



**Submission on  
Draft National Strategy for the  
Care and Support Economy**

**July 2023**

## **Acknowledgement of Country**

SSI acknowledges the Aboriginal and Torres Strait Islander peoples as the First Australians and Traditional Custodians of the lands where we live, learn and work. We pay respect to Elders past and present and recognise their continuous connection to Country.

## **About SSI**

SSI welcomes the development of the National Strategy for the Care and Support Economy and appreciates the opportunity to provide this submission.

SSI is a national non-for-profit organisation that delivers a range of human services that connect individuals, families, and children from diverse backgrounds with opportunities – including settlement support, disability programs, community engagement initiatives and training and employment pathways.

SSI was founded in Sydney in 2000 with the aim of helping newly arrived refugees settle in Australia. Over time, our expertise in working with people from diverse cultural and linguistic (CALD) backgrounds served as the foundation for a gradual expansion into other social services and geographical areas.

In 2018, SSI merged with Queensland-based Access Community Services, and in 2019 opened in Victoria, providing an extensive footprint across the eastern coast of Australia. In FY2022, SSI supported nearly 50,000 clients across more than 49 programs and community-based services. We are also a leading provider of evidence-based insights into the social sector and are known as an organisation that can reach communities considered by many to be hard to reach.

Our submission follows the broad structure of the draft Strategy but does not address all objectives. We have grouped our response to some objectives together where they are closely inter-related.

## **Goal 1: Quality care and support**

### **Objective 1.1: People have access to the services they need**

### **Objective 1.4: Services are culturally and psychologically safe for all people**

SSI welcomes the recognition in the draft Strategy that access to appropriate services is an essential prerequisite to quality care and support and the focus on improving tailored and culturally safe care for First Nations communities.

The Terms of Reference for the development of the Strategy include: “identifying opportunities to address service gaps for care and support participants, particularly in regional and remote communities and for Indigenous and CALD participants.”

However, what is largely missing in the draft Strategy is recognition of the barriers that impact on people from CALD backgrounds in navigating and accessing care and support services. Government agencies and service providers need to ensure their programs are accessible to all eligible Australians, responsive to their needs, and delivering equitable outcomes, regardless of cultural and linguistic backgrounds. This is equally important for consumer directed and market-based approaches to care.

For example, 10 years after establishment, the uptake of the NDIS by people from CALD backgrounds continues to be much lower than the rest of the Australian population, despite having similar rates of profound or severe disability. While the NDIA expected an uptake of 21 per cent among the CALD

population in the NDIS, the actual proportion of CALD participants to June 2021 was 10 per cent.<sup>1</sup> In the service areas in NSW where SSI provides NDIS Local Area Coordination supports, over 20 per cent of the participants SSI served are from CALD backgrounds.

Similarly, there are marked gaps in early childhood education and care (ECEC) attendance between children from CALD and non-CALD backgrounds at a national level. The impact of these differences in participation is evident in the developmental trajectories of children who attend preschool: 1 in 5 children from CALD backgrounds who attend preschool are developmentally vulnerable compared to 1 in 3 children who do not attend preschool.<sup>2</sup>

Lower levels of service use are not related to lower levels of need but rather due to difficulties in navigating and accessing services that are culturally responsive. For example, key barriers impacting on access and participation of CALD families in ECEC include lack of knowledge of ECEC and valuing of early learning; challenges relating to language, literacy and digital literacy in navigating complex enrolment processes and Centrelink requirements for the Commonwealth Child Care Subsidy; affordability issues; transport barriers; and lack of culturally responsive services. The Government's Early Years Strategy currently under development is recognising these gaps.

