This submission has been prepared by Kim Windsor to contribute to the Productivity Commission's Review of NDIS costs. Kim is principal of Windsor and Associates and has provided expert advice on workforce issues during the design of the NDIS (member of ministerial expert panel on workforce), advice to DSS (lead the research in preparing advice to DSS on *Roadmap to a sustainable workforce,* National Disability Services and Windsor & Associates, 2014), member of NDIS housing innovation Working Group, independent advisor on NDIS Innovation workforce fund project and provides ongoing advice to state and federal governments.

This submission provides specific comment on workforce-related matters raised in the Issues Paper. I would be happy to provide further evidence on the issues covered.

Workforce supply

Available data on the disability workforce has very significant limitations. ABS data collection does not provide information specific to disability. All projections using Census data (including early estimates by PwC) rely on assumptions that extrapolate disability from the larger dataset. More recent market gap analysis commissioned by NDIA market position statements match macro-level labour market demographics with anticipated demand to determine areas of potential labour shortages. NDS Workforce Wizard conducts a quarterly survey of service providers about workforce issues. All datasets have limitations and none of those available provides longitudinal data to support trend identification. The Roadmap report[1] made a number of data-related recommendations to provide more useful data. The NDIA is well placed to collect workforce data and could administer a workforce survey to service providers as a condition of registration and annually thereafter. Monitoring the impact of issues such as workforce supply and capability during scheme roll-out would be improved if relevant data was available and if it is applied to provide early warning indicators of workforce bottlenecks. The NDIA Market position statements are a move in this direction but lack sufficient detail for this purpose.

The Roadmap report applied the same assumptions used by PwC to 2011 census data to identify trends. Between 2006 and 2011, the disability workforce grew by 39%. Assuming net growth continues at this rate over the next two census periods (2011-2016; 2016-2021), the non-professional workforce would approach but not quite equal the PwC estimate of the workforce required.

Another way to understand likely gaps is through directly surveying service providers. In 2014 Department of Employment reported survey results from 124 aged care and disability service providers. It found that providers had little difficulty recruiting personal care workers and two thirds of vacancies were filled within a

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[1] National Disability Services, Windsor & Associates 2014, 'Roadmap to a sustainable workforce: A National Disability Services Report', Department of Social Services, Australian Government (unpublished)

month. There was an average of 5 applicants per job. Of these, two were considered suitable. The main reason that applicants were considered unsuitable was 'insufficient work experience' (73%). This suggests a larger pool of suitable workers could be available if employers were prepared to support new entrants to gain sector experience. A condition of assessment to attain a disability-related formal qualification is completing 120 hours of work placement. Anecdotal feedback from Registered Training Organisations confirm that employers are reluctant to support placements so that otherwise trained workers are unable to complete assessment because they can't get placed in work. It is acknowledged that the Department of Employment survey was too early to capture NDIS impact, but at least at the time of the survey, it does not suggest a tight labour market although this experience will vary by location.

Supply of allied health workforce

The most entrenched workforce challenges relate to geographic distribution and the nature of available support. These are not reflected in a macro-level focus on workforce numbers. The most commonly noted supply shortages are for allied health workers. This labour market requires long lead time to build skills and requires relatively small numbers, meaning a small change in supply can have significant consequences for local supply of supports. There are relatively high numbers of allied health students. The issue for the disability sector is how to attract an existing allied health workforce to work in disability. The NDIS rate for allied health is not a deterrent although some services raise concerns about the viability of supporting student placements under an individualised funding model. It is likely that NDIS rollout creates short to medium term bottlenecks in accessing early assessment and planning supports and this may account for a level of plan under-utilisation. If NDIA data confirms that this is the case, workforce solutions including mobile allied health services to provide more intensive support in locations early in roll-out stage could be encouraged.

