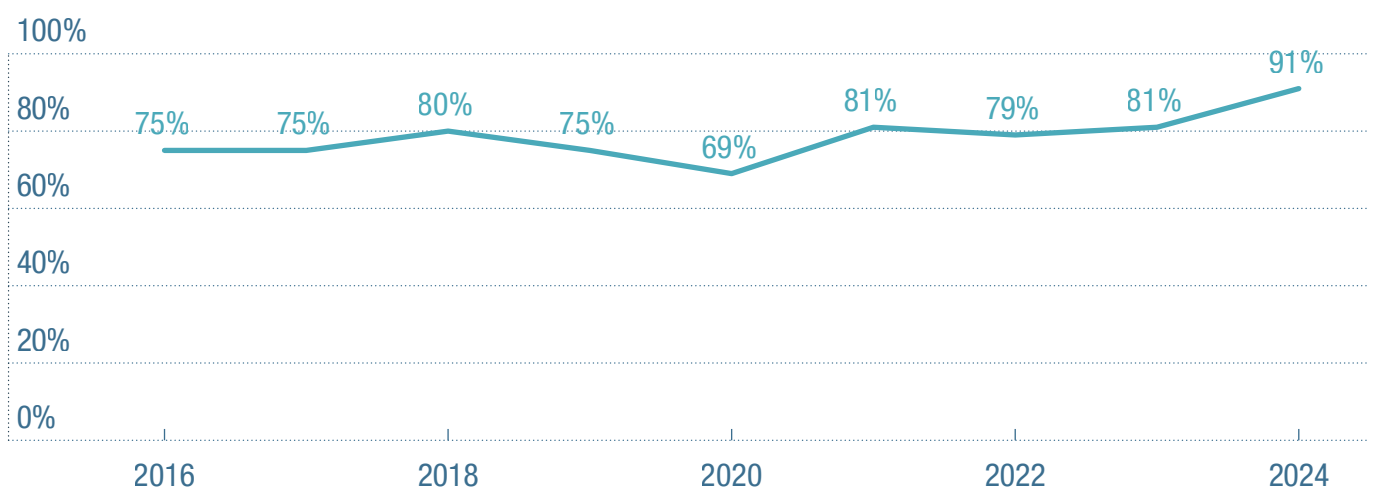
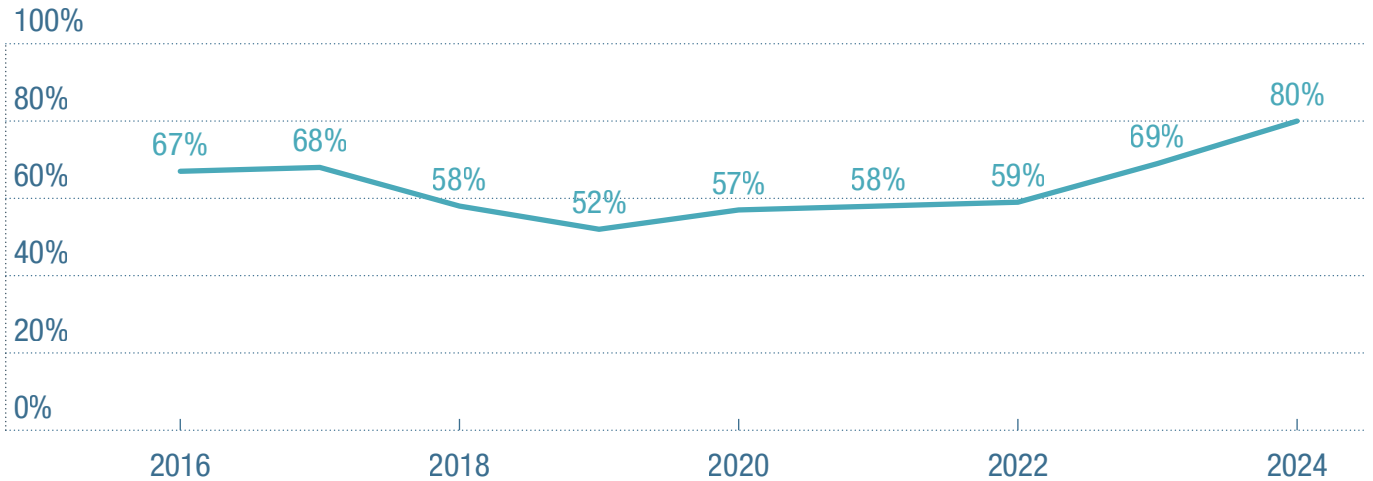
Figure 6 The NDIS policy environment is uncertain; agree or strongly agree

Figure 7 We are worried we won't be able to provide NDIS services at current prices; agree or strongly agree



Organisation strategy and improvement

Despite the uncertainty in the sector, organisations continue to work towards improvement. Ninety-six per cent of responding organisations are actively working on improving productivity. This figure is stable in comparison to 2023.

Fifty-one per cent of organisations plan to expand their operations, which is a smaller proportion than in 2023. Also, lower than 2023, only 45 per cent of organisations reported that they have a clear vision of where they will be in three years.

However, 72 per cent are worried about their ability to adjust to changes in the policy environment (this was significantly higher than 2023), and 67 per cent reported that their board and leadership team find it difficult to develop strategy and set directions in the current policy and operating environment (again, this was significantly higher than in 2023).

Twenty-seven per cent of respondents plan to stay in the disability sector but not focus on growing their organisation, while 21 per cent are considering getting out of the disability

sector entirely, a statistically significant increase from nine per cent in 2023.

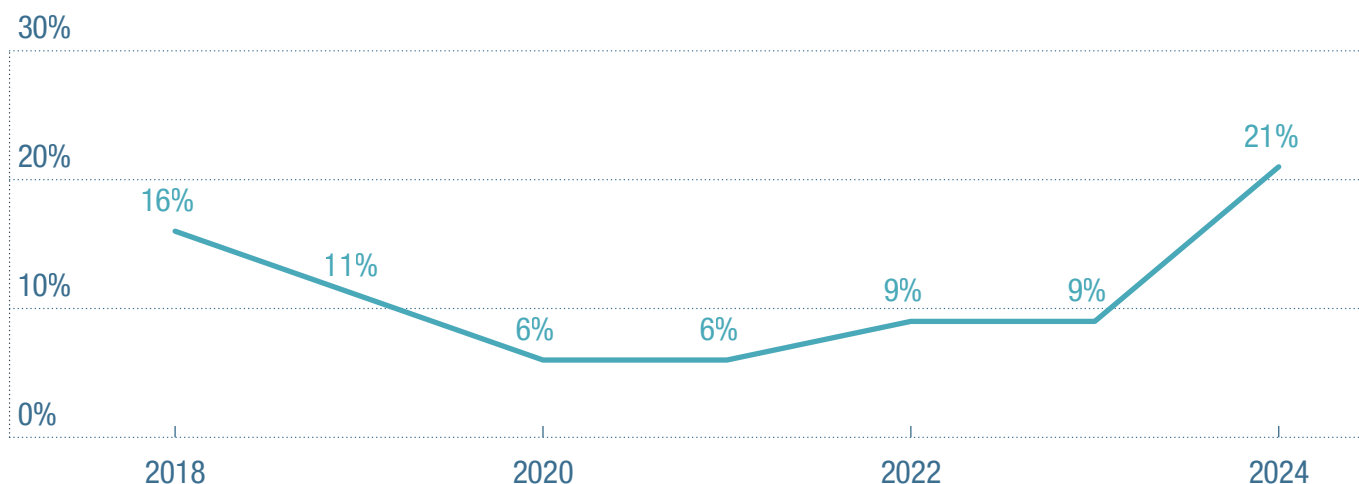
The respondents looking to exit the NDIS support a total of 28,713 people with disability, or 17 per cent of participants covered by the survey.

If the reported rate of providers considering getting out of the disability sector was reflected across the entire NDIS, more than 100,000 people with disability may face disruption in their existing supports.

Of the 51 per cent of responding organisations growing their organisation, 89 per cent are working on increasing their client base, 58 per cent are working on increasing workforce, 52 per cent are working on increasing the range of services they offer, 37 per cent are considering broadening their operations to include sectors beyond the disability sector, while 33 per cent are considering opening more service locations.

A further 26 per cent are considering merging with another organisation and 18 per cent are considering taking management ownership of another organisation. These numbers have remained relatively stable compared to previous years.

Figure 8 We are considering getting out of the disability sector; agree or strongly agree



Among open-text responses about why they are not actively growing their organisation, respondents tended to indicate that it was not financially viable to do so:

“Costs have exploded out of control, and we are trying to stabilise as a result.”

WA small not-for-profit

“We are financially and strategically struggling.”

NSW small not-for-profit

“We are losing money. At the moment it seems like if we grow the disability services, we will simply lose more money faster.”

WA large not-for-profit

Several respondents described the high risks associated with attempts to grow their organisations:

“We are a high-quality service that constantly finds itself in competition with unregistered people with no ethics. Why would we make things worse for ourselves by expanding?”

Qld small not-for-profit

“Skills shortages create risk.”

Vic very small unregistered

“Disability is too risky at the moment.”

Qld medium not-for-profit

Several respondents reported that “bigger does not necessarily mean better” or that they have closed or are about to close:

“Obviously growth and renewal is important but not at the expense of quality.”

NT medium not-for-profit

“Growing larger makes it more difficult to maintain meaningful partnerships with families and participants.”

NSW medium for-profit

“We don’t know if we can continue to remain in the sector.”

NSW very small for-profit

In response to questions about improving business capability, 51 per cent of responding organisations are working on improving costing and pricing, which is significantly higher than in 2023. Forty per cent are working on improving HR strategy and workforce planning, 30 per cent are working on improving data reporting and use, 29 per cent are working on improving financial processes and controls, 28 per cent working

on improving information, communications and technology, and 27 per cent working on improving market research, strategies and planning (a significantly higher proportion than in 2023).

A further 26 per cent are working on improving employee learning and development, while 25 per cent are working on improving development and implementation of strategic plans and business planning.

In other areas where they could improve their business capability, respondents nominated customer engagement (22 per cent), qualified workforce (22 per cent), risk management and compliance (21 per cent), assistance with innovation and research (20 per cent), followed by records management (12 per cent), quality and safeguards (11 per cent), disability inclusion (10 per cent), and emergency management plans (three per cent).

Among the free-text responses about business capability areas that organisations need to improve most in the next 12 months, several respondents reported on the need for technological improvements, efficient

use of resources, and the building of trust in business relationships:

“Understanding and implementing AI.”
NSW large not-for-profit

“Wise use of resources, including buildings and land”.

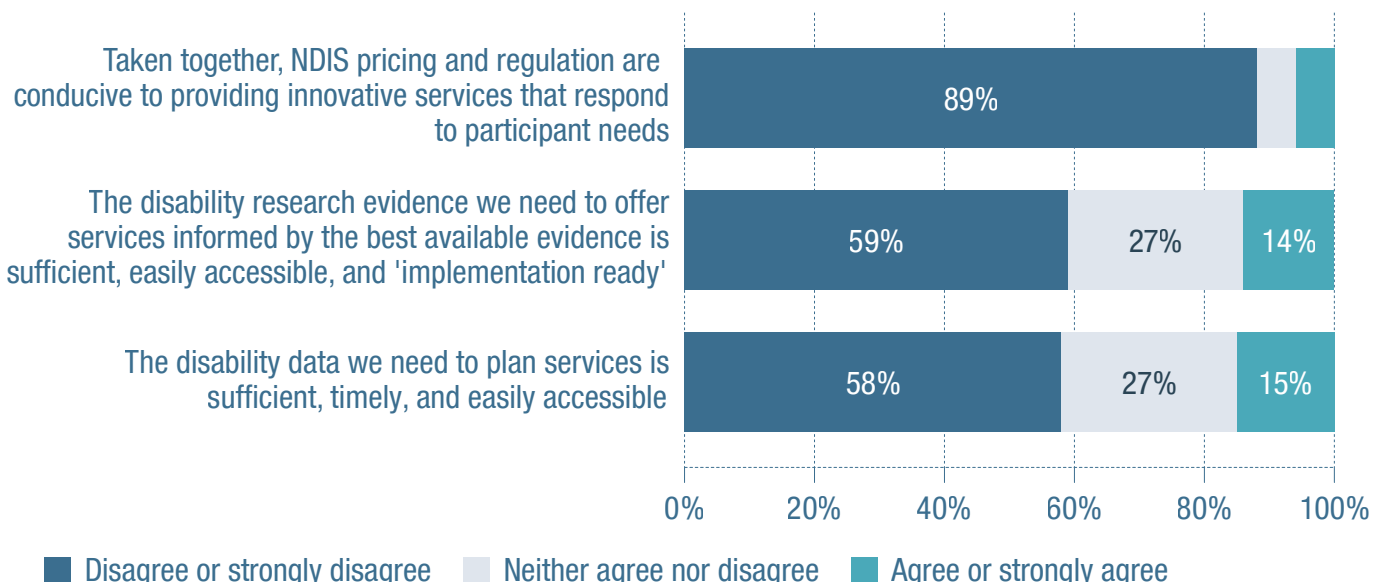
Vic medium not-for-profit

“Strengthening trust in relationships.”
Qld very small social enterprise

Access to data and research

Respondents indicated that they continue to lack access to sufficient, timely and easily accessible data that they need to plan services (58 per cent, up four per cent from last year). Similarly, 59 per cent of respondents indicated that they lack the research evidence they need in order to offer services that adhere to best practices (up five per cent from last year). Worse, this year saw a 12 per cent increase in organisations who report that NDIS pricing and regulations are barriers to providing innovative services that respond to participant needs. This worrying trend, which we noticed in 2023, has only increased.

Figure 9 Access to data and research





Pandemic impacts

Organisations continue to recover from COVID-19; however, 61 per cent think that there is an ongoing impact on the sector from the pandemic and 39 per cent do not. See figure 10. Not-for-profit organisations and those offering services in Victoria were significantly more likely to report continuing impacts from the pandemic compared with for-profit organisations and those not operating in Victoria.

In free-text responses, respondents reported about ongoing pandemic impacts on service workforce availability:

“Changes in employment patterns leading to workforce shortages continue.”

Vic medium not for profit

“COVID-19 cases still have huge impacts on our workforce given the need for exclusion for set periods.”

NSW medium not-for-profit

Many respondents discussed ongoing pandemic impacts on service clients:

“Because we support a vulnerable community, COVID-19 still presents as an unacceptable risk to client welfare in many settings, which is a little different than the general community.”

Tas large not-for-profit

“Engaging with staff to meet the requirements of clients continues to be a challenge as staff want to work more flexibly, which doesn’t always suit the needs of our clients.”

Vic medium not-for-profit

Respondents often reported ongoing pandemic related financial impacts:

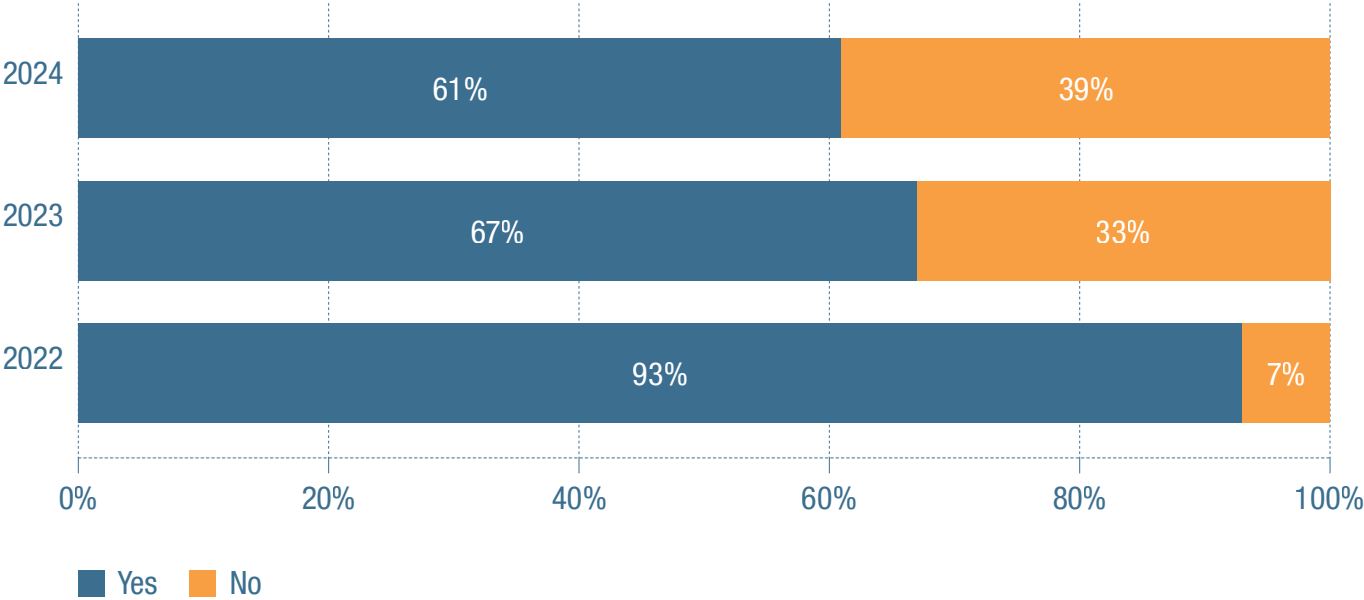
“Providers are still recovering from the costs of the pandemic.”

Vic small not-for-profit

“Macro-economic factors, cost of living, insurances and so on are higher than ever and will remain that way for some time.”

NSW large not-for-profit

Figure 10 Impacts of the COVID-19 pandemic over time



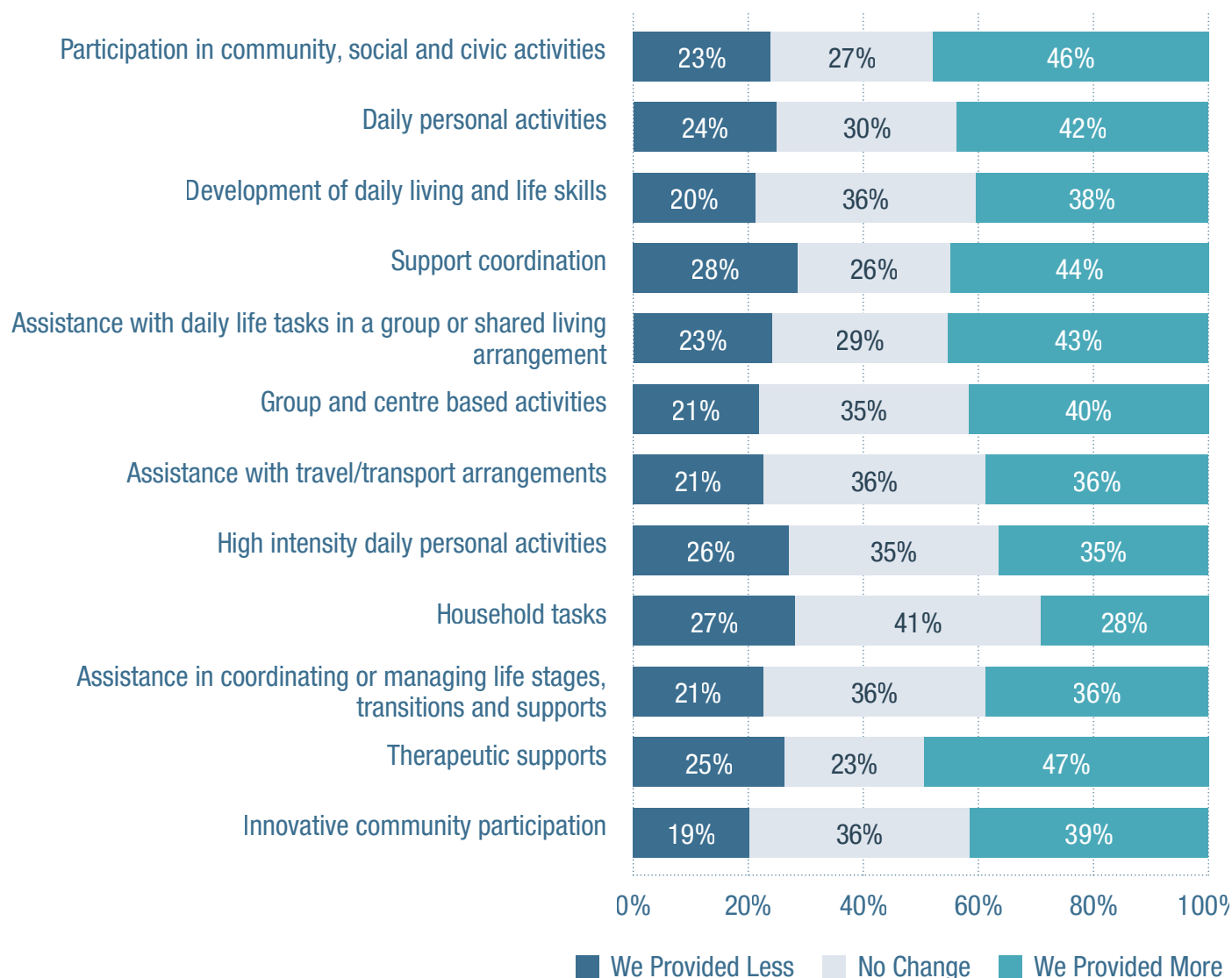
Still, many respondents reported on the impacts of the pandemic to be over and back to business as usual:

- “It’s over, back to pre-pandemic stage.”
WA very small sole trader
- “The pandemic is well and truly behind us now. Move on.”
Vic very small for-profit
- “For us, pretty much business as usual.”
SA medium not-for-profit

NDIS services

The most common NDIS services provided by respondents included Participation in Community, Social and Civic Activities (63 per cent), Daily Personal Activities (58 per cent), Development of Daily Living and Life Skills (53 per cent), and Support Coordination (51 per cent).