SSI recommends the development of a culturally capability framework to address systemic access issues which promotes change at the systems level (government policy settings), professional level (through professional standards), provider level (through organisational or agency policies) and for individual workers. This is consistent with the framework recommended by the National Health and Medical Research Council as part of a comprehensive review on ways to make the health system more accessible to people from CALD backgrounds.<sup>3</sup>

Similarly, a recent review commissioned by the Disability Royal Commission on improving access to by people from CALD backgrounds with disability, concluded that the service system requires change and cultural capability at multiple levels such as government policy; professional standards; organisational policies and practice; and staff training and development.<sup>4</sup>

### **Objective 1.2: The workforce has the right skills and training to deliver quality services**

The draft Strategy notes that a Priority Workforce Initiatives Action Plan will be developed to outline initial steps towards ensuring there are sufficient workers and those workers have suitable skills and training. This Action Plan should include a focus on strengthening capability of workers to engage and support people from CALD backgrounds within both initial in-service training and ongoing professional development.

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<sup>1</sup> NDIS. (2021). NDIS Quarterly Report to Disability Ministers. NDIA

<sup>2</sup> Rajwani, H., Culos, I., & McMahan, T. (2021). Stronger Starts, Brighter Futures. SSI.

<sup>3</sup> National Health and Medical Research Council (NHMRC) (2006) Cultural competency in health: A guide for policy, partnerships and participation.

<sup>4</sup>Bates, S, Kayess, R, Giuntoli, G, Rengel-Gonçalves, A, Li, B, Fisher, KR, Golding, D, Ramirez, B & Katz, I. (2022). Towards best-practice access to services for culturally and linguistically diverse people with a disability. Prepared by the Social Policy Research Centre and the National Ethnic Disability Alliance for the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability.

<https://disability.royalcommission.gov.au/system/files/2023-05/Research%20Report%20-%20Towards%20best-practice%20access%20to%20services%20for%20culturally%20and%20linguistically%20diverse%20people%20with%20a%20disability.pdf>

While many services seek to respond to diversity, they often need support with skill development to ensure that they are culturally responsive to the needs and preferences of diverse communities.

Settlement providers such as SSI have deep knowledge and experience in working with diverse communities and are well placed to provide culturally responsive training. For example, SSI's Culture-Ready training was developed and delivered to build the skills and cultural responsiveness of the NDIS workforce. During 2021, the program delivered 240 workshops across all states and territories. The evaluation found that workers reported increased understanding of issues to consider when supporting people with disability from diverse backgrounds. In the 3-month follow up surveys, they reported changes to their practice, including providing access to translated documents, increased use of the Translating and Interpreting Service (TIS) and adapting other processes and policies.<sup>5</sup>

### **Objective 1.3: Workforce supply meets demand**

The care and social services sector can be a pathway to employment for some migrants and refugees where this aligns with their career goals and aspirations. Equally, the development of a culturally diverse workforce is critical to strengthen provision of ethno-specific care service options and to ensure that mainstream services are responsive to the needs of people from CALD backgrounds.

SSI welcomes the Federal Budget announcement relating to the new Aged Care Industry Labour Agreement, which is a tripartite approach to boost aged care workers and provides for priority visa processing and a two-year pathway to permanent residency as incentives for prospective workers.<sup>6</sup> The draft Strategy notes that this approach is being trialled in aged care. Given the acute labour shortages, there should be an opportunity to extend this approach to other sectors in the care and support economy, including the NDIS and ECEC.

However, most discussion of migration as a response to labour and skills shortages continues to focus on policies to increase the number of migrants coming into the country, ignoring the untapped potential of migrants and refugees already here who may be unemployed, underemployed or working in positions well below their skill and qualification level. Research by CEDA has found that one in four permanent skilled migrants work beneath their qualification and skill level.<sup>7</sup>

In particular, women born overseas form a large and growing proportion of the care and social assistance sector despite in many cases being overqualified.<sup>8</sup> Recent research commissioned by SSI and conducted by the National Centre for Social and Economic Modelling (NATSEM) found that women born in low- and middle-income countries have much higher levels of graduate and post-graduate degrees compared to Australian-born women; women from OECD and refugee-source countries have similar levels of qualifications to Australian-born women. Similarly, there is critical untapped potential in the labour market with refugee women and women from low- and middle-income countries who are working part time more likely to want to work full time compared to all other women. For refugee women the results are very striking, with almost all part-time workers (95%) wanting to work full time.