Labour shortages of allied health workers are particularly challenging in thin markets such as regional, rural and remote locations. Local solutions such as sharing available workforce across co-located services or sectors with similar workforce needs provide good prospects for addressing local shortages. Practical design fund projects reporting on experience in remote communities described the wasteful duplication of fly-in-fly-out allied health workers servicing different people within the same local community. Coordination across sectors such as health, aged care and disability could significantly improve access to specialised supports in these communities.

Supply of specialised support workers

In addition to geographic location, labour shortages often relate to the availability of specific types of support. In addition to allied health, this includes more specialised supports provided by support workers. The *Integrated market, sector and workforce strategy* (DSS 2015) commits to differentiating support work to provide greater clarification about the different types of support and this may have implications for NDIS pricing. NDIS currently provides a level of differentiation for support workers with 'additional qualifications and experience. Service provider

feedback suggests that this is inconsistently applied, there is no advice about the nature of qualifications, and, in many cases, suitable qualifications do not exist. This section describes examples of more specialised supports provided by support workers that may need to be considered by the pricing review.

Allied health assistant (AHA) roles are an option that can extend and reinforce the value of allied health expertise by developing hybrid support:allied health roles. When applied in a rural and remote context, hub and spoke models offer the potential of a virtual link between locally-based support workers/allied health assistants to experienced practitioner mentors. The sector is currently exploring these options but the existing NDIS pricing presents a significant impediment as AHAs are priced below the basic support work rate.

The principle of funding outcomes is at the heart of an insurance-based system but is not well served by a pricing model that nominates and separately prices the component parts. Pricing hourly rates and allocating relative contribution of different types of support (allied health, support worker, AHA) does not provide a financial incentive to deliver improved outcomes and contain cost. This is being addressed in Early Childhood Early Intervention (ECIE) funding, where the transdisciplinary model prices a package of supports rather than specifying inputs. Outcome-based pricing models should be more widely applied to delivering supports to people with more complex and intensive support requirements.

Intensive behaviour support is another area where services struggle to recruit appropriate support workers, particularly those in rural and remote locations. Delivering effective services that improve the lives of people requiring this level of support requires support workers with specialised skills backed by organisations with good capability to work closely with clients and families and provide strong practice mentoring and support to workers. Existing NDIS pricing allows for a slightly higher rate for support workers undertaking this work although this does not allow sufficient differentiation of the support role where very high and intensive support is required. There is also a risk that relying on an individualised rate will not be sufficiently attractive to services to build specialist capability to undertake this work. This is a particular risk in thin markets where large package size translates into significant loss of business if one client chooses a different option for service delivery. This is a problem for the Scheme as the costs of poor practice delivery are very high, measured in terms of escalating behaviour and parallel escalation of staff:client ratios. Local and international research suggests that training related to positive behaviour and complex communication support shows links to improved service quality and client outcomes. There is a case to fund organisational capacity for good practice organisations delivering highly specialised support that is outside the individualised model of payment.

Another area where specialised skills are required relates to providing some health-related supports. This includes supports described by practice standards that require support workers to undertake additional training. This training is typically provided by a health professional based around individual client requirements. There is no sector level agreement on training content, quality or assessment, which is left up to the individual health professional. Because training is linked to individuals, workers may repeat the same training multiple times. The sector

currently has no mechanism to identify workers with these specific skills. DSS is responsible for defining skill and qualification requirements. The NDIS pricing currently provides for some higher support work rates and it will be important that these are aligned with the requirements of practice standards and any attached training requirements.

Scope to convert part time to full time

The suggestion of transitioning part time or casual jobs to full time is unlikely to work. Statistical data confirms that nearly all support workers are employed part time, many on a casual basis. This data reports the proportion of jobs that are casual or part time but provides no information about the number of workers doing these jobs. In the absence of employers packaging rosters that offer sufficient hours, many workers are forced to structure their own work arrangements across multiple jobs. Peer-to-peer platforms are providing another option for workers to fill schedule gaps. An assumption that part time jobs is equivalent to untapped worker capacity is therefore flawed. Another impediment is that much of the work is time-dependent, related to getting ready for work or out of the house, getting home, meal-times, attending time-specific events or activities and so on. Options to structure full time jobs could be possible where service providers have sufficient scale or diverse types of services that workers can combine different roles but this is unlikely to be an option for most.