When asked about changes in hours of service delivery, we saw net increases in the provision of services related to Participation in Community, Social and Civic Activities (46 per cent of organisations reported an increase in service provision, while only 23 percent reported a decrease, a net change of 23 per cent of organisations), Assistance with Daily Life Tasks in a Group or Shared Living Arrangement (net change of 20 per cent of organisations), Group and Centre Based Activities (net change of 19 per cent of organisations), Development of Daily Living and Life Skills (net change of 18 per cent of organisations), Daily Personal Activities (net change of 18 per cent of organisations), Support Coordination (net change of 16 per cent of organisations), and Assistance with Travel and Transport Arrangements (net change of 15 per cent of organisations).

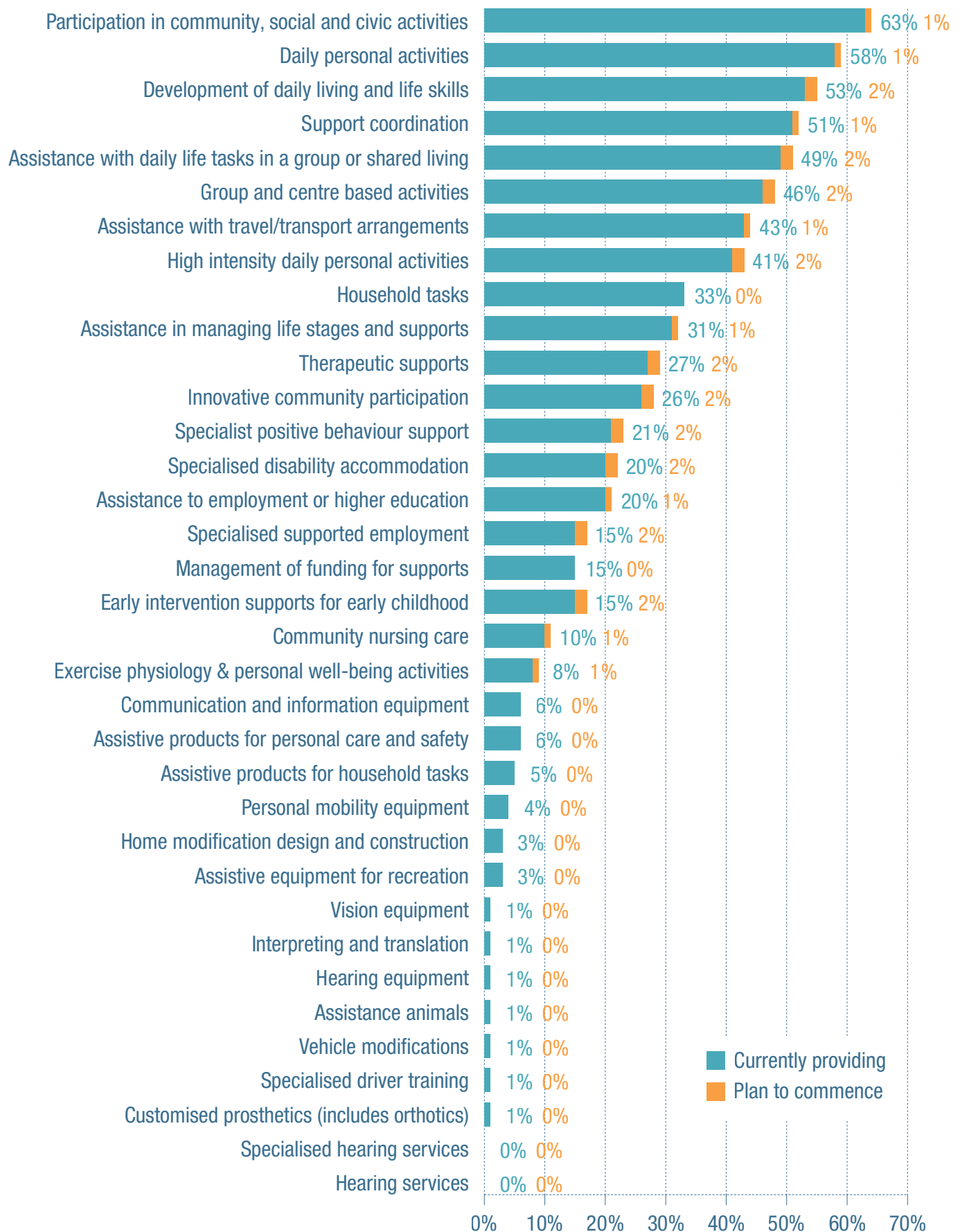
Figure 11 Changing hours of service provision (100 providers or more)

Respondents expected to increase some of their services next year while reducing others, resulting in planned net increases for delivery of a number of services.

According to the data (subtracting respondents who plan to stop or reduce provision of a particular service from those who plan to start), we expect to see larger increases in Participation in Community, Social and Civic Activities, Daily Personal Activities, Assistance with Daily Life Tasks in a Group or Shared Living Arrangement, Development of Daily Living and Life Skills, and Group and Centre Based Activities.

Smaller but still notable increases may be seen in High Intensity Daily Personal Activities, Innovative Community Participation, Specialist Positive Behaviour Support, Therapeutic Supports, Household Tasks, Assistance to Access and Maintain Employment or Higher Education, and Assistance with Travel and Transport Arrangements.

Only 65 respondents (18 per cent) plan to provide a new NDIS funded service, with no standout services. The most commonly reported increase is to specialist positive behaviour support, with nine organisations planning to begin providing these services.

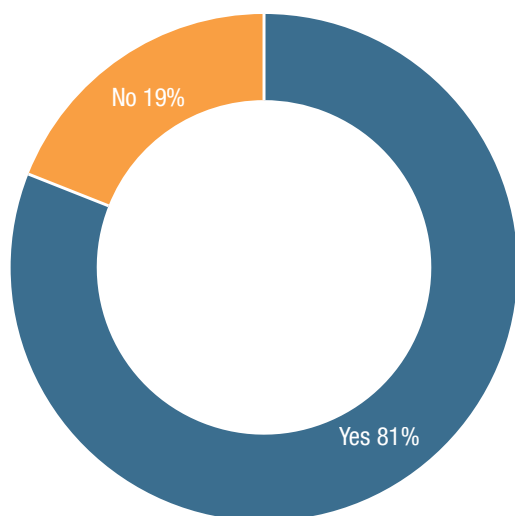
Figure 12 Services provided and plans to increase services



Inability to provide services

Eighty-one per cent of respondents indicated that they have had requests for services that they cannot provide, similar to last year. This has increased from 69 per cent since 2018.

Figure 13 Requests for disability services that respondents were unable to provide



Reasons for not being able to provide services included the client's plan not covering the requested service (67 per cent), not having

capacity (62 per cent), not offering the services (48 per cent), client needs being too complex (39 per cent), the client living too far away for home-based services due to travel time (24 per cent), and client difficulty accessing a service due to distance and transportation (18 per cent).

Of those organisations who reported capacity issues, key barriers included not having enough staff (89 per cent), not having appropriately qualified staff (46 per cent), lacking access to financial capital (to improve or expand services) (39 per cent), and lacking organisational capacity (30 per cent).

Client complexity

This year, we asked respondents to tell us more so that we could better understand the type of issues being experienced regarding client complexity. In their open text responses, respondents commonly raised concerns about funding not being available to meet clients' needs, organisations not being equipped to support clients with higher support needs, and the behaviours of clients being too complex:

“Funding was not adequate to support the clients’ needs.”

NSW medium not-for-profit

“NDIS funding not appropriate to provide adequate supports to clients.”

SA small not-for-profit

“Behaviours and higher intensity supports — we do not have enough trained staff to cater for these needs.”

Qld small for-profit

“Increasing number of enquiries from high support clients which is not our service model.”

NSW small not-for-profit

“In some cases, the client behaviours have been too challenging for our staff to manage without large safety risks.”

NSW medium not-for-profit

“Behaviour support needs too complex.”

SA medium not-for-profit

In free-text responses to our question about strategies that organisations find helpful in working with client complexity, respondents frequently raised developing staff skills through training as a helpful strategy:

“We have developed our own training for support workers.”

NSW small not-for-profit

“Purchasing appropriate training.”

WA small not-for-profit

“Staff training and training through debriefing.”

WA large not-for-profit

“Frequent training and prompts to DSWs.”

NT medium not-for-profit

Respondents often reported collaborating and developing professional relationships with stakeholders as helpful when working with client complexity:

“Collaboration with other service providers and the participant stakeholders.”

Qld small not-for-profit

“Collaboration with families and other providers.”

WA small not-for-profit

“Respectful relationships with allied health professionals.”

NSW medium for-profit

“Most important aspect of my job is budget, supports and relationships with providers.”

NSW very small for-profit

Several respondents raised strong leadership, clearly identifying client service needs, implementing quality service frameworks and celebrating wins as helpful:

“There must be dedicated leadership committed to a culture of care and seeing the situation from the client’s point of view.”

WA large not-for-profit

“People focused, leadership, balance and respect.”

Qld very small social enterprise

“Clearly identifying client needs and ensuring these align with our capabilities.”

NSW medium not-for-profit

“Seeing the situation from the client’s point of view.”

WA large not-for-profit

“Promote Quality Frameworks regardless of the pushback.”

Qld very small social enterprise

“Celebrate the wins whenever we can no matter how small.”

Qld very small social enterprise



Profit and loss

After a deeply concerning few years, the financial situation continues to worsen for the disability sector. A startling 50 per cent of organisations made a deficit in the 2023–24 financial year, with only 35 per cent making a profit or surplus. This is compared to 34 per cent of organisations who made a loss in the 2022–23 financial year, a 16 per cent change.

This financial result appears to have come as a surprise to many organisations. In each State of the Disability Sector survey, respondents are asked to report on their projected financial position for the current financial year. Typically, the proportions of organisations predicting a deficit in one survey round is very consistent (within a few percentage points) with the actual proportion of respondents reporting a deficit in the following year's survey. In last year's survey, only 26 per cent of respondents predicted a deficit for the 2023–24 financial year,

compared with the 50 per cent who reported an actual deficit for the 2023–24 financial year in this year's survey.

In terms of differences between different organisation types and geographic locations, there are large differences in financial performance between for-profit and not-for-profit organisations and those established before and after the introduction of NDIS. Not-for-profit organisations and those established before 2014 are significantly more likely to report a loss for 2023–24 and predict a loss for 2024–25.

Additionally, larger organisations are also more likely to report a loss for 2023–24 and predict a loss for 2024–25. This is particularly true for organisations with a turnover of more than \$20 million.

There are no significant differences between organisations operating in different states and territories or in relation to those offering services in metropolitan, rural or remote areas.

Figure 14 In the most recent full financial year (year ending 30 June 2024) did your organisation make a loss, break even or make a profit (surplus) in regard to its disability services?

Figure 14a We made a loss/deficit

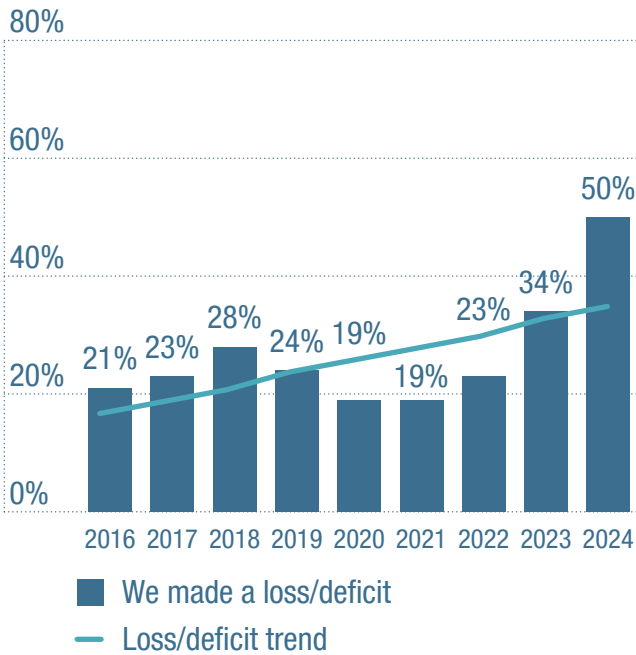


Figure 14b We made a profit/surplus

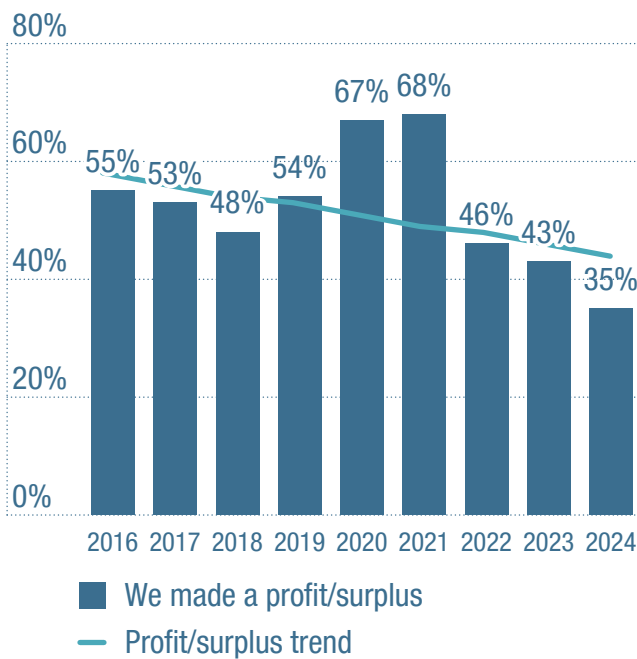


Figure 14c We broke even/close to break-even

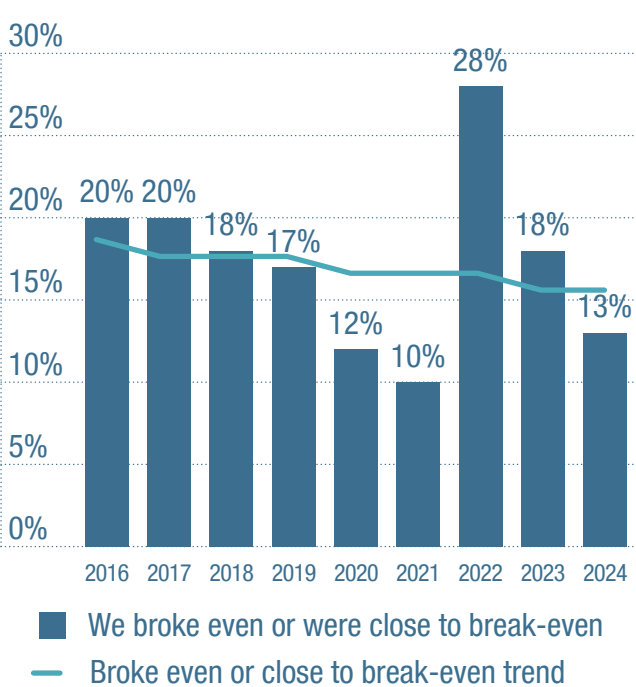
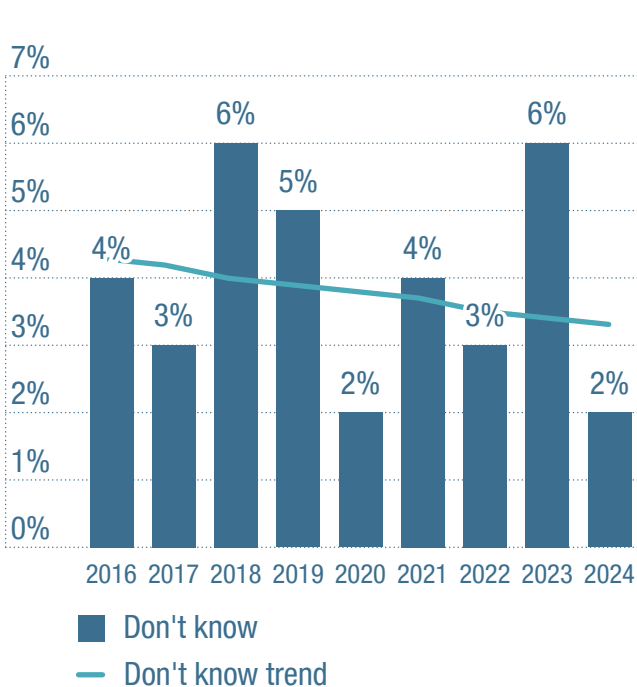


Figure 14d I don't know



Organisations were, however, hopeful, with only 43 per cent anticipating a loss in the coming year. Although, instead of that

resulting in more organisations anticipating a profit, it has resulted in more organisations anticipating breaking even.

Figure 15 Do you expect your organisation will make a loss (deficit), break even or a profit (surplus) on its disability services in this current financial year (year ending 30 June 2025)?