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<sup>5</sup> SSI. (2022). [Summary of evaluation of SSI's CultureReady Project](https://www.ssi.org.au/images/Misc/Summary_of_evaluation_CultureReady_updated.pdf).

[https://www.ssi.org.au/images/Misc/Summary\\_of\\_evaluation\\_CultureReady\\_updated.pdf](https://www.ssi.org.au/images/Misc/Summary_of_evaluation_CultureReady_updated.pdf)

<sup>6</sup> <https://minister.homeaffairs.gov.au/AndrewGiles/Pages/first-aged-care-labour-agreement-signed.aspx>

<sup>7</sup> Committee for Economic Development of Australia (CEDA), 2021, *A good match: Optimising Australia's permanent skilled migration*, <https://www.ceda.com.au/Admin/getmedia/150315bf-cceb-4536-862d-1a3054197cd7/CEDA-Migration-report-26-March-2021-final.pdf>

<sup>8</sup> Batainah, H.S., Hawkins, J. & Miranti., R. (2022). Untapped potential: trends and disparities in the economic participation of migrant and refugee women in Australia. NATSEM/Settlement Services International.

This highlights the need for increased focus on supporting entry to, and career progression, for women from migrant and refugee backgrounds already residing in Australia who wish to work in the care and support sectors.

SSI is currently the provider of the new Home Care Workforce Support Program in NSW and the ACT which is funded by the Department of Health and Aged Care. Through this program, SSI is working with the aged care industry, including home care and training providers, to build the capacity of the workforce to recruit, train and retain staff from culturally diverse backgrounds. As part of this program, SSI has developed a Home Care Job Passport which could be adapted to meet the needs of the aged care sector broadly. The Passport maps out the minimum requirements to commence employment within the sector, for example: police clearances, first aid, CPR etc and certifies that candidates have baseline requirements to commence employment while waiting on overseas skills recognition or qualification completion. There is an opportunity to diversify this model to other parts of the care and support economy including the NDIS and ECEC.

SSI also recommends the use of targeted wage subsidies in the care and support sectors that provide an incentive for employers to take on new workers from migrant and refugee backgrounds or increase hours of employment. The Jobs Victoria Fund, for example, provides eligible employers with wage subsidies to help employers to take on new staff or increase the hours of current staff. The Fund has a focus on supporting women into employment and the priority groups for wage subsidies include newly arrived migrants from non-English speaking backgrounds, and refugees and asylum seekers.<sup>9</sup>

#### **Objective 1.5: People are able to navigate systems, assess services quality and access care and support**

SSI supports the principle of giving service users greater choice, flexibility and control.

However, there is considerable evidence that marketisation of human services has negative impacts on equity for vulnerable clients including those with complex needs or from CALD backgrounds.<sup>10</sup>

The NDIS is a telling example of the hurdles migrants face in accessing the services they need in a market-based system. As noted previously, people with disability from CALD backgrounds are far less likely to have an NDIS plan and the funded supports that come with a plan, despite having rates of disability similar to the rest of the Australian population.<sup>11</sup>

Similarly, the limitations of consumer directed care in aged care are evident in the barriers reported by older people in accessing, comparing and getting the home care services they need. This has been reflected in the evidence put to the Royal Commission into Aged Care Quality and Safety and various reviews of in-home care.<sup>12</sup> The barriers often revolve around the difficulties people have in understanding and navigating the complex aged care system; the system failing to account sufficiently for the vulnerability of those seeking care (e.g. someone in crisis or with dementia); lack of clarity on fee structures; and lack of support to manage individualised budgets.