The role of volunteers

Retaining and expanding volunteers is an issue that deserves attention within NDIS pricing. Services providing some of the most promising examples of closely matching supports to service user preferences rely on volunteers to build informal networks and increase service user confidence and independence. This may translate into reduced reliance or preference to use paid supports for some service users. In Sydney, Gig Buddies matches service users with volunteers to attend concerts, sporting events and pursue other mutual interests. Inclusion Melbourne is another well-known example of a service model that is heavily reliant on volunteers. Programs such as Shared Lives in the UK is another example where people with disability offer accommodation in exchange for company and shared living. In each case, these programs are underpinned by rigorous on-boarding and matching together with strong capacity to facilitate relationships where frictions arise. It would be highly undesirable if the pricing model did not continue to support these types of initiatives.

Reliance on skilled migration

Skilled migration is sometimes touted as a solution to workforce shortages, and often coupled with solutions to address shortages in regional, rural and remote locations. While relatively easy to effect in policy terms, this option is at odds with best information on providing quality, safe supports. One area of agreement across all stakeholders – service users, service providers and workers themselves – is that the quality of supports depends first and foremost on the relationship between the service user and the support worker. Personal interests, communication style, values and attitudes as well as skills, all contribute to getting the 'right' match. Introducing people from different cultures who have varying levels of English

language and communication skills may suit some service users but will also introduce a raft of new challenges. A UK-based research project[2] on the impact of recently introduced migrant care workers presents evidence of a highly vulnerable workforce dependent on remaining with their host employer to retain visa status. While they can be hard working and compassionate, language and communication issues present significant challenges as do cultural knowledge and sensitivity about quality standards in delivery of care. When coupled with a rural workforce solution where housing is often in short supply and recently arrived migrants on working visas are often housed in ghetto-style, over-crowded accommodation, the opportunities for these workers to quickly gain an understanding of cultural norms, expectations and language are at best, questionable. O'Shea's work notes that introducing these workers requires allowing additional time for establishing client relationships and communicating and this would have implications for pricing.

Local solutions to local problems

Workforce dynamics and opportunities in local communities are not evident from a statistical analysis. The option of forging partnerships with other local providers with similar workforce needs has already been mentioned as one of several local opportunities which will depend on local labour market dynamics. Industries as diverse as mining, agriculture, housing and health routinely invest in recruiting workers to regional, rural and remote locations. Some of these recruitment campaigns seek to package partner employment. Depending on the location and industry composition, there are opportunities to structure complementary recruitment strategies across industries with partners potentially providing a new workforce for disability. These arrangements are likely to require funding of coordinating roles in the first instance since the disability sector, like many others, has so far remained quite insular in exploring workforce solutions.

Self-management of funding by service users themselves is another promising way of tapping into workers who would not otherwise find their way into disability work. People who self-manage commonly draw on a variety of unconventional recruitment practices such as Facebook, Gumtree and placing notices in the local community. There are significant advantages to expanding this option in terms of service user outcomes and workforce expansion and diversification.

The proportion of people who self-manage is currently very low (7%). Self-management is not for everyone but many more people are interested in having greater control over who works with them (based on service user interviews in Barwon, Roadmap project and feedback from consumer groups). This option is significantly under-developed as is the market which provides little or no choice outside of partnering with traditional service providers. Unions raise reasonable concerns that self-management could drive poor employment practice. This is consistent with experience across all small, under-resourced employers. This can be

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[2] O'Shea, E, Walsh, K 2010-12, 'The role of migrant care workers in ageing societies: report on research findings in the United Kingdom, Ireland, Canada and the United States, International Organization for Migration', IOM Migration Research Series, no. 41

addressed by establishing the infrastructure that routinely supports and encourages inexperienced employers (including traditional service providers) to respect worker rights and entitlements. Indeed, not to do so has very direct, detrimental consequences for those who self-manage. This group have a very strong vested interest in being able to establish and maintain good working relationships with their workers. Scheme pricing should provide funding for service users who want to take more control over workforce selection and management and access training and services to support them to make good selection decisions, understand how to structure jobs that are mutually beneficial and respect the rights and entitlements of both workers and service users, provide ways to address practical challenges such as absences and leave coverage and trusted ways to resolve conflicts or tensions.