Figure 15a Forecast make a loss/deficit

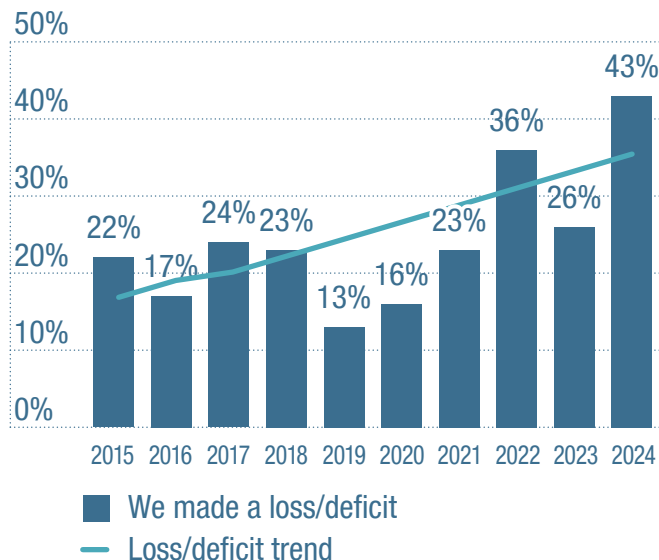


Figure 15b Forecast make a profit/surplus

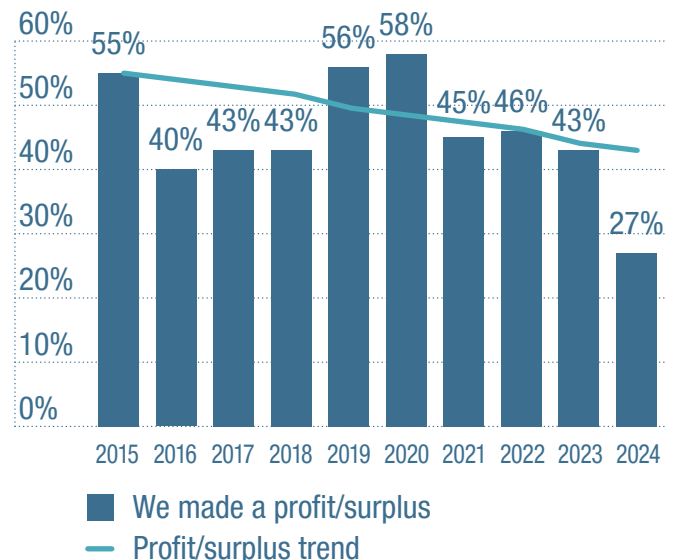


Figure 15c Forecast to break-even

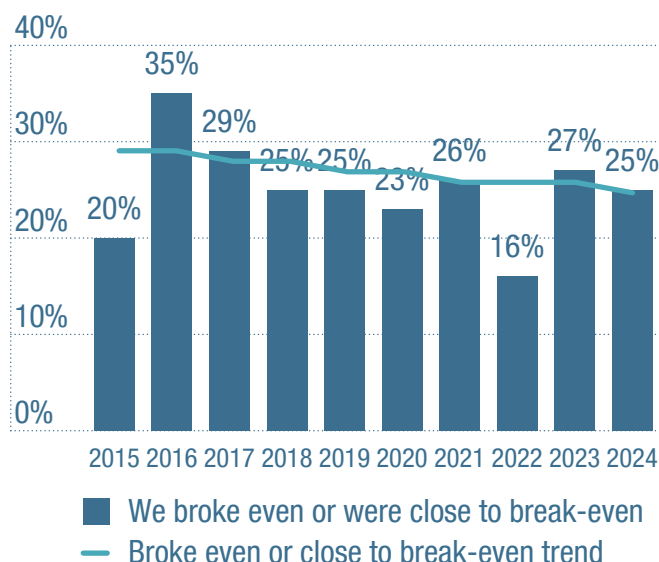
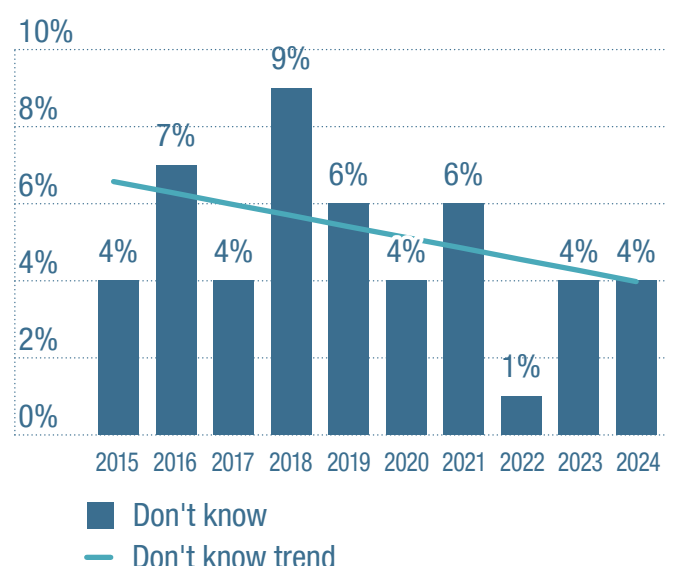


Figure 15d Forecast don't know whether they will make a loss, profit or break-even



In narrative responses about organisation financial results, such as profit or loss or changes in net assets, respondents frequently raised concerns about their longer-term financial viability:

“Losses are not sustainable year on year. They run into the millions of dollars.”

Vic large not-for-profit

“Cannot sustain loss for long and will be making social admissions to hospital of complex clients in regional communities soon.”

NSW large not-for-profit

“We are surviving thanks to the capital that is banked and invested. Have needed to dip into this to fund recurrent services ... is not sustainable.”

WA large not-for-profit

Respondents often reported their concerns about NDIS pricing and funding shortfalls:

“If the price guide matched the SCHADS award and its increases more businesses would be able to stay afloat.”

NSW very small for-profit

“We need to open up pricing and costing as soon as possible for providers to be able to take charge of what they charge for certain services.”

NSW large not-for-profit

“The overheads are not enough in the NDIA funding model to meet our costs fully.”

SA small for-profit

“Insufficient NDIS funding increase has impacted our ability to generate profit and reinvest in the sector.”

NSW large not-for-profit

Respondents often reported on profit attained from non-NDIS sources and experiencing cost increases:

“We only made a profit as NDIS income isn’t our only income stream.”

Qld small not-for-profit

“It is declining, but we are focused on growing our brand and diversification outside of NDIS funding.”

SA medium not-for-profit

“Our capacity to stay afloat is due to donations and state government funding.”

WA small not-for-profit

“With the rising costs in the economy and insurances in particular, we were expecting to see a loss this financial year.”

NSW small not-for-profit

“Costs have increased far more than indexation.”

WA small not-for-profit

“High building, equipment and staff costs.”

SA very small for-profit

Several respondents reported on unsustainable financial losses and a challenging financial environment:

“It is unsustainable without another source of revenue, e.g., fundraising, but even that might not be enough in the long term if the cost-of-living crisis continues.”

Vic large not-for-profit

“We have made a loss for the past few years. We’ve cut costs as much as we can but are gradually eroding equity. Wage growth keeps outstripping what we can charge, and it is slowly killing us.”

WA large not-for-profit

“Difficult and uncertain — let’s hope the sector confidence returns and stops throwing away good resources after bad.”

Qld very small social enterprise

“We, like many colleagues in our region, state and throughout the sector, are extremely vulnerable right now. Our cash position is diminishing, compliance and operational demands increase, yet real revenue for our services decreases.”

Vic medium not-for-profit

A minority of respondents reported that they were in a sound financial position:

“We are presently investing in systems and processes that should have been done several years ago, as part of rebuilding back to where we need to be.”

ACT large not-for-profit

“The deficit for last financial year was a deliberate strategy of investment in the organisation to position us well for changes from NDIS Review recommendations and implementation.”

ACT medium not-for-profit

“We are a small agency that owns its infrastructure and assets ... we do not rent or hire premises, cars etc.”

NSW small not-for-profit

Member story: helping people have a great life

Rise



Operating across metropolitan Western Australia, Rise provides choices for more than 5000 people from all walks of life. These include young people at risk, those experiencing mental health issues, people with disability, carers and older people. Rise was a trial site for the rollout of the NDIS in 2012 and now offers support to people with disability at home and in the community, including supported accommodation, positive behaviour support, community support, social centres, an arts hub and support coordination.

The future of support coordination

RISE CEO Justine Colyer spoke about the dismay and frustration of disability service providers around the country when the NDIS annual price review dropped on the last working day of the financial year. She explained how the 3.19 per cent increase would only cover minimum wage rises and would not include the costs of inflation, insurance increases, and basic administration and compliance with quality standards. For the fifth consecutive year, prices for support coordination were not increased. Justine described the current situation as “the worst it’s ever been”.

“We just want respect ...

Justine described the frustration and fatigue of providers lobbying for change and having to repeatedly prosecute their position to the NDIA. She wanted to highlight two key concerns: respect and funding. Speaking about the release of the price guide on Friday June 28, with its implementation the

following Monday, Justine said providers felt undervalued and disrespected. “Treating providers respectfully costs no money.” She also lamented Minister Shorten’s pronouncements of “shonky” service providers in his letters to participants, which raised fear in participants and undermined the great work of the majority of providers.

... and fair funding”

The pricing decision failed to acknowledge the true costs of service delivery, leading Rise and other organisations to seriously consider their future. Justine reflected that while the NDIA had committed to developing a cost model for support coordination, it then cited the dynamic nature of the market and potential disruption as reasons to hold off on structural changes to the pricing approach.

Furious about insinuations by government that organisations should work smarter, not harder, Justine described Rise as a “lean organisation”. When we asked what strategies Rise has engaged to keep the doors open, she said one solution was to cap the number of participants they accept. But they don’t want to do that at a time when there is more demand than supply.

The prices set by the NDIA go nowhere near to covering increases in the costs of running a well-managed service. Compensation for wage increases is not enough when providers have seen costs rise in every other area of operations: utilities, rent, insurance and workers compensation.

Rise is now scrutinising its models, consulting its workforce on what changes can be made and reworking the figures to test whether these changes might enable them to keep operating.

In a worst-case scenario, Justine forecast that Rise may need to cease some of its disability services by the end of 2024, which will have a ripple effect throughout the organisation. There is a huge human cost to this for workers, participants and their families.

“Belonging to peaks like NDS and liaising with our colleagues is what keeps us motivated.”

Justine praised her sector partners as collaborative and collegiate. “We allow ourselves a little bit of ranting and then we just get cracking, doing what we can do.” Yet, she increasingly hears stories of providers considering shutting their doors, with even large providers merging to stay viable. These concerns for survival were confirmed by the NDS Pulse Survey in July that revealed many providers had shifted from finding ways to cut budgets without cutting corners to seriously considering cutting services entirely. Justine hopes the State of the Disability Sector Report will persuade government to reconsider its stance on pricing. “We feel things will get to a pinch point and then something different will have to be done.”

Looking ahead

Like all providers, Rise wants to offer its teams fair remuneration, attractive career pathways and a safe working environment. They want to assure participants and their families of quality, safe and accountable supports. When we asked how the Rise leadership team buoys its staff, Justine explained, “We’re very transparent with our team; we let them know things and we involve them in finding

different and more efficient ways of doing things,” describing her team as problem solvers. She still believes the NDIS is a great scheme that can offer a mix of supports to help participants develop the skills they need to maintain relationships, live independently, and participate in their community.

The value of support coordination

Thirty-year-old John has a physical disability and lives alone. John’s support coordinator helps him stay independent by finding support workers to assist with meal preparation, caring for himself and going out. John also relies on his support coordinator to make appointments with his GP, explain the health advice, attend physiotherapy appointments and take his medication safely. Without this help, John’s health would deteriorate quickly; he would need even further supports, requiring increased funding in the long term.

The move of John’s records to the new NDIS PACE system compounded his situation. John and his guardians rely on his support coordinator to navigate and understand this new system and provide practical guidance on how to use his funding for the supports he needs.

Debbie is 40 years old, lives alone and is unable to work. With an intellectual disability and speaking English as her second language, Debbie relies on her support coordinator to interpret her NDIS plan and set up her supports. Debbie also needs help with using the internet and other digital channels. Without guidance on how to navigate the internet safely, Debbie would be at the mercy of the numerous online scams and fraudulent activity that is rife in the virtual world. Without support coordination, Debbie would not receive the supports she is entitled to.



Member story: social participation

Sharing Places, ACT



Ashlee shopping

Based in the ACT, Sharing Places provides community access and social participation support for 180 adults with severe to profound disability who have high and complex support needs. All participants have a primary intellectual disability. Some have serious health conditions, while approximately 50 people have positive behaviour support plans. Sharing Places is the only disability service provider in the ACT delivering quality day options and catering to such a diverse set of needs.

Sharing Places' values are respect for everyone, people at its centre, social inclusion, participation and development, collective and collaborative action, and sustainability. Speaking with CEO Kylie Stokes, it became immediately clear she embraces these values, which carries through to a successful disability service for participants.

Working for Sharing Places

Kylie told us that staff at Sharing Places build trusting relationships with participants, "as people with high and complex needs can only achieve their goals when they are in environments where they feel comfortable to take on challenges". Kylie described her staff in terms of "communities who support each other". Some teams are naturally connected by their shared cultural background, and she even described a family of five siblings who have worked together at Sharing Places.

Supporting the support staff

We spoke about how the organisation looks after its staff, even though high staff turnover is typical in an environment where service users have very high support needs. Kylie said, by knowing and understanding participants well, staff can share responsibilities for people who have complex support needs, reducing instances of staff burnout.

Participants often have complex needs, and Sharing Places equips staff with knowledge on the client's individual needs before they work without close supervision. Three months of induction extends their basic disability qualifications to a level where they can safely and competently support participants.

Once they start work, staff are mentored through team meetings and ongoing professional development from experienced colleagues. The 16 teams of mostly permanent employees are well-prepared to meet the specific support needs of all participants whose individual profiles are updated as their needs change. Positive Behaviour Support Plans are regularly reviewed to ensure they are still effective and suitable.

A fleet of 25 vehicles, mostly modified, ensures people can participate in their community. "We strive to create opportunities for community inclusion while breaking down barriers and raising awareness."

The recent price guide bombshell

None of this training and infrastructure come cheaply, and Sharing Places was another organisation blindsided by a funding decision at the end of June, when the government announced it would discontinue high intensity payments for behaviour support. Kylie reflected that one of the most difficult things in the last ten years had been the lack of guidance from the NDIA about the pricing guide. She said, “We have struggled with that from day one and it has never improved; in fact, it has declined.”

Sharing Places modified its models of support ten years ago and, since then they have also dealt with the challenge of moving to the new group pricing arrangements.

Major frustrations

Sharing Places has provided behaviour support for 35 years. They believe they do it well. But they feel the NDIA has not listened to providers and families when they have described the consequences of reducing funding. Kylie said, “It would be very nice for government to extend to providers of high intensity support the dignity of working with us and enabling us to provide quality supports to people with complex support needs and to see them achieving great outcomes.”

Major wins

Kylie spoke with pride about getting through the worst of the COVID-19 lockdowns while operating an essential service for people who simply cannot be locked inside all day. Praise still comes in many shapes: “Seeing people achieving their goals; hearing our support workers speaking about participants with such empathy and care; talking to families about positive changes they have witnessed within their family member who accesses Sharing Places; and hearing what a difference we have made to their lives.”

NDS membership

Kylie was very positive about the support NDS offers — information about sector issues and emerging trends and advocacy that can influence and lead to policy change. She appreciates the access NDS has to government ministers and influential people within the disability sector, the training for both support workers and managers, and the chance for Sharing Places and Kylie to contribute to NDS through her membership on the ACT Committee.

Jenny and Ashlee

Canberra resident Ashlee lives at home with her mum, Jenny. Ashlee has a disability which can sometimes cause her behaviour to turn violent. When Ashlee’s behaviour shifts from challenging to crisis mode, she has been known to break vehicle windscreens, pull TVs from wall mounts or even become non-responsive.

NDIS funding allows Jenny to engage support workers with specialised skills who ensure Ashlee and those around her are safe. But when high intensity supports for complex behaviours were removed from the 2024–25 Price Limits and Pricing Arrangements on 28 June, with immediate effect, Jenny was concerned she would be left to manage the situation on her own.

As a single mother, Jenny felt she would have to quit her job to look after Ashlee. She was worried about the impacts on Ashlee’s mental health, saying, “no 26-year-old wants to be with their mum all the time”.

Following strong advocacy from NDS and provider peaks, the NDIA announced that providers can claim intensive and complex behaviour supports at the same price limit as high intensity supports from 1 October. This was great news for families like Jenny and Ashlee.



Member story:

supporting people with disability in a country Victoria town

Kyeema Support Services, Portland



Jenny working on the farm

Operating out of Portland, the oldest European settlement in Victoria, Kyeema started in the 1960s as a tiny educational setting for a handful of children ineligible to attend mainstream schools.

The service grew in response to the unmet needs of people with disability in and around the small regional town, 360km west of Melbourne. Kyeema added day services, supported employment (three small, busy enterprises), individual community-based support, weekend and after-hours group activities for children and adults, special events outings, and a respite house.

More recently, Kyeema added support coordination and specialist disability accommodation to its offerings and is now the only provider of supported employment in Portland.

Meet CEO Julie Amor and her team

We spoke with Kyeema CEO Julie Amor, who spoke of the NDIS as a “well-intentioned and ambitious creature ... something Australia should be proud of.”

Reflecting on the constant change every year, the challenges of the pandemic and fear about survival due to pricing, Julie acknowledged managing an NDIS service can be exhausting.

Julie speaks warmly of her team and their managers, lauding their strong values and can-do attitude under pressure, as they shield staff from the operational angst caused by budget juggling. The low staff turnover and

positive staff spirit translate to great service delivery.

As the largest disability provider in Portland, Kyeema can meet nearly all requests for support. Occasionally, the Kyeema team is asked to support participants whose needs surpass what they offer. When this happens, they collaborate with other providers, acknowledging that some participants' support needs are better met by other providers.

Key challenges

Julie told us that with five years of inadequate price rises, support coordination has been doing it hard. Also, Kyeema's direct support team leaders, who are critical to quality, participant safety and connection, have never been fully funded by operational overheads, with the shortfall coming from the provider's surplus.

Julie observed that with no checks and balances for unregistered providers, the NDIA has created an uneven playing field. While the NDIS allows greater freedom of choice for participants, the Kyeema team aims to help participants stay within their allocated funding and is sometimes disappointed by providers who don't seem to be aware of the effect of one-to-one support at weekends. The associated hourly penalty eats into participants' budgets, leading to reduced overall support hours.

An associated concern is that the PACE system makes available funds invisible to

providers of core supports. There is no extra in participants' budgets to absorb change of circumstances, and Kyeema has found the NDIA increasingly unwilling to cushion participant overspends when support needs change.

The NDIS's temporary transformation payments of five years ago have disappeared, forcing the organisation to search for even greater efficiencies. One challenge of being in a regional area is the lack of other services, such as critical psychology support, tenancy, financial advice, or free legal help. Kyeema frequently assists participants through crises that, in a city, could be referred to other professionals.

“We cannot wait for an independent pricing mechanism”

Julie would like to see an independent pricing mechanism within the next year and more timely reviews of funding for participants who have had a change of situation. Then, providers are not left wondering if they will be paid for continuing the necessary supports after funds have run out.

Julie also welcomes the move to more equity across the sector, where all providers require registration and are responsible for meeting quality standards.

NDS membership

Julie feels NDS's strong advocacy, based on the deep knowledge gained from the sector, has helped the voice of participants and providers to be heard by the NDIA. Information from NDS conferences, meetings and publications has helped Kyeema enormously over the years.

“Seeing good outcomes for those using our services is the best antidote to fatigue”

Julie was candid yet quietly optimistic in her response to our questions. Even in the face of

constant reform, Julie epitomised the glass-half-full leader. She still loves the NDIS, and “the really fantastic support that the NDIS so bravely wants to be able to do”, characterising the scheme as “still learning its job”.

Jenny Sweeney's story

Jenny was keen to take a moment in the spotlight. She is involved with multiple areas of Kyeema: support coordination, supported employment, short-term accommodation and social and community activities.

Jenny says, “I have been at Kyeema for more than 30 years, since I was 20. I have worked at Windward Industries all that time. It's out at Alcoa (the aluminium smelter).

“I like meeting different people at work. Coming to Windward makes me feel happy. I work three days a week. We start the day with washing helmets for the people on site and I like to fill the sinks ready for others.

“Every Thursday I go and pick up the visitors' boots from Plant Protection, clean the boots and return to the correct spots on the shelf.

“Other things I do are Adult Breakaway, where we go out different places with the Kyeema group on Saturdays. And Ladybugs on Wednesday nights sometimes.

“And I go to Tri State Games every year with the Kyeema Kangaroos. I've got Tri State Games in November, running, walking, bean bags and indoor bowling.

“I went to the VALID conference this year. I want to go again next year. It's on my bucket list.

“Kyeema is helping me to find a home as I've been staying at the respite house since last year.

“I do day activities Wednesday and Friday. My favourite thing is I go out to Neville's farm amongst the little lambies putting them into the next paddock.”





The state of quality and safeguarding

Within the varied contexts of uncertain disability reform, the day-to-day quality work of resilient providers continued.

Providers pushed on, finding ways to implement quality improvement. They took on projects to reduce restrictive practices, co-designed approaches to understand quality, reviewed medication management processes, upskilled staff in complaints management and set up better governance frameworks. Across Australia, providers also looked for ways to embed participant voices in the changes they undertook. And they appealed to peers to ensure that safe quality services for people with disability remained the number one

priority for organisations, despite fiscal and workforce challenges.