There is also very limited information on quality to help older people and their families meaningfully compare services. As the Royal Commission into Aged Care Quality and Safety concludes, it is critical that the public has access to information that provides a meaningful overview of the performance of

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<sup>9</sup> [https://jobs.vic.gov.au/\\_\\_data/assets/pdf\\_file/0005/604787/Jobs-Victoria-Fund-Guidelines-updated-10am-16-November-2021.pdf](https://jobs.vic.gov.au/__data/assets/pdf_file/0005/604787/Jobs-Victoria-Fund-Guidelines-updated-10am-16-November-2021.pdf)

<sup>10</sup> McClean, T. (2021). Marketisation of Social Care: what have been the empirical effects? [https://www.uniting.org/content/dam/uniting/documents/community-impact/research-and-innovation/Markets\\_in\\_Social\\_Care\\_-\\_Literature\\_scan.pdf](https://www.uniting.org/content/dam/uniting/documents/community-impact/research-and-innovation/Markets_in_Social_Care_-_Literature_scan.pdf)

<sup>11</sup> NDIS. (2021). Op cit.

<sup>12</sup> Ibid.

individual providers, in an accessible and easy-to-understand form. Without this information, older people and their families are unable to exercise informed choice that would drive improved performance over time.<sup>13</sup>

The impact of these barriers is that marketisation reforms fail in their promise to deliver choice and control for some cohorts of people and can even exacerbate the barriers evident in the previous system. For example, The Royal Commission into Aged Care Quality and Safety states, “*The aged care system has suffered from sequential attempts by governments to define it as a market in its own right, which can and should behave like any other market in our economy. Unfortunately, these market-based reforms ... have resulted in more confusion than before and certainly have not improved quality or transparency.*”<sup>14</sup>

Market models of human services can be more effective when:

- barriers to choice and decision-making (such as digital exclusion or financial distress) are reduced or removed;
- information disclosed about the quality and price of the service is transparent, accessible and easy to understand;
- comparisons can be made simply and easily between alternatives;
- costs of switching between providers are minimised both in terms of time or financial costs;
- consumers and carers are aware of how to access, assess and act on the available information, tools and supports.<sup>15</sup>

The ongoing digital transformation of care and support services should be anchored by policy that promotes equitable access by migrants and refugees. SSI cautions against over-reliance on digital find-a-provider platforms to help people find service providers. The COVID-19 pandemic accelerated the shift to digital transformation and services and highlighted the critical importance of digital access and literacy in all aspects of people’s lives. This has exacerbated digital exclusion for some population groups, including migrants, refugees and older people, creating a barrier to accessing reliable and critical information on health and government services. Among newly arrived refugees, SSI’s *Foundations for Belonging* research found that difficulties in using technology is one of the most common barriers, alongside language difficulties, to accessing government services. The research revealed a gap in skills and confidence in using digital technology, particularly for refugee women and older refugees.<sup>16</sup>

Government agencies and service providers should pay particular attention to building digital gateways (i.e. websites, apps) that are more intuitive – with less need for digital skills – and that also minimise language barriers (i.e. in-language, plain English). Governments should also invest in initiatives to strengthen the digital skills of newcomers. Given the critical nature of care and support services, it should also be recognised that some people are unable to access digital services and other options are required. This is vital to ensure that information and services reach older people and more recently arrived migrants and refugees.

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<sup>13</sup> Royal Commission into Aged Care Quality and Safety. (2021). Final report: Care, dignity and respect. Commonwealth of Australia. Vol1, p26. [https://agedcare.royalcommission.gov.au/sites/default/files/2021-03/final-report-volume1\\_0.pdf](https://agedcare.royalcommission.gov.au/sites/default/files/2021-03/final-report-volume1_0.pdf)

<sup>14</sup> Royal Commission into Aged Care Quality and Safety. (2021). Op cit.

<sup>15</sup> Hobbs, (2020). Hobbs, B. M. (2020). Choosing care: the difficulties in navigating the Home Care Package market. Melbourne: Consumer Policy Research Centre.

<sup>16</sup> Culos, I., McMahon, T., Khorana, S., Robertson, S., Baganz, E., Magee, L. & Agha, Y. (2022). Foundations for Belonging 2022 Insights on Newly Arrived Refugees: Family separation and reunion during the pandemic. [https://www.ssi.org.au/images/FFB/FFB\\_Family\\_during\\_pandemic\\_final\\_screen.pdf](https://www.ssi.org.au/images/FFB/FFB_Family_during_pandemic_final_screen.pdf) Settlement Services International/Institute for Culture and Society, Western Sydney University.