Impact of insecure work

Many support workers are facing less secure jobs as service providers pass on market volatility to individual workers in the form of casual work contracts and short notice of rostering changes. This trend to more precarious employment is not specific to disability. It is happening across all industry sectors and across countries. In 2014 the ILO estimated that 'vulnerable employment' now accounts for 48% of jobs globally. These global trends will be difficult to reverse. The challenge for policy makers is to establish the necessary infrastructure to support both service users and workers to navigate this labour market environment. Not to do so will result in jobs that are increasingly unattractive except to a small and often inappropriate labour market and high cost services with low potential to deliver outcomes for service users.

The shift from block funding to individualised budgets undoubtedly presents challenges for service providers to offer predictable, secure work. The costs are not only paid by workers. Service users are more likely to experience a 'revolving door' of support workers even though the overwhelming preference is for staffing stability and there is evidence that quality of support is at risk where staff turnover is high. The market is still nascent and solutions that provide more effective ways of matching workforce demand and supply based on service user preferences rather than rostering convenience are yet to become the norm. Some isolated examples exist. A service in Melbourne provides a mobile night service that supports people to get home, get into bed and provides help with mobility through the night. Each visit might be very short but by grouping them together, this doesn't translate into short work shifts for workers. Other solutions have yet to emerge, like an app people could use to find others in their location also needing similar support so they could share workers and offer more attractive hours.

Low regard for support work

Whether low regard for support work acts as a deterrent to new entrants is difficult to assess and there is limited research available on this question. Studies that survey support workers (for example, Martin & Healy 2010) routinely find lower than average satisfaction with pay and higher than average satisfaction with the work itself. This reflects intrinsic rewards related to the work although it is risky to rely on the preparedness of workers to tolerate poor work conditions in a tight

labour market. This paper does not comment on whether the general rate for support is adequate and has noted that rates for specialised support are likely to need review as do industrial instruments so that they consistently reflect and reward relevant development pathways for support workers. There is a much larger question about the value the community places on social services and the extent to which this is reflected in spending decisions. This affects a range of roles in the 'caring' industries that should arguably be revalued if there is a more wholehearted commitment to a social contract but this goes well beyond the scope of NDIS pricing.

Quality and safety

The most effective way to underpin service quality and safety is to build a well-informed, capable consumer market. The UK Department of Health made this point in the *No Secrets* report: *Without empowerment, without people's voices, safeguarding did not work.* The same report quoted one respondent: *You can't be kept totally safe from abuse. But I know what to do or who can help* (DH, 2009). Building an informed consumer sector is not a trivial challenge and significant progress towards this outcome is yet to be made.

Inquiries into abuse in Australia and elsewhere, routinely call for worker training and this is appropriate as part of the solution. It is essential that all workers are aware of the basic principles of the NDIS premised on human rights and understand how to recognise and report abuse. Some go further and suggest the need for escalating formal training. For example, a submission to the Victorian inquiry into abuse in disability support services suggests that staff should be required to hold a Certificate IV (Parliament of Victoria, 2015). It is unlikely that abusers do so because they lack training. The other problem is that the Certificate IV qualification contains the same unit related to understanding of abuse as is included in Certificate III. There is no compelling evidence that escalating reliance on formal qualifications is an appropriate or sufficient response to ensure quality and safety of supports. These outcomes are much more dependent on systemic factors such as whether services are delivered in open or closed settings, whether staff have opportunities to apply learning at work, and whether the workplace culture empowers or silences workers who recognise and report abuse.