It has not been easy work and, as we transition into new sector reforms, providers should have the right resources and support to deliver on shared goals to uphold and support the human rights of people with disability.

Survey results

While more positive than perceptions of the working relationship with the NDIA, sixty per cent of respondents did not feel that the NDIS Quality and Safeguards Commission (NDIS Commission) is working well with providers.

Figure 16 The NDIS Quality and Safeguards Commission is working well with providers

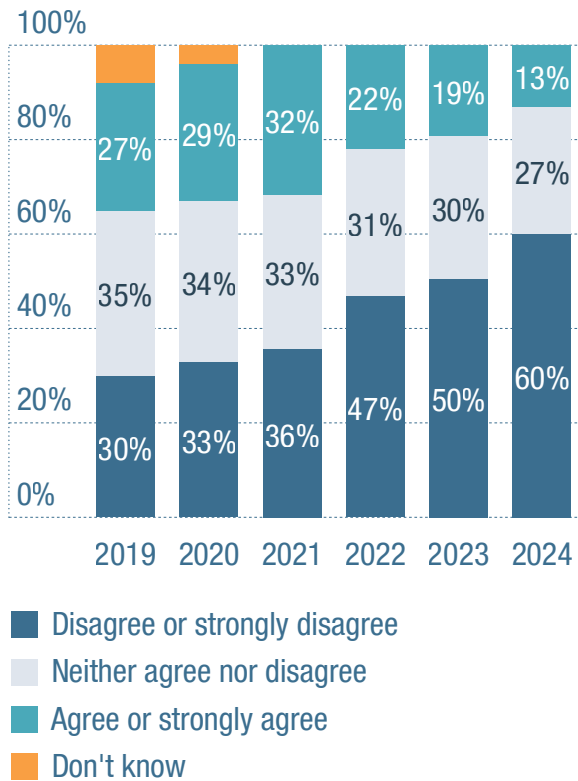
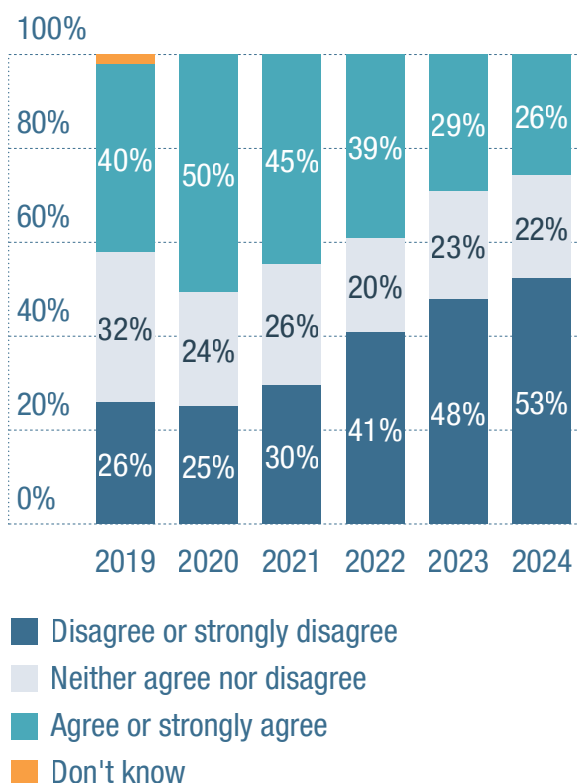


Figure 17 We are confident that the NDIS Quality and Safeguards Framework supports the quality of services/outcomes



Attitudes towards the NDIS Quality and Safeguarding Framework were increasingly negative, though these differences were smaller than those for the general NDIS operating environment. Fifty-three per cent of respondents did not feel that the NDIS Quality and Safeguarding Framework supports quality of services.

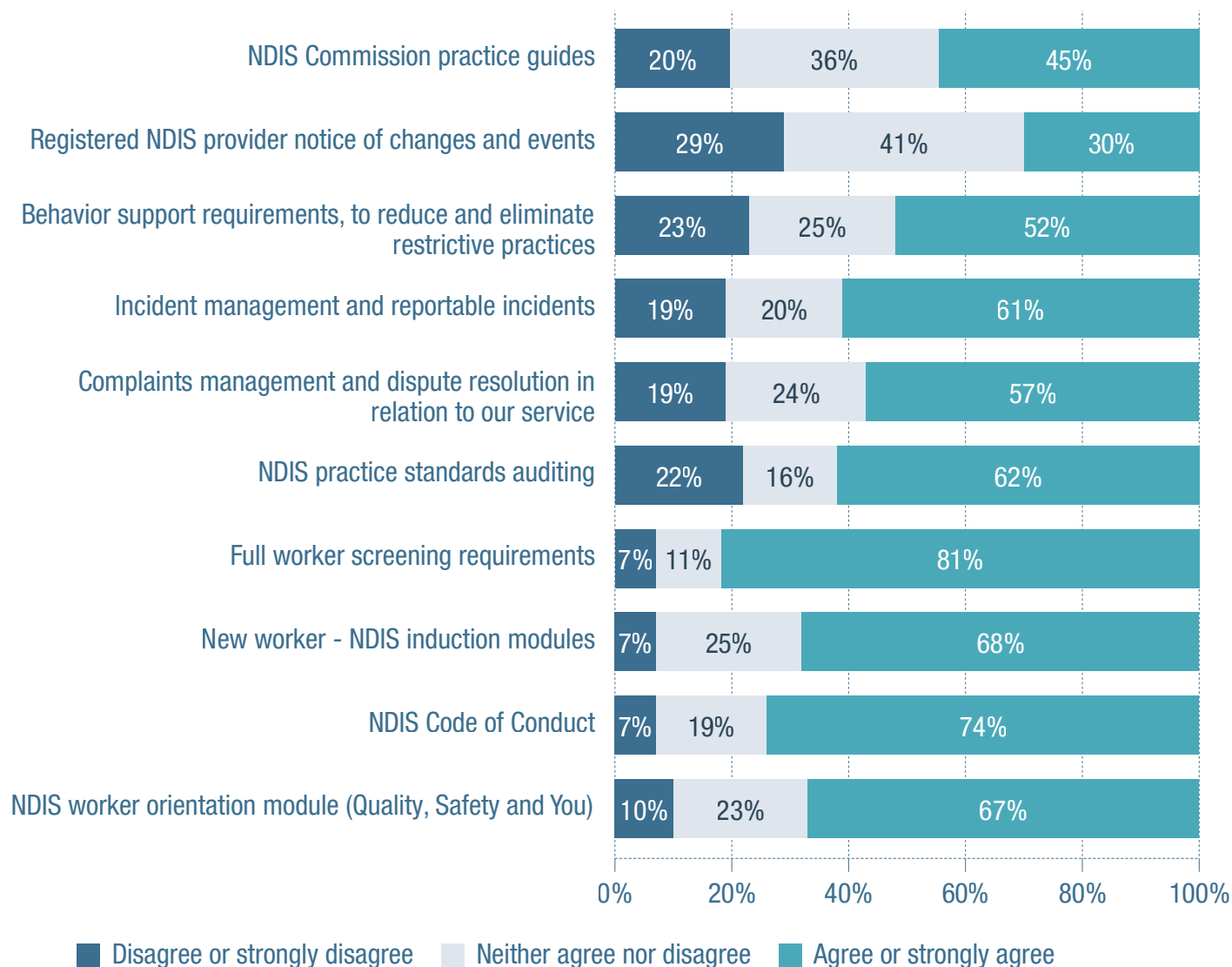
Opinions of the individual elements of the NDIS Quality and Safeguarding Framework have improved slightly this year.

The largest improvement is to opinions of incident management and reportable incidents. Last year, only 51 per cent of respondents believed this led to good outcomes, while this year that has risen to 61 per cent.

Respondent attitudes towards NDIS practice standards auditing changed by six per cent, rising to 62 per cent of respondents believing that it leads to good outcomes for participants. A similar change was seen in complaints management and dispute resolution with 57 per cent believing that it leads to good outcomes for participants.

Agreement on the impact of behaviour support requirements (to reduce and eliminate restrictive practices) grew by five per cent with 52 per cent agreeing that it leads to positive outcomes for participants. Attitudes towards the NDIS online modules for the Code of Conduct and Induction grew by four per cent to 74 per cent (Code of Conduct) and 68 per cent (Induction).

Opinions that the full worker screening requirements contribute to positive outcomes were high last year, with a further increase this year to 81 per cent. However, beliefs that both NDIS Commission Practice Guidelines and registered NDIS provider notice of changes and events lead to good outcomes for participants decreased, though these were already low.

Figure 18 Quality and Safeguarding Framework

This year only 45 per cent of respondents believe that the Practice Guidelines lead to good outcomes for participants and 30 per cent believe that registered NDIS provider notices of changes and events lead to good outcomes for participants.

In open comments concerning the NDIS Quality and Safeguarding Framework, respondents frequently described the Framework and its reporting requirements as onerous, unclear and ineffective:

“Where multiple agencies are involved/or service users are admitted to hospital; the process for incident reporting is unclear.”

Vic medium not-for-profit

“The NDIS Quality and Safeguards Commission needs to respond to concerns raised in a more efficient time frame, as when we have listed any concerns (fraud or suspicious behaviour), they have taken a while to address.”

Qld small not-for-profit

“The Framework is a complex network of the framework plus all the other guides, materials and so on released by the Commission. The audit recertification process is clunky and consumes significant staff resources.”

Tas small not-for-profit

In contrast, several respondents described the Framework in terms of being comprehensive, effective and important:

“It is comprehensive and ensures compliance.”

SA medium not-for-profit

“Overall, the Complaint Management and Resolution System is a vital aspect of the NDIS Quality and Safeguarding Framework, with the potential to significantly enhance participant satisfaction and service quality, provided it is implemented and managed effectively.”

NSW very small for-profit

“Each regulatory instrument is important or valid.”

ACT medium not-for-profit

Registration

Three hundred and fifty registered providers answered questions about registration. Similar to last year, 19 per cent of respondents who are registered providers are considering dropping their registration with the NDIS Commission. Of the 22 respondents who are not registered providers, nine are considering becoming registered with the NDIS Commission and nine are not, while four are unsure.

In free-text responses to factors influencing decisions about registration, many respondents described registration as important, necessary and beneficial:

“Registration is important. The issue of unregistered providers is finally being addressed.”

NSW medium for-profit

“We believe it remains important to be a registered provider.”

NT large not-for-profit

“Necessary. We believe that it is essential for the whole industry.”

NT medium not-for-profit

“Registration per se is beneficial to consumers and is a point of difference with unregistered and one person providers.”

WA small not-for-profit

“We want to be bound by standards set for registered providers.”

WA medium for-profit

“We believe the registration is an important part of our quality and safeguarding frameworks.”

ACT large not-for-profit

Many respondents described registration as burdensome, complex and costly:

“The hoops and cost are challenging.”

WA large not-for-profit

“Administrative burden: the complexity and administrative demands of maintaining registration can be overwhelming.”

NSW very small for-profit

“Costly and unfair to be registered.”

WA medium for-profit

“The cost of registration is significant for a small business.”

SA small for-profit

Some respondents questioned the value in being registered:

“There’s a lot of additional time and costs involved with no real benefit.”

ACT very small for-profit

“Because it is pointless.”

Qld small not-for-profit

“The lack of value-add.”

Vic large not-for-profit

Several respondents expressed their concerns about the NDIS Quality and Safeguarding Framework only applying to registered providers:

“Wouldn’t it be safer for ALL participants and fairer for ALL providers if the same processes applied to both registered and unregistered providers?”

Vic medium not-for-profit

“We are registered; however, the majority of providers are not, so the [elements of the Quality and Safeguarding Framework] are not relevant to the majority working within the NDIS field. This places participants at risk.”

WA very small sole trader

“Red tape only for registered providers is increasing and our income is decreasing. We will seriously consider becoming unregistered.”

Vic large not-for-profit

The NDIS Quality and Safeguards Commission

This year, the NDIS Quality and Safeguards Commission grew, began to use all available regulatory tools, and increased their presence in the field and providers’ in-boxes. A restructure of the NDIS Commission’s teams also saw less connection at the state and territory level, an impact still being felt in the absence of local knowledge and relationship development.

Three NDIS Commissioners led the work across the year. Commissioner Tracy Mackey resigned, leaving the role in May, making way for Acting Commissioner Michael Phelan APM. In October, we welcomed Commissioner Louise Glanville as well as Associate Commissioner Natalie Wade, who led the work of the Worker and Provider Registration Taskforce. NDS met with all commissioners throughout the year, highlighting provider issues and challenges, and offering solutions. In the coming years of reform, these working relationships will be critical.

Oversight and monitoring

The compliance landscape changed abruptly in late 2023 with a move to a more coercive compliance approach from the NDIS Commission. The action on positive behaviour support and unauthorised restrictive practices followed recommendations from the Disability Royal Commission to strengthen monitoring, compliance and enforcement, and the findings of harm, abuse, neglect and exploitation of people with a disability. A directive from Minister Shorten to report on actions relating to restrictive practices — the focus of the coercive compliance — also had roots in the findings of abuse and from the NDIS Commission’s gaps in responding to some of the past shocking events.



For the sector, the impact was harsh, and the predominantly administrative focus of the compliance action was frustrating. More than \$1.6 million in fines were served over the period and letters were sent to most of the 8000 practitioners and providers in the market. The sector responses were varied: some welcomed the boundary setting, some left the sector, and others shifted processes.

NDS wrote to Minister Shorten and the NDIS Commissioner, advocating on behalf of providers' concerns about the focus on administrative compliance and the lack of warning given. We pushed for education to support continuous improvement, clearer details in infringement notices, and warning letters as an initial compliance step. NDS continues to monitor the potential for a reduced market for people with complex needs and rushed interim plans to meet deadlines.

Civil action, infringement notices and compliance notices are now part of the expected landscape.

Regulatory burden

No shifts in the regulatory burden for providers have eventuated in the past year. Any potential changes have been caught up in the reform priorities.

Requirements for reporting restrictive practices have not changed, the timeliness and cost of engaging with behaviour support practitioners remains the same, and the inconsistency, time, cost and administrative impact of audits have not shifted. State and territory requirements continue to create multi-layered quality and safeguarding environments, which must be considered in transitioning to new ways of working.

Since last year, there has been an increase in requests for information about reportable incidents, more time spent preparing for site visits and a historic backlog of complaint processing from the NDIS Commission.

Participating in the regulatory system is essential. It is part of the duty of registered providers and is required to monitor and uphold the rights, safety and quality service provision for people with disability. During the current period, requests from the NDIS Commission sometimes seemed unclear and outside the scope of the provider, and requests for information about complaints arrived too late to have an impact. It is important work — for providers and for the NDIS Commission — and we are seeing glimpses of a more streamlined approach after what may be a settling period.

Data intelligence and data sharing

Central to efficient, comprehensive improvement in quality and safeguarding and a reduction in the regulatory burden is an uplift in the technology systems of the NDIS Commission and the ability to share data for safeguarding outcomes.

In a significant move, the government's 2024 federal budget included an allocation of \$160 million for the NDIS Commission's Data and Regulatory Transformation (DART) program over the next four years. That leaves the current systems to tick along for some time but promises improved ways of operating.

NDS will monitor developments and work with the NDIS Commission to identify opportunities to inform the design.



Provider registration

The sector continued to operate in a two-tier quality and safeguarding system, waiting and watching the work of the NDIS Provider and Worker Registration Taskforce. The sector appreciates these changes take time, but the frustration and disparity remain. This imbalance has long underpinned provider perception of the Quality and Safeguarding Framework, and it is no surprise that this continues to be the case.

The federal government's September announcement to bring platform providers, support coordinators and supported independent living providers under mandatory registration was encouraging. Given the pricing crisis and levels of uncertainty in the sector, particularly for support coordinators, the process to transition those providers not yet registered will need to be managed carefully.

The audit experience can be varied. For some, this is supportive and developmental; for others, it is a costly compliance activity with no impact on the quality of services for people with disability. Delays between audits and certification remain a problem. The review of the NDIS Practice Standards and related processes undertaken by the NDIS Commission in the last part of the year was a good opportunity for the sector to share concerns and offer solutions.

Cost of quality

For the past few years, it has been difficult, sometimes near impossible, to have a conversation about quality and safeguards without talking about the cost of quality. It is not where providers want to focus their attention, but the pressures kept mounting though the year on top of existing requirements and tight pricing. Pricing reviews have yet to consider the cost of quality.

This year we have seen some health supports and high-intensity behaviour supports reduced or removed from plans. And the 'pause' in high intensity behavioural supports payments saw services struggle to support people with those needs. This rocked many in the sector and some providers moved away from working with participants with the most complex needs.

It was encouraging to hear the NDIS Commission speak at community forums in September about the cost of quality, but they don't author the Annual Pricing Review. Getting clear about what resourcing looks like for reporting, auditing, responding to requests, training and supporting staff, and other elements will be essential for the sector in the coming year.

What's next?

The end of 2024 has been busy for quality and safeguarding as the reform agenda rolled out. The NDIS Commission consulted with participants and providers to inform how practice standards might look into the future.

They shared consultation papers on the second round of legislative changes focused on providers, service standards and participant safety, including proposals for increased penalties.

They considered the changes for improved practice in supported accommodation, how to resolve conflicts of interests in combined SDA and SIL arrangements, and how to implement the new mandatory registration requirements for support coordination, supported independent living and platform providers.

NDS will keep working with providers and the NDIS Commission to transition to a fair, well-resourced quality and safeguarding system.

Member story: early childhood services

Koorana, Sydney



Koorana's family fun day

Koorana provides a wide range of services and programs to support children and their families across 100 Sydney suburbs. We spoke with CEO Morgan Fitzpatrick, who is deeply passionate about helping all children get the best start in life and spoke warmly about her service, her team and the children they work with.

Koorana helps families understand and navigate various stages of early childhood development. They support babies, toddlers and children through a variety of preschool and playgroup learning opportunities, child and family support programs, and early intervention and allied health for children who may have a developmental delay or disability. In addition, they continue working with children, young people and their families through the school years with allied health supports that are delivered under a transdisciplinary approach.

The Koorana team believes in supporting children of all abilities to explore all of life's possibilities, and this is evident in their focus on inclusive environments and child and family supports.

The Koorana team

Koorana employs allied health professionals, early childhood teachers and early childhood educators. The staff makeup is culturally diverse, reflecting the neighbourhoods they serve. Koorana estimates that over 60 per cent of their children don't speak English at home.

Staff retention at Koorana is high, with staff having a formal opportunity to provide

feedback through twice-yearly staff surveys. Successful practicum placements for students of allied health often lead to work with the organisation, and recent graduates broaden their skill sets and experience through working in the transdisciplinary model of care.

Morgan started work at Koorana two weeks before the COVID-19 lockdowns. For her, it was a quick hello and goodbye to her team of 60. We asked how Koorana managed to deliver their service from home, and Morgan explained that their long-term plan to offer telehealth services was fast tracked. Her team scrambled to learn how to use Microsoft Teams and they developed protocols on the hop. They had been running two playgroups a day with 150 families, which they then managed to deliver online. Morgan reflected that it was difficult, but she quickly bonded with her team in the face of adversity.

"We go to where children live, learn and play"

Koorana's team delivers in settings that are familiar to the child — such as at home and at school. Observing and supporting the children in their natural settings presents some practical challenges: getting into a classroom in a way that doesn't disrupt the other children; travelling to people's homes; assessing the potential risks of a home-based workplace; modifying programs to keep up with children who are developing rapidly; and accommodating children's social and therapeutic needs in primary and secondary school.

In touch with the local community

Koorana is in tune with its community. As an example, when they saw families that were struggling with the increased cost of living and looking for inexpensive school holiday activities, they ran a family fun day in a local park. Six hundred people turned up! The fun day was an outlet for children, but more than that, for the many people in Koorana's catchment who are first generation migrants with no family in Australia, it was a chance for them to connect.

