

12 July 2017



Ms Angela MacRae, Commissioner
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Productivity Commission
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JOINT SUBMISSION TO NATIONAL DISABILITY INSURANCE SCHEME (NDIS) COSTS INQUIRY – POSITION PAPER

The Health Services Union (HSU), Australian Services Union (ASU) and United Voice collectively represent the interests of workers in the disability sector across Australia. While our coverage of the sector varies by jurisdiction, the three unions have a shared commitment to advancing the industrial and professional standing of workers in the disability sector throughout the country. For this reason, the three unions are making a joint submission to the Productivity Commission's (the Commission) inquiry into National Disability Insurance Scheme (NDIS) Costs, with a specific focus on the adequacy of pricing for NDIS supports.

This submission is to be read in conjunction with the attached research report: *Reasonable, necessary and valued: Pricing disability services for quality support and decent jobs* (2017). This research was commissioned by the three unions and conducted by a team from the UNSW Social Policy Research Centre, RMIT University and Macquarie University. The report uses a range of data sources to examine how the prices for key support items set by the National Disability Insurance Agency (NDIA) are:

- Affecting disability support workers.
- Enabling employers of disability support workers to meet their industrial obligations.
- Supporting the development of a skilled, high-quality, and decently remunerated disability workforce.

The research reveals that the scheme under-prices disability support work. Significantly, it finds that the NDIA's "Reasonable Cost Model" (RCM) does not enable minimum Award conditions to be met, preventing employers from delivering on their legal obligations and shifting costs onto low-paid workers.

We submit that the research makes a valuable contribution to the Commission's current inquiry. In particular we note the continued relevance of the findings in light of the NDIA's decision in the 2017/18 Price Review to continue using the flawed assumptions in the RCM. While we welcome the Commission's draft recommendation to establish an independent price regulator by 2019, urgent change is needed now. Indeed, the NDIA's pricing decisions are, to borrow the Commission's own words, "making the market" with long-term negative consequences for the goals of the scheme.

We call on the Commission to investigate the adequacy of pricing in its final report and offer our resources, along with the team of researchers who undertook the study, to assist in this task.

Sincerely,

Chris Brown
National Secretary
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Linda White
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