Quality and safeguarding

Working with children calls for the highest level of risk management and Koorana's allied health practitioners are all AHPRA-registered. With a background in governance and operations in high-risk settings, Morgan has set up and implemented robust continuous improvement systems, positioning the organisation for quality audits.

But this is costly to implement and yet again we heard about the perversity of a system that requires registered providers to comply with best practice standards but does not compensate them for administering the compliance.

The financial challenge

Koorana answers to many funding masters. NDIS participants contribute to its disability support services while state block funding pays for playgroups and the community preschools. We asked about the burden of accounting for separate avenues of funding and Morgan said that, even with a seven-million-dollar turnover, Koorana can only afford one administration officer. Plus, the state funders do not allow organisations to accrue any surplus.

There has been no indexation to the NDIS pricing for allied health in five years, but Koorana's staff costs have increased by 42 per

cent in that time along with other inflationary increases, such as rent and electricity. With no more areas to strip back and no funds to employ more, staff must pick up the extra load. But Morgan and her managers are protecting their team and the quality of the services they deliver by offering good supervision and building in reflection time for the team.

National collaboration with sector colleagues

In the past two years, Koorana has taken a leadership role, establishing a network of 19 providers called the Early Childhood Intervention Best Practice Network. The network includes providers from regional and remote areas of New South Wales, Queensland, the ACT and Victoria. Morgan also co-chairs another alliance of both NSW and national sector representatives working across the mainstream and disability ecosystem.

While not formally organised, these two networks give providers avenues for supporting each other, sharing best practice and resources and joint problem solving. Providers also benefit from sharing policies, resources and strategies for staying sustainable in tricky financial times.

They are also a mechanism for delivering formal submissions and advocacy to government. For example, the combined voice of these providers is preparing for the upcoming foundational support consultations. Sitting on the NDS NSW Divisional Committee provides Morgan another avenue for sharing valuable feedback from the networks.

As well as connecting providers, the networks help NDIS participants, because providers can signpost families to services with expertise in their child's support needs or to a vacancy that would suit a child.



Member story: supporting Aboriginal people with disability

InComPro, South Australia



InComPro was established in 2001 to provide a range of culturally appropriate services to the Aboriginal people, organisations and communities of South Australia. The name is an abbreviation of Indigenous Community Professionals. Today, InComPro offers a continuum of services from over 150 experienced and dedicated staff.

Supporting the whole person

We spoke with COO Sarah Mellett, who described her service as “looking after people”, and InComPro does just that: seeing people as the sum of their needs. Beyond having a disability, some of their NDIS participants have been involved with the justice system; some have chronic health needs.

Preserving connections with country and community

When Aboriginal NDIS participants travel to Adelaide from, say, APY Lands for appointments to meet their disability needs, they may have difficulty returning home, becoming displaced from their communities and their culture.

Sarah explained that Aboriginal people can no longer use their NDIS funding to return to country, because permission ceased years ago. When an Aboriginal SIL participant needs or wants to return to country, the lack of funding hinders them. Unfortunately, this causes a disconnection from Country, culture and family.

Being stranded in an unfamiliar place can lead to both homelessness and offending with the individual ending up in a prison cell. Typically, following release from custody, the person cannot get home, re-offends, and the cycle continues. InComPro works hard to repatriate displaced people, usually with great results.

InComPro also works with participants who may have offended in their community and have been told to leave. Sarah’s team helps them rebuild their relationship with their community and put support measures in places to reduce the chances of them re-offending.

A sense of inequity

Sarah spoke about instances where Aboriginal NDIS participants are not being referred to the service by support coordinators for no clear reason. She also described frustration when her service was reported to the Quality and Safeguards Commission for “using restrictive practices unfairly”. The situation took place in supported accommodation when the service removed a participant’s drug paraphernalia from the kitchen table for the safety of other residents.

When we asked how she felt about not receiving referrals or being reported to the Quality and Safeguards Commission, Sarah said, “We know we have the right processes and procedures in place to keep people safe. We have strategies to protect our staff and participants, quickly managing any unacceptable behaviour and self-reporting to the Quality and Safeguards Commission.”

Inadequate funding for SIL

We spoke about funding challenges and Sarah said the disability funding does not align with the industrial award rates for SIL staff. When we asked how InComPro manages the shortfall, Sarah said they work smart — for example, situating a house where funding covers only eight hours of support next to a 24-hour staffed home, so people are not left without critical overnight medication. For other shortfalls, they partner with community services like Lighthouse Mission.

Managing delayed funding

Another pain point for InComPro (and other providers) is the NDIA's payment in arrears arrangement. She reflects that the previous model of block funding had been better for InComPro because they had the funds on time, they understood the needs of their service users and were able to help in flexible ways. They were still accountable for their funds and the quality of the support — but it just worked better.

Too many stakeholders

While the NDIS is based on choice and control for participants, Sarah said it does not work well when a participant is involved with multiple stakeholders. As well as the involvement of support coordinators, the finance and affairs of many InComPro service users are controlled by the Public Trustee. “I found a lot of major decisions are being made by people that haven't even actually met the participant ... and a lot of people don't understand Aboriginal people, the importance of cultural connection.”

Nell's story

Nell* is in her mid to late forties and had been in and out of prison most of her life when InComPro started supporting her four-and-a-half years ago.

She has not returned to prison since.

When Sarah met Nell, she had not returned home for a very long time. She had become disconnected from her family on the South Australian far west coast and the Public Trustee maintained Nell did not have enough money in her account to travel back. ‘We knew she needed it, and she had broken the cycle of reoffending, so we supported her to get back. You know, sometimes you have to. That's choice and control.’ Using Nell's STA funding gave her a week home on Country, supported by an InComPro worker.

When Nell came back, she told Sarah stories about seeing her mum and dad, flashing photos and presenting Sarah with a beautiful emu egg she had painted. She's planning another trip in about six months.

Sarah hopes one day Nell will have her own place and look after herself. She currently has support workers around the clock. “She doesn't like it. We don't like it. She's a mother, she's a grandmother. But you know, at this point in her life, she still needs that support.”

Going home was one of Nell's NDIS goals. But unfortunately, there was no budget attached to it. InComPro just made that goal happen.

*Not her real name



Member story: allied health services

NWRH, Mount Isa



NWRH Senior Occupational Therapist Edward Trimble conducts paediatric based assessments and activities

We spoke with CEO Rahni Cotterill at North and West Remote Health Limited (NWRH) about her experiences managing a team that brings face-to-face allied health services to people living in remote and isolated areas of western Queensland.

NWRH has provided services to regional, rural and very remote communities throughout Queensland for over 30 years, supporting people with disability under various funding streams, such as QCCS (Queensland Community Support Scheme) or PHN (Primary Health Network). In 2023, NWRH was honoured to win the inaugural National Rural and Remote Employer of the Year Award for providing culturally appropriate and targeted services to over 50 remote and isolated First Nations communities throughout northern and western Queensland since 1993.

Working under an ethos of “social responsibility”

Rahni said that NWRH’s principal mission is to provide primary health care services to people with the most complex support needs. The organisation prides itself on delivering continuity of care through building strong, constant relationships with participants.

She welcomed the introduction of the NDIS, saying it represented life-changing opportunities for NWRH service users, helping participants gain greater access to their community, meaning they no longer felt lost or forgotten within the health care system.

She believes the diversified funding model supports the sustainability of businesses like NWRH in rural and remote regions, where other funding in allied health is scarce.

Pricing arrangements should reflect the real costs of service delivery

Rahni has been with the organisation for nearly 14 years, and we asked her about the challenges she currently faces. She was disappointed about the ongoing price freeze for allied health therapies within the 2024–25 NDIS pricing arrangements. Coupled with the cost-of-living crisis and difficulty in staff recruitment and retention, their business has been negatively impacted. “Delivering services across rural, remote and very remote areas, our operating costs have risen significantly over the past few years; however, these have not been reflected in changes within the pricing arrangements. We need the pricing arrangements to reflect the economic position of rural districts.”

An uneven playing ground

An additional challenge is the administration burden that comes with being a registered provider. While she supports the benefits and safeguards of a quality system to service users, she is frustrated that time addressing compliance mechanisms can erode precious practitioner hours spent with participants.

She also alluded to the uneven playing field, where unregistered providers can deliver parallel services without the same

administrative burden. “Compliance takes time and costs money — money that unregistered providers can use to pay their staff more.” To remedy this imbalance, Rahni would like to see the government monitor the number of unregistered providers, review rural and remote pricing, and reduce the regulatory administrative requirements.

Attracting and retaining practitioners

A slump in the numbers of allied health graduates following the COVID-19 restrictions, combined with the numbers of private practices offering better-paid opportunities, has led to a scarcity of practitioners, particularly occupational and speech therapists.

To attract new allied health graduates, NWRH offers a supportive working culture where flexibility, innovation, professional development and staff wellbeing are core values.

Working with NWRH presents an exciting opportunity to travel and explore our vast country and experience outback life. In fact, the NWRH vehicle fleet travelled over 520,000 kms and staff took over 800 flights and 20 ferry trips to provide services in the 2023–24 financial year.

We spoke with senior occupational therapist Edward Trimble about his three years working in northwest Queensland. Edward gave a persuasive account of the benefits and opportunities for allied health practitioners working and living in a rural area. Going into the community, therapists fill a wide range of roles, such as prescribing home modifications, health promotion, and support navigating various systems.

Starting as a rural generalist, Edward now focuses on paediatrics. Participating in the Allied Health Rural Generalist Pathway at James Cook University, Edward is studying

while working on what he calls his “passion project”, mapping the process for formally diagnosing ASD (Autism Spectrum Disorder) and FASD (Foetal Alcohol Spectrum Disorder) in children. This will offer support for families to understand the process, as well as helping clinicians.

Spirit of collaboration

We asked Rahni how rural providers handle high demands for service. She described a collaborative approach to referral pathways and student placements with key local stakeholders; North West Hospital and Health Service, JCU Murtupuni Centre for Rural and Remote Health, Health Workforce Queensland, Education Queensland, private providers and BushKIDS.

These partnerships allow dispersed service coverage between the sectors, creating greater access to Allied Health services within the region. The collaboration has also led to the ten-week Rural Immersion Placement Program Allied Health (RIPPAH) placements, which helps to address the professional supervision needs of recent graduates while connecting them with meaningful community experiences.

People living vastly

Rahni values the training, information, and support and advocacy she has through her membership with NDS, speaking warmly of her relationship with State Manager Jason McKey. “He listens to us, and when we’re having problems, I can tell that he has gone and advocated for us at quite a high level.”

Rahni is daily buoyed by the ways her team helps NDIS participants access their community through meaningful occupation outside the family home, so people with disability are “not just surviving in society but thriving and living vastly.”





The state of the workforce

The NDIS workforce remains in a precarious state. Recent years have seen the worsening conditions stabilise. However, there is evidence that the problems are becoming entrenched, illustrated by the difficulties respondents have in recruiting and retaining staff, and participants have in getting quality and safe services nearby.

Recruitment continues to be difficult for organisations, even though difficulties continue to ease.

Survey Results

Recruitment

Recruitment continues to be difficult for organisations, even though difficulties continue to ease. The most difficult roles to recruit are occupational therapists, speech therapists, behaviour support practitioners, psychologists and physiotherapists. The easiest roles to recruit are plan managers, finance and accounting roles, information technology roles, marketing and business development and dieticians.

Figure 19 shows the difficulties in recruitment over five years in the sector for key occupation groups, highlighting the slight easing of recruitment difficulties since 2020.

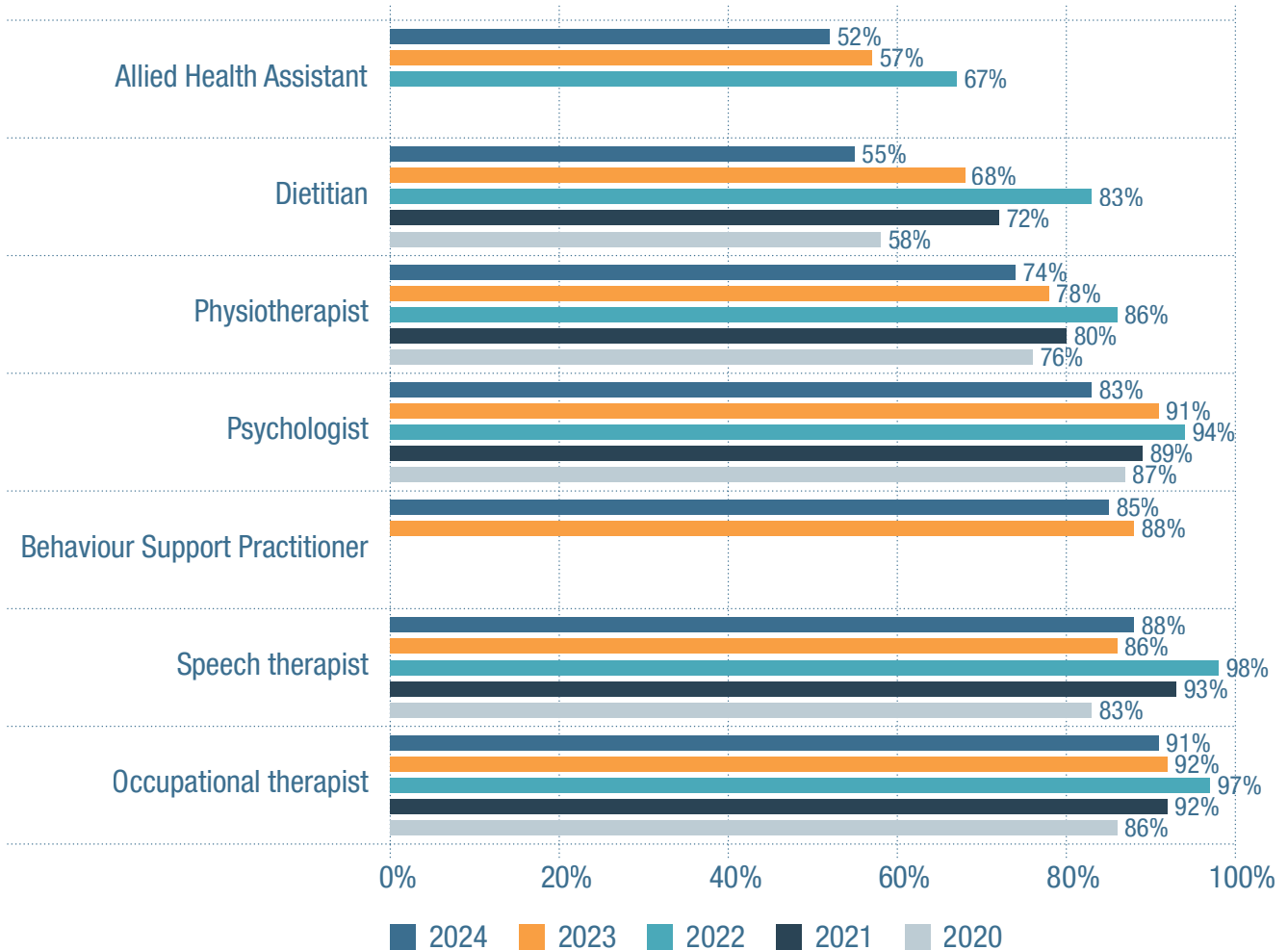
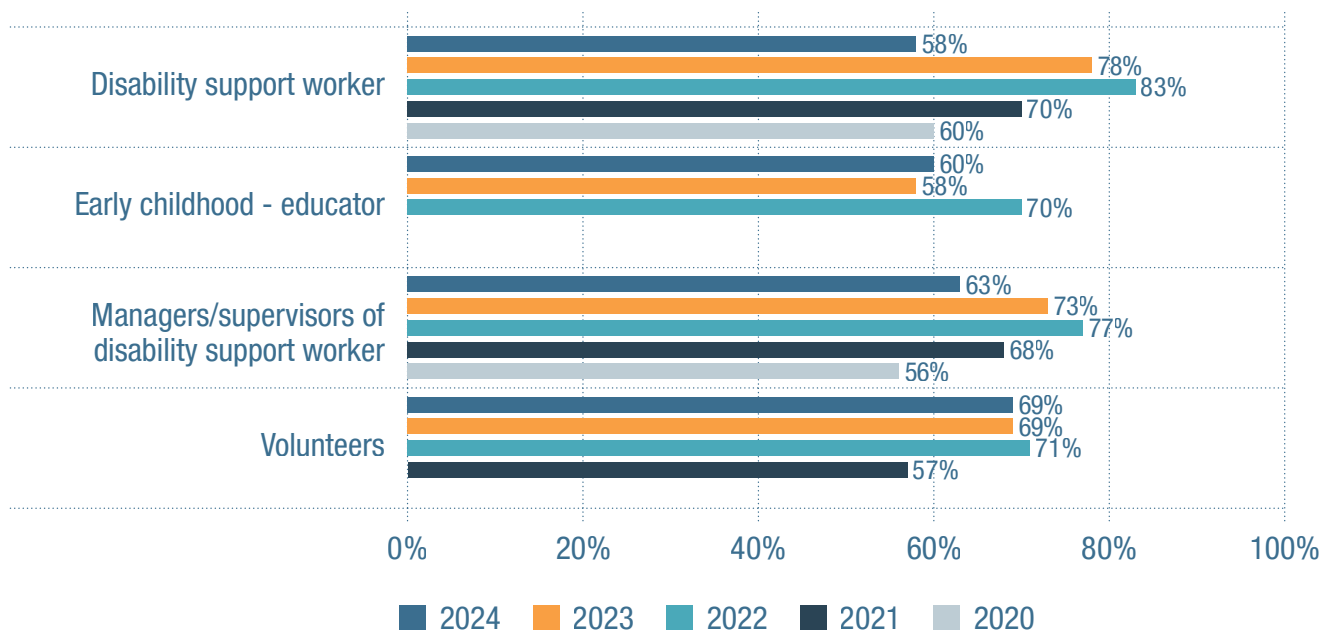
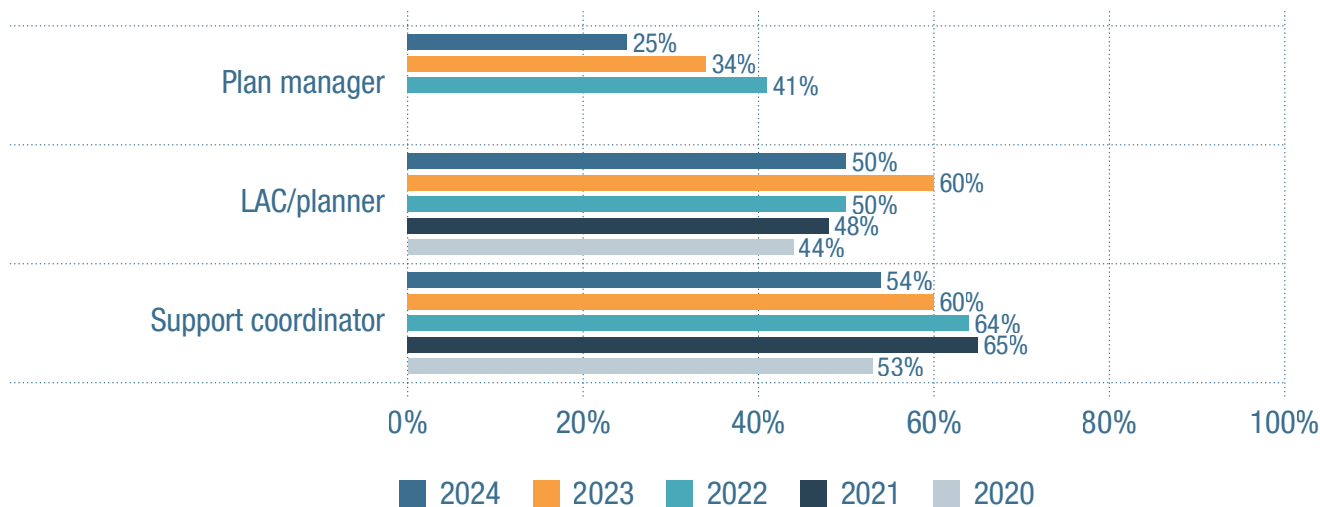
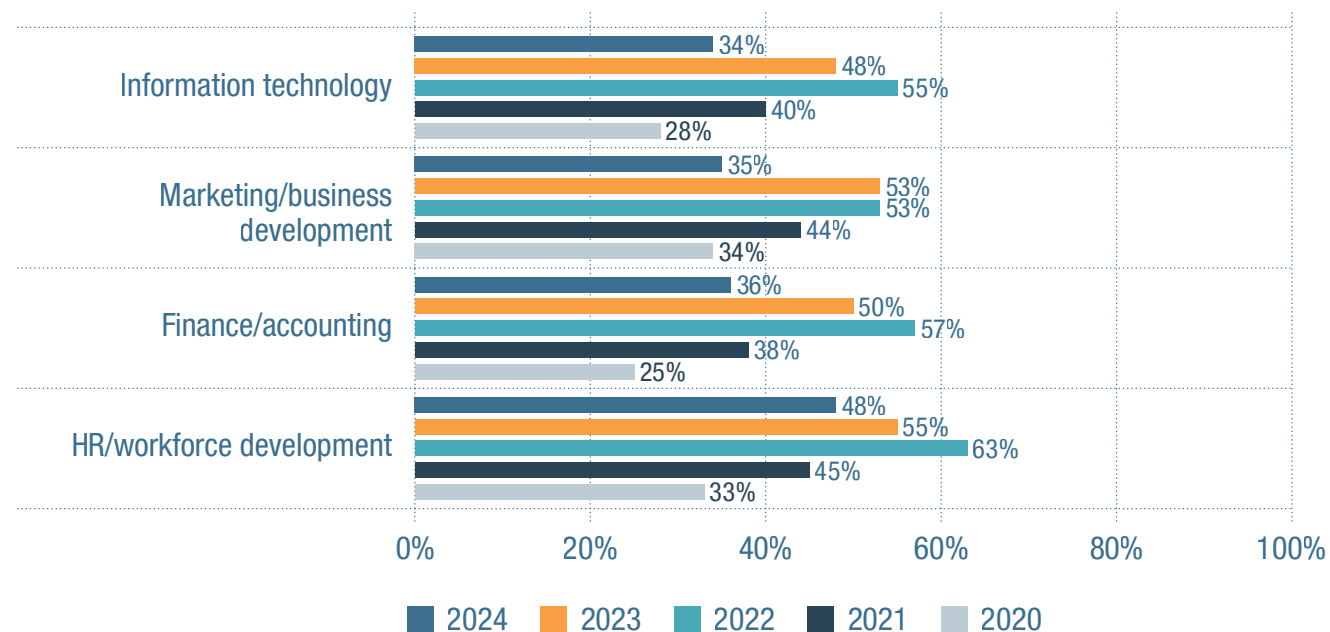
Figure 19a Difficulties in recruitment over time – allied health professionals**Figure 19b** Difficulties in recruitment over time: front-line workforce

Figure 19c Difficulties in recruitment over time: intermediaries and planners**Figure 19d** Difficulties in recruitment over time: administration/back office

Among narrative responses about the key challenges services face in recruiting staff, respondents popularly reported a lack of qualified or suitable staff:

“Finding candidates with the necessary qualifications and experience, especially for roles requiring specific certifications or extensive experience.”

NSW very small for-profit

“Quality staff are hard to find.”

Qld small not-for-profit

“Qualified and talented staff are in short supply.”

Vic very small for-profit

“Finding qualified, skilled and committed disability support workers who take the role as a career.”

WA medium for-profit

Many respondents described competition from other sectors as a challenge to recruiting staff:

“If a potential worker is paid higher wages in other sectors, like aged care, why would they want to work in the disability sector?”

Vic medium not-for-profit

“Competitive job market: intense competition for skilled professionals.”

NSW very small for-profit

“Too much competition by government.”

SA very small for-profit

“Loss of staff to aged care (longer shifts/greater pay).”

Vic medium not-for-profit

Several respondents raised challenges of scarcity of accommodation and perceptions of safety risks in rural and regional areas, pay expectations, rates cannot compete with other sectors, and NDIS pricing limits:

“Access to rental housing when they move to a regional area. Difficult to find and expensive.”

WA large not-for-profit

“Location of the role in [town in the Northern Territory] — perception of high social disorder/crime and threat to personal safety.”

NT medium not-for-profit

“Pay and conditions when compared to other sectors.”

Vic large not-for-profit

“Workers with experience in mental health and qualifications, who will accept a SCHADS level 2 salary.”

SA small for-profit

“Market paying over and above for support coordinators — unqualified low margin as NDIS price hasn’t changed.”

SA large not-for-profit

“Comparably low wages on offer due to pricing constraints — we cannot compete for talent with other industries.”

NSW medium not-for-profit

A minority of respondents also mentioned lack of career pathways, a preference for casual contracts, employees not wanting shift work, and employees not wanting work stress or high workloads:

“Lack of career pathways/progression.”

Vic medium not-for-profit

“Staff preference to work casual.”

Vic medium not-for-profit

“Flexibility — will not change or work additional hours or shift work.”

Vic small not-for-profit

“Role accountability and responsibility expectations (‘I don’t have to work that hard in my other jobs’).”

ACT medium not-for-profit

In open text responses to the key supports or enablers that they experience in recruiting staff, respondents raised training and professional development opportunities and reputation of organisation as enablers:

“We offer great training and conditions.”

Vic medium not-for-profit

“Skills training.”

ACT medium not-for-profit

“We partner with training organisations to provide practical experience and possible employment.”

Qld small not-for-profit

“Providing ongoing training and career development programs attracts candidates.”

NSW very small for-profit

“Professional development.”

ACT medium not-for-profit

“It’s our brand and reputation.”

SA medium not-for-profit

“Good local reputation as employer of choice.”

Vic medium not-for-profit

Respondents often reported on word-of-mouth as supporting staff recruitment:

“Word-of-mouth is the strongest asset.”

SA large not-for-profit

“Word-of-mouth of existing staff.”

SA medium not-for-profit

“Referral from previous staff.”

NSW small not-for-profit

“Word-of-mouth referrals.”

Vic medium not-for-profit

Other enablers reported by respondents included a positive, supportive and welcoming work environment, organisational culture and values, offering fair pay, relationships with industry and personal networks, relationships with universities, other financial incentives (for example, salary sacrificing), flexible work arrangements, and effective hiring processes:

“The welcoming environment that our supported employees and team provide.”

NSW small not-for-profit

“Our good culture and diverse employment opportunities.”

NSW large not-for-profit

“Tapping into local informal networks provides the best disability support worker.”

SA medium not-for-profit

“Partnerships with universities for student placements.”

Vic small not-for-profit

“NFP benefits such as salary sacrifice.”

NSW medium not-for-profit

“Flexible work arrangements: offering flexible work options, such as part-time or remote work, supports recruitment efforts, particularly for roles that can be adapted to such arrangements.”

NSW very small for-profit

“Effective recruitment processes: streamlined hiring processes and efficient onboarding can make recruitment more effective and appealing, especially for roles with high turnover rates.”

NSW very small for-profit

Respondents' free-text descriptions of barriers and facilitators of recruitment are summarised in the box below.

Barriers and facilitators of recruitment

Barriers to recruitment

- A lack of qualified or suitable staff
- Competition from other sectors
- Scarcity of accommodation and perceptions of safety risks in rural and regional areas
- Pay expectations; rates cannot compete with other sectors
- NDIS pricing limits
- Lack of career pathways
- Preference for casual contracts
- Do not want shift work
- Do not want work stress or high workload

Facilitators of recruitment

- Training and professional development opportunities
- Reputation of organisation
- Word-of-mouth
- A positive, supportive and welcoming work environment
- Organisational culture and values
- Offering fair pay
- Relationships with industry and personal networks
- Relationships with universities
- Other financial incentives (for example, salary sacrificing)
- Flexible work arrangements
- Effective hiring processes



Retention

Retention woes are also easing, though not quickly enough. Speech therapists, occupational therapist, psychologists, physiotherapists and behaviour support practitioners remain difficult to retain. This is particularly notable given that these are also the most difficult roles to recruit. Plan managers, finance and accounting staff, marketing and business development staff and IT staff are easiest to retain but also easy to recruit.

Figure 20 on the following pages shows the difficulties in retaining staff over five years in the sector for key occupation groups, since 2020.

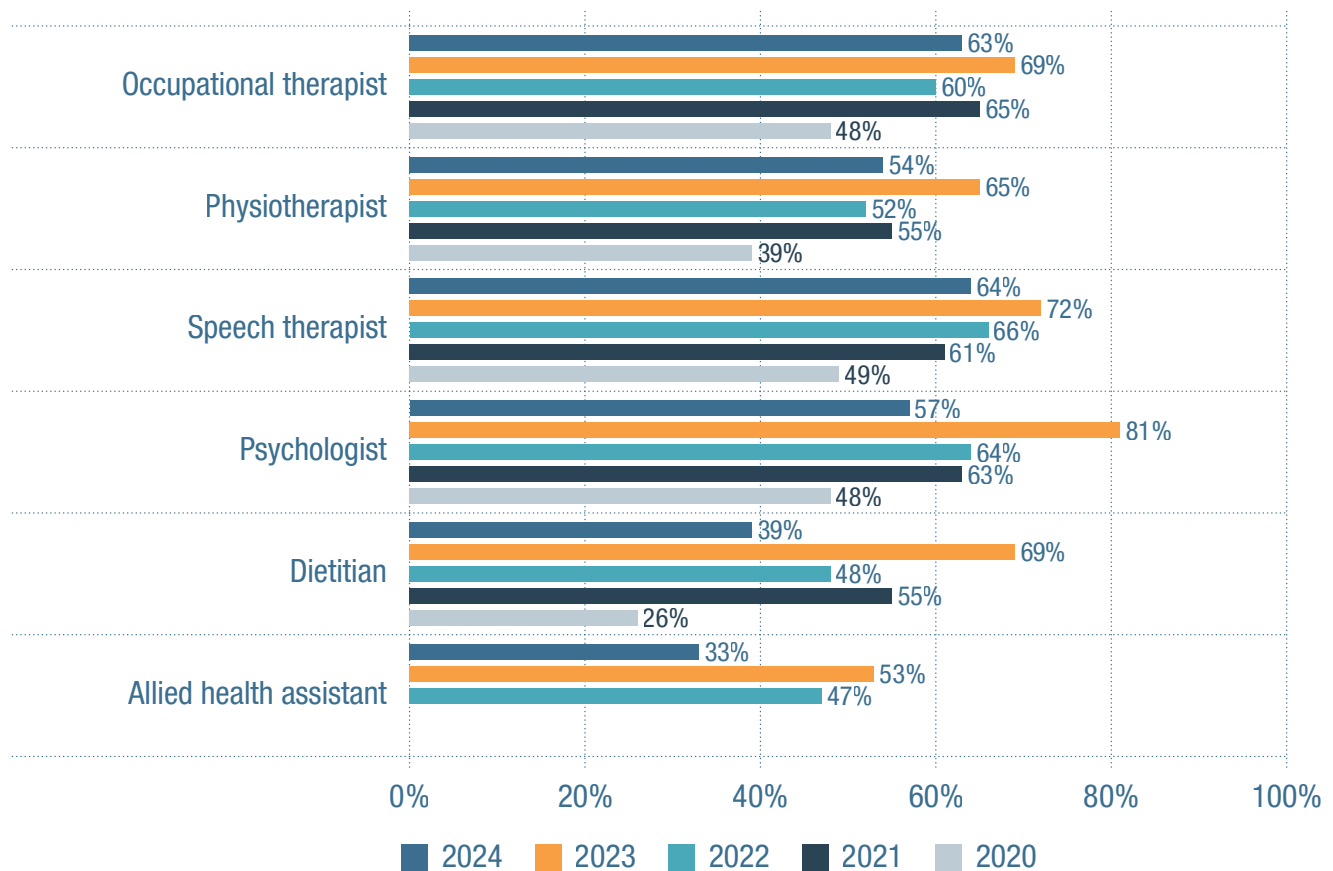
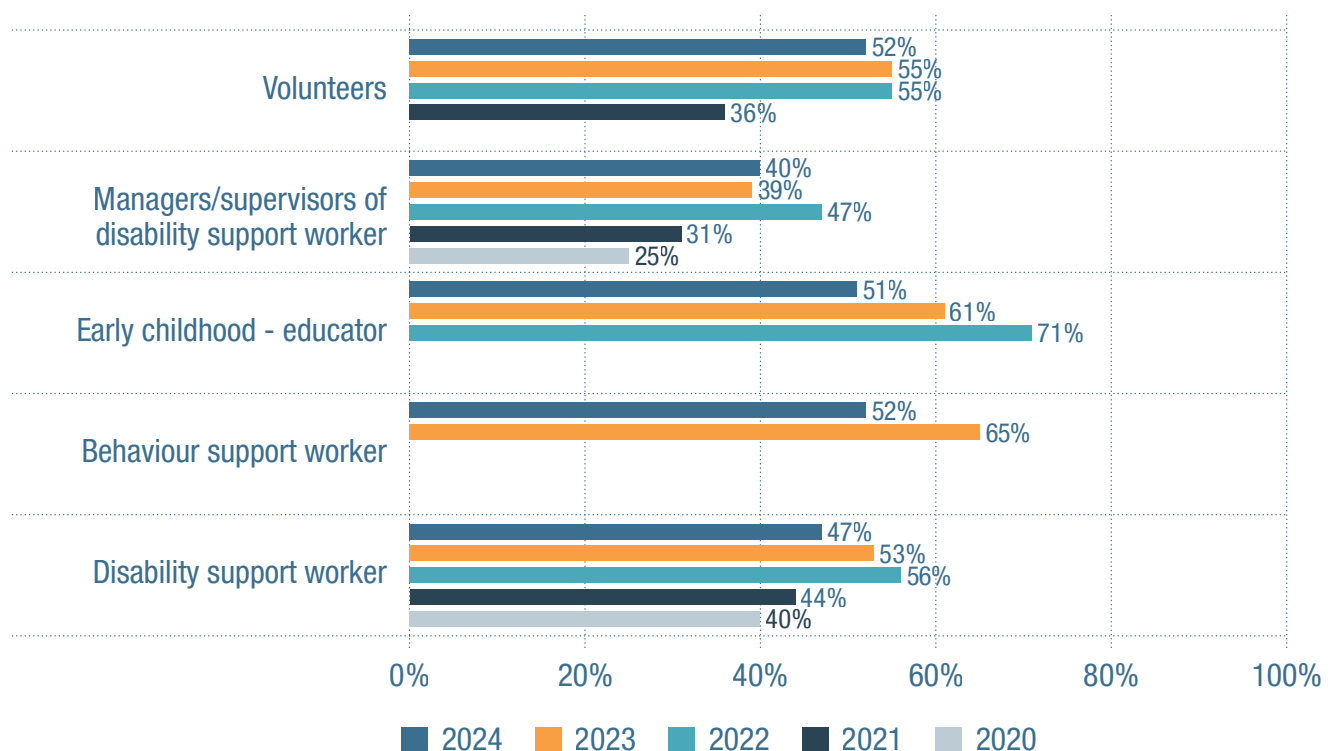
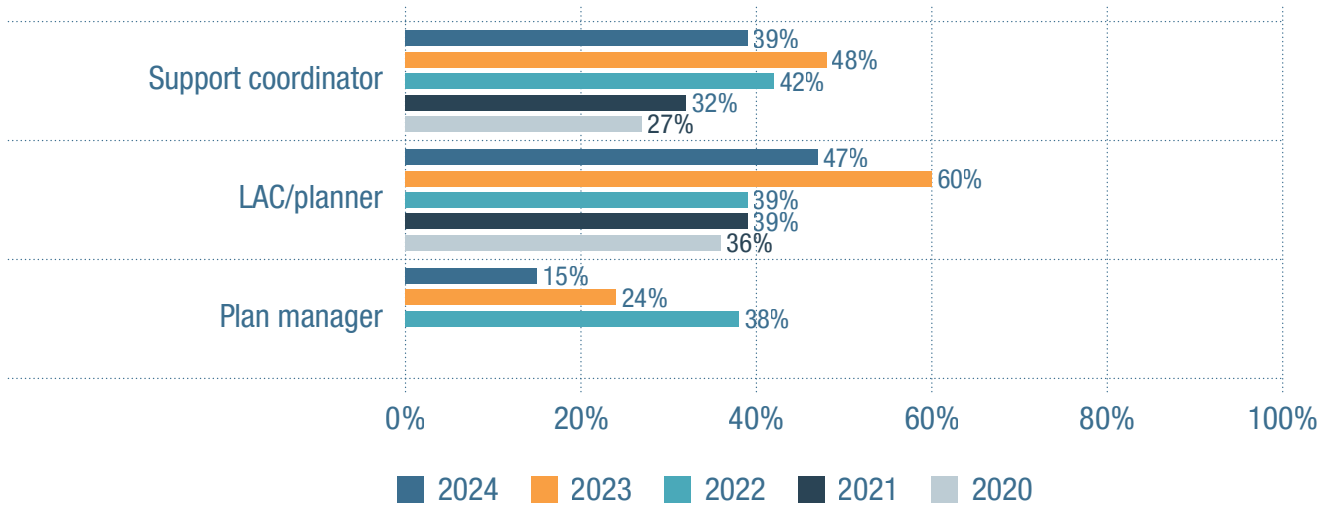
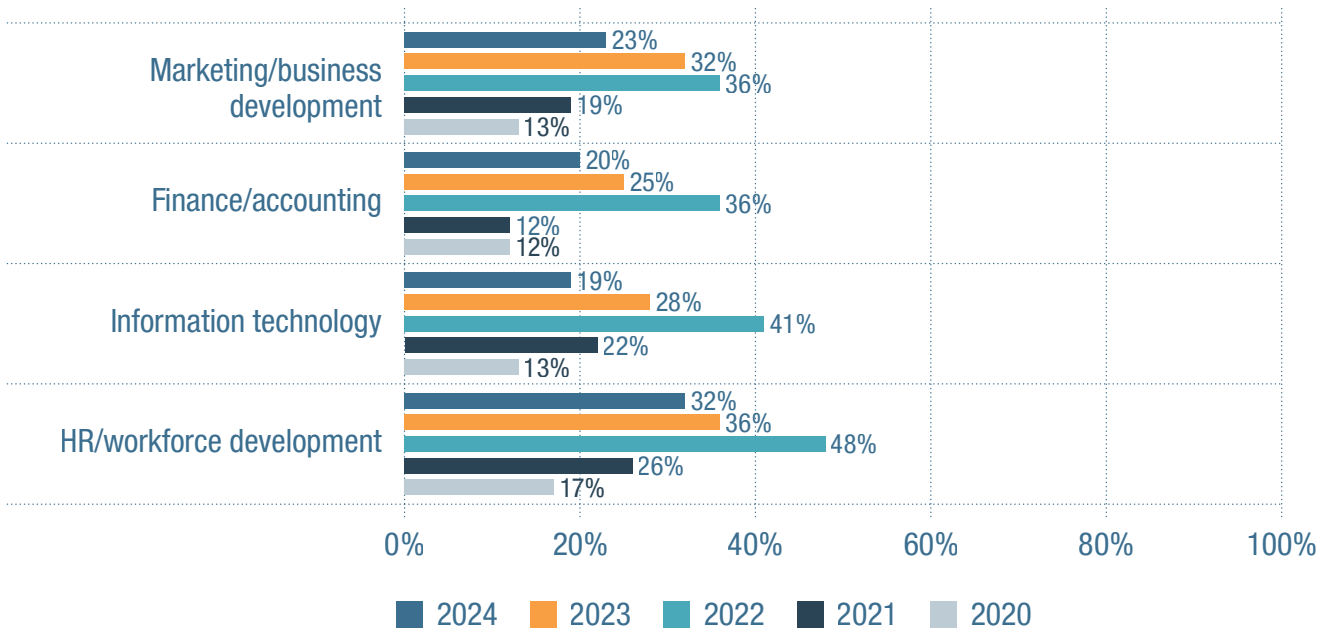
Figure 20a Difficulties in retention over time – allied health professionals**Figure 20b** Difficulties in retention over time – front-line workers

Figure 20c Difficulties in retention over time – intermediaries and planners**Figure 20d** Difficulties in retention over time – administration/back office



In open text responses about the key challenges that organisations face in retaining staff, respondents tended to express their concerns about competition and poaching of staff:

“It’s a competitive environment. Good people do get head hunted and tapped on the shoulder by other organisations — both inside and outside the sector.”

WA large not-for-profit

“Competition from other sectors who can pay more.”

WA small not-for-profit

“Other organisations trying to poach staff at every opportunity.”

WA small not-for-profit

“Staff are leaving to set up their own business, and in some cases take some other staff with them.”

Tas large not-for-profit

Many respondents raised the challenge of low pay rates:

“The pay rate I provide is very low.”

WA very small social benefit

“As noted previously, the pay levels are an issue. This would be the main challenge.”

SA small for-profit

“Entry level position with low pay, often seen as a secondary job to make ends meet during cost-of-living pressures.”

NSW large not-for-profit

Several respondents reported workload and staff burnout and inconsistent work hours as challenges:

“For roles like support workers and disability care coordinators, high workloads and emotional stress can lead to burnout and turnover.”

NSW very small for-profit

“Attractiveness of easier industries, occupations — the stress expected of staff to hold is unrealistic.”

Vic very small sole trader

“Stress and workload.”

SA medium not-for-profit

“Rostering and burn out.”

Vic medium not-for-profit

“Having the hours support workers want or need.”

NSW very small for-profit

“Being able to provide enough hours to part-time staff due to rules in SCHADS award.”

Vic medium not-for-profit

Other challenges mentioned by respondents included remote work locations, the NDIS pricing model, lack of career pathways, bad fits with organisational culture, roles used to advance career opportunities elsewhere, staff safety issues, staff training and development demands, cost of living in a capital city, and the costs of being registered:

“Location — [town in the Northern Territory] has a transient population.”

NT medium not-for-profit

“Our capacity to keep up with OT salary expectations given the NDIS price freeze for OT.”

NSW small for-profit

“Limited career advancement: lack of clear career progression opportunities can affect retention, particularly in roles where professional development is limited.”

NSW very small for-profit

“Cultural and organisational fit: misalignment between staff values and organisational culture can lead to dissatisfaction and turnover, particularly in roles requiring close alignment with organisational values.”

NSW very small for-profit

“Support workers doing the role as a transition or interim role.”

Vic large not-for-profit

“Generally, safety has been a greater issue for in home support — particularly evening/night.”

Vic medium not-for-profit

“Ability to give them enough training and supervision and support (due to funding constraints).”

NSW small not-for-profit

“Cost of living in Sydney for all staff.”

NSW small not-for-profit

“Operating under an award and the associated costs in being registered as compared with those agencies who do not have these costs.”

Qld medium not-for-profit

Among open-text responses to the key supports or enablers that services experience in retaining staff, respondents popularly described the importance of training and development:

“Good training and development opportunities.”

NSW medium for-profit

“Training and skills development.”

ACT medium not-for-profit

“Key is non-salary options such as people development.”

SA medium not-for-profit

“Providing extra training and buddy shifts to support new staff.”

NSW large not-for-profit

Many respondents reported “culture of organisation” as an enabler:

“We try to maintain a positive culture, so we have experienced staff leaving and then returning to us.”

NSW small not-for-profit

“Strong culture of supervision and staff engagement.”

WA large not-for-profit

“A positive and supportive culture.”

Vic medium not-for-profit

“Building a supportive, high-quality culture.”

WA large not-for-profit

Respondents often raised support and staff wellbeing programs:

“Providing access to mental health support and wellness programs can help reduce burnout and improve retention, particularly in roles with high emotional demands.”

NSW very small for-profit

“Staff wellbeing program.”

Vic medium not-for-profit

“Wellness programs.”

SA large not-for-profit

“We are providing high-quality supports to appreciative participants.”

NSW small not-for-profit

Several respondents described manageable workload — work-life balance, competitive pay, flexible work arrangements, and rewards and recognition:

“Work-life balance: flexible work arrangements and reasonable workloads help staff maintain a healthy work-life balance, which is important for retention in roles like support workers and care coordinators.”

NSW very small for-profit

“Work and personal life balance — mitigate burn out!”

ACT medium not-for-profit

“Competitive compensation and benefits: offering attractive salary packages and comprehensive benefits helps retain staff, particularly in high-demand roles such as support workers and clinical staff.”

NSW very small for-profit

“Above award wages that recognise personal costs of remote living.”

NT large not-for-profit

“We have a flexible work environment, with SC/PRC [support coordination and psychosocial recovery coaching] staff having a mix of working from home and office and for support workers in the community who go from their home to support, so again flexible.”

SA small for-profit

“Recognition and rewards: regular recognition and reward programs acknowledge staff contributions and achievements, boosting morale and retention across various occupational groups.”

NSW very small for-profit

“Recognition of effort and outcomes.”

NSW medium for-profit

A minority of respondents mentioned strong leadership, good supervision and communication, consistent work availability, and having in place an attraction and retention strategy:

“Excellent management and leadership.”

SA large not-for-profit

“Strong culture of supervision.”

WA large not-for-profit

“Good communication and support from management.”

NSW small not-for-profit



“Providing consistent hours and part time roles.”

Vic medium not-for-profit

“Regular work on the days and times that they want it in the volume that they want.”

SA medium not-for-profit

“A good attraction and retention strategy.”

NT large not-for-profit

Data collected as part of the annual NDS Workforce Census provides additional insights into the state of the workforce. The Census revealed a small rise in the proportion of permanent workers employed on a full-time basis. However, this was set against the highest turnover rates recorded since the survey commenced in 2015.

Turnover rates for casual staff rose two percentage points to 24 per cent. Turnover for permanent staff jumped five percentage points to 16 per cent, the highest it has been since the workforce census survey began.

The most marked observation was amongst the permanent workforce. The proportion of full-time employees in the survey grew from 20 per cent to 30 per cent in the year. This was largely due to massive growth in NSW, which nearly doubled from 20 per cent to 39 per cent. The overall proportion of permanent staff and casual workers has remained roughly on trend over the past five years, sitting at 60 per cent permanent staff and 37 per cent casual staff in the 2024 report. The remaining three per cent are on fixed-term contracts. This would suggest that the nature of the employment arrangement has an impact on the capacity to recruit.

The increase in turnover for permanent staff, along with the increased proportion of full-time staff could reflect workforce competition in a tight labour market. Organisations that are able to offer full-time contracts may be enticing workers from other organisations that can only offer part-time work.

Perceived barriers and facilitators for staff retention are summarised in the box on the following page.

Barriers and facilitators of retention

Barriers to retention

- Competition and poaching of staff
- Low pay rate
- Staff burnout
- Inconsistent work hours
- Remote work location
- NDIS pricing model
- Lack of career pathway
- Bad fit with organisational culture
- Roles used to advance career opportunities elsewhere
- Staff safety issues
- Staff training and development demands
- Cost of living in a capital city
- Costs of being registered

Facilitators of retention

- Training and development
- Culture of organisation
- Support and staff wellbeing programs
- Work–life balance
- Competitive pay
- Flexible work arrangements
- Rewards and recognition
- Strong leadership
- Good supervision and communication
- Consistent work availability
- Having in place an attraction and retention strategy

Care and Support Economy Reform

The May federal budget announced the establishment of the Care and Support Economy Reform Unit within the Department of the Prime Minister and Cabinet (DPMC) to steward the government's care and support economy reform agenda. The unit has a coordinating role to align policies and actions across aged care, disability support, veterans' care and early childhood education and care, and advising on the sequencing and implementation of reforms.

This step replaces the earlier Care and Support Economy Taskforce by embedding a permanent unit within DPMC to coordinate work during reform. NDS remains closely engaged with this new unit.

We have advocated for a more unified regulatory framework, including increased

collaboration between industry sectors and government jurisdictions on worker screening and reduced duplication of regulatory effort for providers of multiple service streams.

HumanAbility workforce strategy

HumanAbility is the Jobs and Skills Council formed in 2023 for aged and disability services, children's education and care, health and human services, and sport and recreation.

HumanAbility's initial workforce report, *Shortfalls and Skill Gaps: Navigating Workforce Pressures in the Care and Support Sectors*, is being used as a basis for a more comprehensive workforce plan to be released in late 2024. To ensure input from industry, there have been a number of consultations across the country, including a state and territory roadshow, regional forums, and the

national forum in Canberra. The insights and lessons from these events helped shape workforce planning and strategy. The sector is eagerly awaiting a new comprehensive and integrated workforce plan and looking forward to working collaboratively to improve attraction and retention across the sector.

Providing a meaningful career and developing fit for purpose qualifications have been a bugbear for the sector for years. Two current projects with a focus on these areas hold promise of ways forward. One will identify and map career pathways for care and support sectors, and the other will review individual and disability support qualifications.

NDS remains engaged with HumanAbility at all levels, including governance and industry reference and working groups.

State of the industrial relations environment

NDS continues to focus on the significant changes in the industrial relations environment. The changes introduced with the passing of the Fair Work Legislation Amendment Closing Loopholes Act 2023 and Fair Work Legislation Amendment Closing Loopholes No. 2 Act 2024 came into effect throughout the year, introducing new definitions of a casual worker, changes to casual conversion provisions, and rights for workers to disconnect from the workplace.

In conjunction with its annual wage review, the Fair Work Commission (FWC) announced that disability home care workers and other social and community services workers covered under the Social, Community, Home Care and Disability Services (SCHADS) Industry Award will be included in a priority list of occupations with potential gender undervaluation issues in their modern awards. The FWC is now reviewing the SCHADS Award classifications and minimum wage rates on work value

grounds to remedy potential gender undervaluation, with an outcome expected by June 2025.

NDS has retained legal representation in these proceedings and will continue to engage with NDS members on any developments.

What's next?

To address a rapidly growing demand, the disability sector workforce needs to grow at an equally fast rate. However, insights from the sector reveal that the workforce faces numerous challenges that prevent it from meeting the community's needs, including entrenched workforce shortages, high turnover rates, lack of visible career pathways and staff burnout.

Workers are key to the disability sector's success and ensuring the provision of safe, quality disability services.

Workers are key to the disability sector's success and ensuring the provision of safe, quality disability services. Building positive cultures with capable leadership, opportunities for learning, and clear career pathways is crucial to achieve sector sustainability.

NDS is committed to advocating for a strategic approach to workforce challenges that sees funded and coordinated strategies and initiatives to address the key challenges being experienced across the sector.

Member story: finding new workforce solutions

Hireup, Australia Wide



Hireup support worker Sasha with Michael

Hireup is a registered online platform provider that empowers people with disability and their families to find and hire support workers on their terms. Hireup makes it easy to find, book and manage support in one place.

How Hireup came about

The impetus for Hireup came from its founders, brother and sister duo Laura and Jordan O'Reilly, who grew up alongside a brother with disability. Managing support workers was a regular part of their family's life. While one or two agency workers fit seamlessly into their routine, many didn't. Later, while at university, Jordan became a disability support worker and saw that the system wasn't just broken for families — it was flawed for workers too.

In 2015, through this personal experience, Hireup was created — a platform that offers people with disability greater flexibility, choice and control over their support, while also providing better conditions for workers.

About the Hireup model

We spoke with Hireup representatives, Bianca Smith and Priya Pagaddinnimath. Bianca, as the Head of New Business Providers, works with NDIS-registered providers across Australia, helping them access Hireup's workforce to fill gaps in their rosters, while Priya is the National Lead for Government Affairs and deals with advocacy and reform.

The Hireup platform puts people with disability at the centre of their support. Hireup lets users easily view key details about potential workers, including their work history and the types of support they provide.

Priya summed up the benefits of this model: "There's no better way to have choice and control where you're involved directly in selecting who's coming to your home."

Hireup for Providers

During the height of the COVID-19 pandemic, Hireup was approached by several providers who were interested in accessing Hireup's workforce as a back-up in case of staff shortages. In response, Hireup created Hireup for Providers, a staffing service for NDIS and aged care providers to augment their workforce. Today, Hireup for Providers is used by up to 150 providers each month looking for the whole spectrum of shift cover — overnight, in home, community and lifestyle support. They have delivered a staggering 145,000 hours of support in the past 12 months.

Hireup offers over 10,000 verified and employed temporary staff as part of its Hireup for Providers staffing service. The service connects providers with workers to fill roster gaps, cover service areas where they lack staff, reduce overtime spend, and address various staffing challenges.

Protection for Hireup employees

Unlike most platform-providers, Hireup directly employs all of their support workers, and does not use ABN contractors. Hireup ensures its employees have access to important protections and entitlements, including award wages, superannuation and worker's compensation. These safeguards are essential to disability support work, which is often long-term and relational, often with high injury rates.

It was interesting to learn that over a hundred employees have transitioned from Hireup to become direct employees of NDIS organisations using the Hireup for Providers service. Starting as casuals, many recruits find they are a great match with a participant, which often leads to regular employment.

A quality service

Bianca explained Hireup has been working in partnership with NDIS registered providers and My Aged Care registered providers since 2020. As an NDIS-Registered Provider, Hireup has to satisfy the same compliance requirements as other registered providers.

Two-way feedback loop

We asked how Hireup maintains oversight of any given workforce partnership with a provider. Hireup works together with the providers using the service to maintain supervision.

Bianca explained, "Workers are surveyed after their first and tenth shift. We ask them questions such as 'Did you get access to support plans? Did the provider give you enough information so you could do your job safely?'" Any concerns are raised with the service.

Similarly, Hireup checks in with providers about employee performance and compatibility. Direct feedback from a participant and the worker's shift notes can

also spark a discussion.

Bianca added, "Leaving room for a conversation builds a continuous feedback loop."

Summing up

Building trust between clients and workers is crucial for delivering quality care. The key points of difference between Hireup and other labour platforms lie in Hireup being the direct employer, being NDIS-registered, and developing a lasting, trusting relationship with their clients.

Looking back – The State of the Workforce in the pandemic

COVID-19 exacerbated already existing workforce shortages for providers. Our State of the Sector reports from 2020 and 2021 paint a picture of significant disruption and an operating environment in which providers were managing outbreaks in their services and significant numbers of workers needing to quarantine or isolate as close and casual contacts. Sourcing surge workforce became an even greater challenge and COVID-19 Preparedness Plans were put to the test.

This year's survey indicates that the impact of COVID-19 on operations is still being experienced by some.

But out of adversity grows greater resilience and the sector proved this by continuing to provide essential services, collaborating to fill workforce gaps and adapting to new ways of operating.



Member story: looking after the team

NOSS, Tasmania



Bunnings BBQ – Jarret, Sidonie and Bailey

For over 32 years, NOSS Tasmania (NOSS) has been supporting people with disability in the greater Launceston community to participate in social and economic life. NOSS's theory of change is that engagement and employment enrich quality of life for people with disability. Today, NOSS clients enjoy support at home, in the community, at the Red Shed activity centre, or working for Bluegum Grounds Maintenance, a social enterprise that provides broadacre grounds maintenance to five key corporate customers.

We spoke with CEO Ruth Chalk about initiatives that are being implemented at NOSS to build a stable, healthy, safe and engaged workforce.

Staff retention is key to continuity of support for clients

NOSS recognises that participants benefit from trusting, sustained, supportive relationships with support workers. Critical to clients' success are happy, confident and engaged support workers. Concerned by the turnover of workers, Ruth and her leadership team looked closely at reasons staff may leave their role. Ruth researched ways to create a safe workplace and the factors that keep people at an organisation.

Psychosocial safety

NOSS's concerns for its workforce coincided with the amendments of Safe Work Australia's Work Health and Safety laws to include regulations on managing psychosocial

hazards and risks at work. Research shows that wherever you have highly engaged staff, so common in our sector, there is an increased risk of burnout.

The basis for psychosocial hazards is broad: from the demands of a job and lack of flexibility and autonomy, to workplace interactions and the physical environment of a workplace. NOSS participated in a national research project to measure and build workplace psychosocial safety and employee wellbeing. This research project was co-designed by the Employee Assistance Professional Association of Australasia and the University of South Australia.

NOSS wanted to provide a safe and supportive workplace by minimising the risk of psychosocial injury and enhancing employee wellbeing.

A five-pronged approach

Culture. Recognising the power of a person-centred practice for clients, Ruth and her leadership team set out to ensure that the person-centred approach encompassed all people in the NOSS community and included looking after the wellbeing of team members.

NOSS also created a contact officer role that gave staff a peer whom they could approach to share their concerns with and seek direction for assistance.

Feedback. NOSS invites staff to respond to pulse surveys about levels of satisfaction in both their personal and work lives. “People are being asked and given the opportunity to think about how they are.” While the responses are de-identified, any decline in the score prompts Ruth’s managers to remind staff that their employee assistance program provider is available for help and support.

NOSS also sought feedback from support workers about their rosters. Some staff felt that they were close to burnout and that their needs were not being considered in the scheduling process. This flowed on to them not being able to provide their best supports to clients, or increased absences. NOSS adopted principles of “rostering for retention”, a worker-centred approach that included ensuring rosters were fair, managed fatigue and allowed for some flexibility. In practical terms, this included ensuring that workers had a variety of support requirements during the week, such as balancing out days where they are required to perform a lot of manual handling tasks with less physically demanding days. Managing both client and worker needs in rostering is a challenge, but one that brings many benefits for everyone.

Skills development. By aligning staff roles with the NDIS Workforce Capability Framework, NOSS mapped the skills needed for each role. Through traineeships and incentive payments, NOSS assisted staff to complete additional training, and ninety per cent of support workers now hold a formal qualification. This mapping also informs and shapes meaningful performance appraisals.

Leadership. Taking the lead from Professor Christine Bigby and Dr Lincoln Humphreys of La Trobe University and external providers, team leaders are developing skills in resilience, self-care and practice leadership. The aim is to

ensure they are well equipped and supported in their roles. Team Leaders are at risk of psychosocial stress too and are expected to be readily available to coach and assist the support workers.

Teamwork. With staff working out and about in the community supporting participants, there is little opportunity to bring them together. Ruth and her team have identified the value of creating opportunities for workers to come together, support each other and address the isolation they can feel. This is probably the biggest challenge, as team meetings and peer supervision are not funded under the NDIS.

Summing up

Having identified the need to reduce staff churn, NOSS looked inwards to its HR systems and processes. It also paid attention to Safe Work Australia’s regulations to manage psychological risks at a workplace. Recognising a need to look after its staff, the provider used initiative, partnering with employee assistance provider Positive Solutions, to develop a solution that involved building staff culture, seeking feedback from staff, and resourcing and supporting their staff and team leaders.

Ruth said the results from the three Psychosocial Safety Climate surveys over 18 months showed that NOSS employees had lower risk levels than the Tasmanian benchmark and national sample. NOSS will remain vigilant and continue to take steps to reduce the risk of job strain and enhance staff health and wellbeing.



Member story: supported employment

HPA Incorporated, Darwin



(Left to Right) Georgie, Adam, Joseph, Kerry, Clint and Graham

NDIS participants can use their supports for employment in any workplace they choose, including mainstream employment, social enterprises, micro-businesses or supported employment services.

We spoke to Kerry Whiting of HPA Incorporated (known locally as Helping People Achieve), which has been offering a range of services, including supported employment, in and around Darwin for 60 years.

Appointed around a year ago, and coming from a background in community services, Kerry brought fresh eyes and enthusiasm to the role of CEO. He clearly loves his organisation and he spoke passionately about advancing the rights of HPA's participants to contribute to the local economy while developing social and work-related skills.

HPA's activities

People attending HPA can take part in any of the six supported employment opportunities, from working with textiles to general assembly to a mailout service that helped with the distribution of material in the lead-up to the latest NT election.

Offering a flexible service, there are no set hours and people can work a few hours a week up to full time. Kerry said some participants typically prefer to work outdoors and gravitate towards Breaking Ground, a garden maintenance service, or the Kokoda metal working and woodworking workshop which builds strong, durable tables for the

commercial and government sector, such as local schools.

The current operating environment

A key theme of our discussion concerned operating in an environment of uncertainty and lack of clarity that comes with constant reform. Kerry said, "Change is definitely necessary in the industry from the evidence provided in the Royal Commission and NDIS review", but Kerry's team is wary, remarking that they've been dealing with impending change for around 30 years. Kerry is more sanguine, sensing the government sees employment of people with disability as a worthy proposition to get right.

He suspects HPA may increasingly become a conduit to open employment for some participants across the full spectrum of HPA's employment opportunities. But he acknowledges there will always be a place for supported employment and some of HPA's participants and their families who have been with the organisation for over 40 years want things to stay the same. They are fearful of a push into an arrangement they are not comfortable with.

"We have years of adapting ahead."

Kerry maintains that stability is important for service providers and their clients, "but to have stability, it is necessary to have clarity. With the absence of clarity due to the many recommendations and possible options being discussed and explored, it may well be an

environment of instability that is more the norm for coming years.” So, adaptability will be a key requisite for industry service providers.

The risk of role creep

Included in the challenges HPA faces is the potential for blurring of roles. When people with disability and their families bring their supported employment needs to the table, the conversation naturally turns to scanning what other (non-employment) supports are out there in the community.

Kerry’s organisation can signpost to other supports but knows that support coordination is meant to be an intermediary service, independent of service provision. They look forward to some direction coming out of the Disability Royal Commission recommendations.

A skilled and fairly paid workforce

Kerry and his General Manager of Operations have applied for grant funding to explore ways participants can gain formal recognition for the skills they learn on the job to support transition to open employment. This will help HPA advise employers through myth busting, removing barriers and innovation in the disability employment space.

Kerry spoke about the inequity of remuneration for his team compared with the recent double digit pay rises for workers in health, aged care and childcare. He also would love to see participants enjoying a minimum wage, agreeing that this is going to be a tricky achievement for the funders.

Pulling out all stops

We asked Kerry what it is like operating supported employment services for people with disability in Darwin. He told us one of the best things about the Northern Territory is everyone knows everyone.

“Collaboration is one thing that Territorians do well,” he said. “Given we struggle with enough resources, both in terms of people and money, we collaborate regularly on projects. For example, HPA has formed a partnership with the Steps Group and Life Without Barriers to build a community garden for Palmerston residents. We couldn’t do this as individual organisations, but together we have built a strong partnership providing fantastic community outcomes.”

Limited options for rural participants

In the NT, services for people with disability tend to cluster around Darwin and Alice Springs. Kerry spoke about the disruption for rural and remote families who come to the city because they have a family member with disability needing support, or perhaps because they are seeking work. They may come for a few weeks and end up staying for years. He referred to one employee from Arnhem Land who is yearning to return to his Country. This sense of dislocation from community was also a theme in conversations we had with other providers.

How membership with National Disability Services helps us

HPA has attended all the information sessions on supported employment and the supported wage system. NDS’s Good Practice Guide has underpinned HPA’s assessment and risk mitigation process in readiness for Job Access assessors.





The state of disability employment

NDIS supports in employment operating environment

The disability employment reform agenda continued its hectic pace with the Disability Reform Ministerial Council formally adopting the Commonwealth, State and Territory Supported Employment Plan and its 12 guiding principles in November 2023.

The release of the 2024–26 NDIS Participant Employment Strategy demonstrated the constantly evolving NDIS operating environment. In line with the goals of the strategy, the NDIS/Disability Employment Services (DES) Pathways Pilot and the

blended payments trial for NDIS participant school leavers also commenced. To assist providers, NDS released a comprehensive guide on the provision of employment supports for NDIS participants. Developed with input from the NDIA, the guide explained pricing and claiming arrangements, the elements of the Customised Employment model and how employment support providers can engage with mainstream employers.

With pricing and economic conditions making it difficult for supported employment providers to remain sustainable, social procurement remains critical for ongoing

viability. NDS continues to advocate for a stronger Commonwealth, state and territory commitment on disability social procurement, which enhances provider sustainability through stronger commercial arrangements as well as promoting the BuyAbility website and directory of social enterprises.

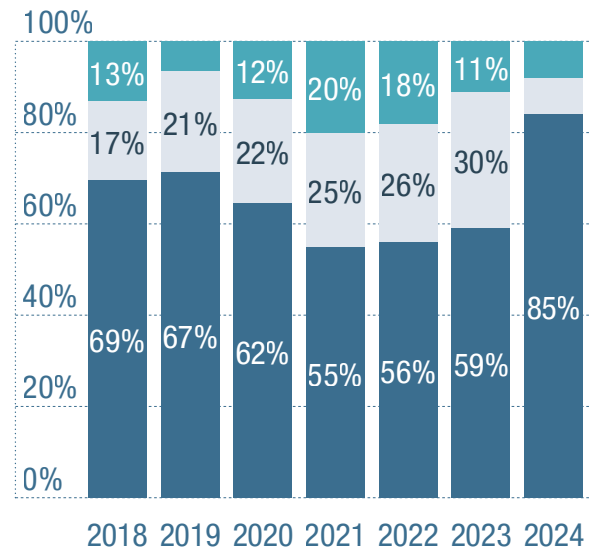
Through its Vision for Supported Employment, NDS continues to advocate for improved wages and options and pathways to a range of inclusive settings, while supporting our members in this transition, promoting their achievements and seeking an improved and sustainable sector.

Supported employment services survey results

This year, fifty-two organisations reported on the delivery of supported employment services. The uncertainty in supported employment is increasing. There has been a large jump in the proportion of respondents (from 59 per cent to 85 per cent) who do not believe that the operating environment for supports in employment providers has become more certain in the last 12 months.

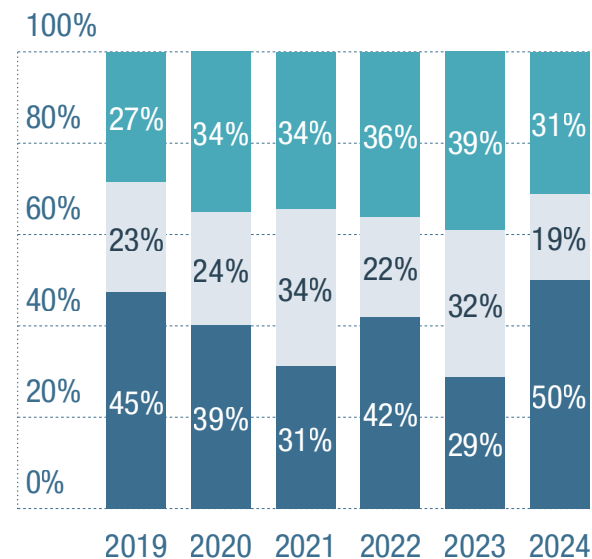
Similarly, half of respondents (up from 29 per cent) do not believe that the transition to the NDIS has enhanced their capacity to provide employment opportunities and 71 per cent of respondents cannot provide the support required for individuals under the NDIS pricing arrangements. Even though there is quite a small sample size, each of these measures shows a significant worsening since 2023.

Figure 21 Compared to 12 months ago, the current operating environment for supports in employment providers is more certain



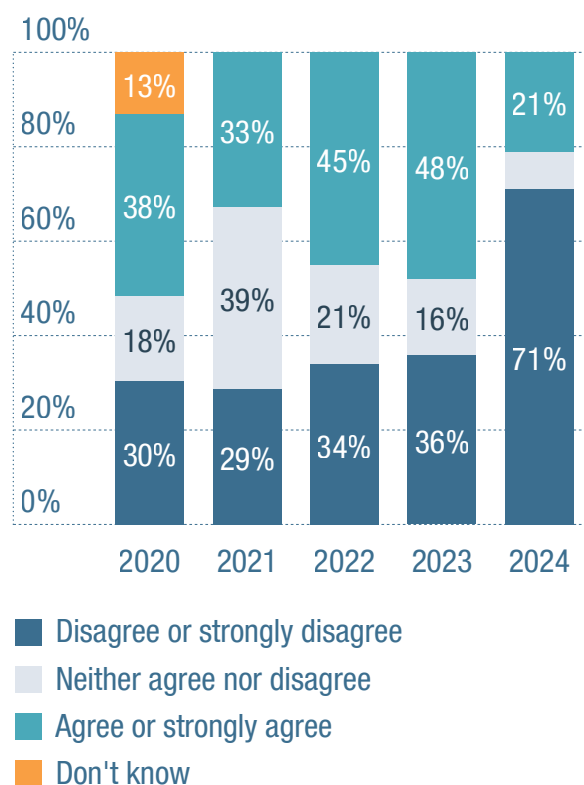
■ Disagree or strongly disagree
 ■ Neither agree nor disagree
 ■ Agree or strongly agree

Figure 22 The transition to the NDIS has enhanced our capacity to provide employment opportunities



■ Disagree or strongly disagree
 ■ Neither agree nor disagree
 ■ Agree or strongly agree

Figure 23 Our organisation can provide the support required for individuals under the NDIS pricing arrangements



In their open-text responses on the operating environment for supported employment services, several respondents raised issues about the NDIS pricing structure and other policy-related challenges:

“Our Supported Employment Enterprises scrape by with NDIS pricing.”

Vic medium not-for-profit

“The ongoing tightening of operational overheads driven by the NDIS pricing structure is creating a race to the bottom and aside from reducing the level of quality in service delivery, it will lead to several organisations like ours closing or being merged with larger providers with less local connection and value.”

NSW medium not-for-profit

“The lack of cohesion amongst the (Disability Royal) commissioners and now government on how to progress a vision for the supported employment sector will ultimately lead to contraction in investment as not for profits place funds, focus and energy into more certain service areas.”

Vic large not-for-profit

Wages in supported employment

The new wages structure in the Supported Employment Services Award (SESA) has been in place for a year. In response, supported employment services graded employees under the SESA classification structure and commenced the process of arranging Supported Wage System (SWS) assessments. With the help of three members of the National Panel of Assessors (NPA), NDS prepared a practice guide for members on the use of the SWS.

The future of wage setting in supported employment remains high on the agenda. On behalf of its Supported Employment Vision Reference Group and in partnership with the Endeavour Foundation, NDS engaged Taylor Fry Consultants to conduct a modelling project examining the state of the supported employment sector and two key wage policy options for supported employees: the benefits and costs of a full wage subsidy model and a social wage model that includes welfare benefits as employee income. The goal of these options is for supported employees to earn the equivalent of the national minimum wage.

Recommendations of the Disability Royal Commission on inclusive employment will be further considered by the government. This means uncertainty for providers on the future of wages and work settings in supported employment.

The transition and transformation to more inclusive operations and innovative practice to ensure stronger pathways for workers seeking open employment must continue. To support this, the narrative needs to change. The first step should see the outdated term “ADE” retired. This term reflects a past model of funding by government as opposed to the varied and diverse models needed to ensure that all people with disability, including those with high needs have options and pathways to a range of inclusive settings.

What's next?

NDS is committed to supporting the sector to provide a wider range of employment options for people with disability that meet their needs, ensuring choice and control and enjoyment of the many benefits of meaningful paid work. We look forward to greater clarity on the future of supported employment as the government develops responses to the Disability Royal Commission recommendations.

Disability Employment Services (DES) operating environment

A range of reviews, including the Disability Royal Commission and Employment White Paper, made clear recommendations to improve DES before the start of the New Specialist Disability Employment Program (NSDEP). Extensive preparatory work is taking place in the lead up to the implementation of the NSDEP from mid-2025.

Disability employment services survey results

Twenty-eight respondents answered questions about Disability Employment Services (DES), which is a similar number to last year. Given that there are policy reforms for the NSDEP on the horizon, we changed questions this year, which means we cannot compare this year's data to last year's.

However, attitudes towards the proposed NSDEP are pessimistic. Only 39 per cent of respondents believe that the 2025 DES policy reforms are heading in the right direction, while an additional 39 per cent are neutral, and 21 per cent do not believe they are heading in the right direction.

Very few (seven per cent: two respondents) believe that the NSDEP will reduce administrative burden, while 43 per cent believe it will not reduce burden and 50 per cent were neutral. Only 15 per cent of respondents indicated that they believe the proposed NSDEP funding structure will be an improvement over the current model, and 54 per cent believe that the proposed NSDEP model does not have the right incentives to assist a range of people with disability into employment.

Attitudes towards the current DES model indicate that nearly half (46 per cent) of respondents believe that the digital service model has not enhanced employment opportunities. Additionally, only 11 per cent of respondents believe that the current DES model allows providers to deliver equitable job support for all people with disability who use these services. In fact, 61 per cent believe that the model does not allow for equitable support.

Figure 24 The digital service model has enhanced employment opportunities for people with disability

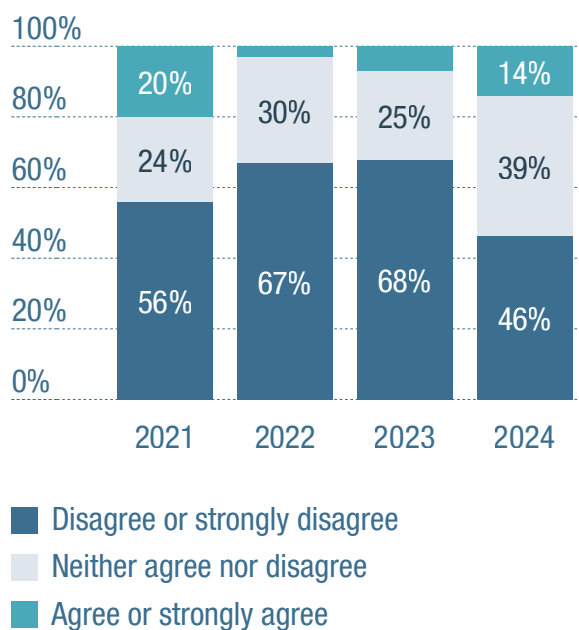
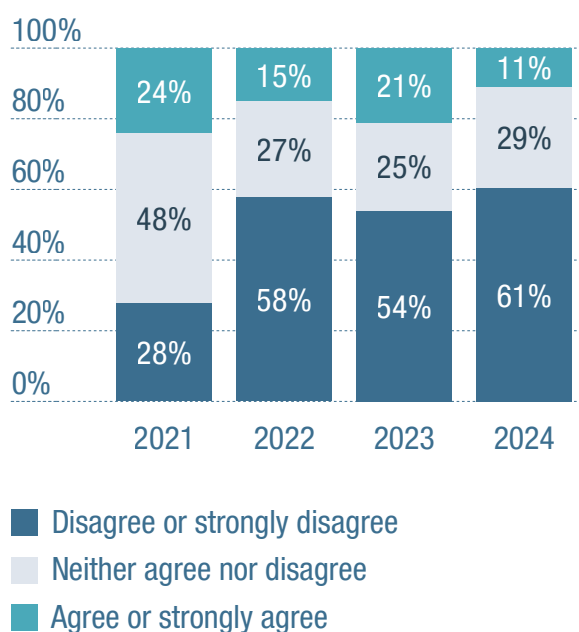


Figure 25 The current DES model allows providers to deliver equitable job support for all people with disability who use these services



Only 11 per cent of respondents believe that DES changes (including the Quality and proposed Performance Framework) have improved service experience and provide comprehensive information, which allows organisations to make business decisions. Nearly half of respondents answered neutral to this question (43 per cent) and 46 per cent responded negatively.

Only a small number of respondents provided additional comments about the DES operating environment, but the themes tended to reflect overall pessimism:

“Reverting to the 2018 outcome payment model does not show that the commonwealth is interested in investing in the long-term success of people with a disability.”

SA medium not-for-profit

“The program is expanding the number of clients but there is no increase in investment ... no employment fund for access to items to support employment outcomes.”

Qld large not-for-profit

“Most significant concern is the financial viability of the proposed changes and ensuring comprehensive understanding of the Department’s financial modelling that underpins the model.”

NSW large not-for-profit

“The proposed funding reductions will make it hard for providers to remain viable while delivery a personable and quality service.”

Vic large not-for-profit

DES program reform

While the mood of providers in the disability employment sector remains realistic but resilient, there has been a clear change from optimism about proposed changes which will see the current Disability Employment Services program replaced by the New Specialist Disability Employment Program (NSDEP). Providers are concerned that pricing and funding is not adequate for the sector to remain viable while delivering increased service quality and improved participant experience.

Financial margins for DES providers have been significantly eroded during the current funding agreement, with minimal program indexation that falls well short of rapidly rising costs. NDS is examining details of the NSDEP as they emerge, ahead of the wider procurement process, that will cause significant uncertainty for providers. With the proposed significant reduction in the level of providers in each Employment Service Area (ESA), transition into the NSDEP is likely to cause disruption and angst for all stakeholders.

NDS will continue to represent members' views that support an effective NSDEP that can meet its policy intent for a higher quality participant experience underpinned with adequate funding to meet these expectations, deliver outcomes and ensure provider sustainability.

The Department of Social Services (DSS) is designing a fresh approach to the DES performance framework with a clear policy focus on participant experience alongside performance and self-assessment, with less complexity and new embedded benchmarking. While providers are positive about the policy intent of the changes, they remain concerned these will result in additional administration in both the DES

program and the NSDEP. Providers are also concerned that program pricing and architecture will not meet the expectations to deliver higher-quality services and participant experience.

The program's performance reporting framework was upended following the review of the DES star ratings, which had been severely compromised because of flawed data calculations. Minister Rishworth subsequently announced the abolition of their use in October 2023 and the development of a new performance framework for DES.

In January 2024, interim performance measures included a new focus on quality measures. To inform this work, DSS established a series of reference groups on the quality framework, a guidelines review, the performance framework, data and reporting, and the participant experience. NDS was a member of all five reference groups and provided valuable insights on behalf of members.

The latest work on the DES performance framework has seen a scorecard approach being developed for reporting on provider performance and quality, with results intended to be provided by DSS to participants, employers and providers. At the same time, issues pertaining to past DES star ratings and the subsequent loss of business remain unresolved for many providers.

Understandably, the sector was concerned about the absence of important detail, the potential for complexity and the need for genuine transparency in the framework's introduction, what it will measure and the extent of its use in procurement for the NSDEP. The additional focus on quality could likely lead to greater compliance and evidence requirements for providers. NDS has recommended a test and trial approach be taken before any public release of scorecard results.

As in previous years, the DES participant caseload continues to contract from 268,980 to 257,876 over 2023–24, a decrease of four per cent. Since the participant eligibility changes in July 2021, the total DES caseload has decreased by over 18 per cent. However, during this time, the growth in the mature age cohort has seen it become the largest participant age cohort in DES. (Department of Social Services 2024)

Consequently, NDS and members have acknowledged that extending participant eligibility for the NSDEP is a positive move that accords with our past advocacy positions. Our view is that sufficient funding and clear program architecture are fundamental to achieving an effective and viable NSDEP in line with the government's policy intent and the stronger focus on quality and participant experience.

The digital servicing model has largely not produced the outcomes expected for people with disability and many participants should be referred to DES instead of digital servicing.

Other disability employment reform

Other important developments during the year included the Department of Social Services (DSS) grants for the Structural Adjustment Fund, Disability Employment Expos Program and the Disability Employment Advocacy and Information Program. DSS also announced a future grant for the proposed Disability Employment Centre of Excellence and the National Panel of Assessors (NPA).

What's next?

Financial decline for providers of disability employment has continued this year with DES providers and NDIS supports in employment providers facing increasing costs, which are not being met by adequate funding, appropriate indexation or pricing, placing significant stress on the sector.

Despite providers implementing commercial sustainability measures, such as increased participant caseloads, operational efficiencies and renegotiation of commercial contracts and business arrangements, we have seen continued merger and acquisition activity and provider exits.

NDS will work with members, peak bodies, disability representative organisations, employers and governments to ensure the sector can continue to deliver quality, sustainable employment outcomes and pathways across a wide range of employment settings.

We will continue to encourage government to invest in disability employment objectives. Both sufficient funding and realistic policy settings are needed to support a future for the sector that will deliver these positive outcomes.

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About National Disability Services

National Disability Services is Australia's peak body for non-government disability service organisations. Collectively, NDS members operate several thousand services for 300,000 Australians with all types of disability.

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