There is also growing evidence that to realise improvements in outcomes, additional supports may be needed to help vulnerable people navigate systems and exercise informed choice and control in the personalised services they need. People from CALD backgrounds may need face-to-face support to navigate the service system and exercise informed choice and control. Navigators or linkers working in culturally responsive ways can assist participants to navigate cultural issues that impact on preferences for care. The Ability Links NSW program (now defunded) demonstrated how community-based linkers can support participants to negotiate assessments; navigate complex systems and promote awareness of choices in the NDIS and in mainstream services; and deliver tangible outcomes for people with disability from CALD backgrounds.<sup>17</sup> Early public commentary from the Australian Government's Independent NDIS Review is signalling the need to prioritise the community-based linkages to help participants better understand and access community and mainstream disability supports.

Similarly, the Royal Commission into Aged Care Quality and Safety recommended more face-to-face support to help people identify the best options for care to meet their individual needs and exercise informed choice.<sup>18</sup> In response, the (former) Australian Government committed funding for the Care Finders program which commenced in early 2023. The program provides face-to-face support to help vulnerable older people interact with My Aged Care, assess aged care services, and access aged care services and other relevant supports.<sup>19</sup>

There is also emerging evidence on the benefits of community-based linkers or navigators in helping disadvantaged families, including those from CALD backgrounds, to navigate and engage in ECEC.<sup>20</sup>

## Goal 2: Decent jobs

### Objective 2.1: Pay and conditions reflect the value of care and support work

### Objective 2.3: Jobs are professionalised and there are pathways for skilling and career progression

SSI strongly supports objectives 2.1 and 2.3. As the draft Strategy recognises, the care and support economy is highly feminised, and gendered undervaluation of women's work has been one of the biggest reasons behind low wages.

Around 9 in 10 aged care workers are women and a high number of workers come from migrant backgrounds.<sup>21</sup> Recent analysis conducted by the National Centre for Social and Economic Modelling (NATSEM) for SSI found that over a fifth of refugees work in the health care and social assistance industry (and the proportion is likely higher for women refugees).<sup>22</sup> This is often out of necessity rather than choice due to limited employment options.

Issues relating to recruitment and retention of staff are endemic in the care and support economy and have become more acute during the COVID-19 pandemic. The impact of low wages, high workloads, poor job security and lack of opportunities for career progression can erode job satisfaction and lead to high staff turnover. Wages are often close to or at the minimum wage, despite jobs in the sector requiring post-school qualifications.<sup>23</sup> In large part, these issues reflect chronic under-investment by

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<sup>17</sup> Mortimer, P., & McMahon, T. (2018). *Still Outside the Tent*. Sydney: SSI.

<sup>18</sup> Royal Commission into Aged Care Quality and Safety. (2021). *Op cit*.

<sup>19</sup> <https://www.health.gov.au/our-work/care-finder-program#about-the-program>

<sup>20</sup> Uniting NSW.ACT. (2023). *More than money: why some children are still left behind by early learning*. [https://www.uniting.org/content/dam/uniting/documents/community-impact/research-and-innovation/Uniting\\_white\\_paper\\_More\\_than\\_money\\_access\\_to\\_early\\_learning.pdf](https://www.uniting.org/content/dam/uniting/documents/community-impact/research-and-innovation/Uniting_white_paper_More_than_money_access_to_early_learning.pdf)

<sup>21</sup> The Treasury. (2022). *Jobs + Skills Summit Issues Paper*, [https://treasury.gov.au/sites/default/files/2022-08/2022-302672-ip\\_0.pdf](https://treasury.gov.au/sites/default/files/2022-08/2022-302672-ip_0.pdf)

<sup>22</sup> Batainah, H.S., Hawkins, J. & Miranti., R. (2022). *Op cit*.

<sup>23</sup> NCOSS & Impact Economics. (2022). *A Long Way to the Top: career opportunities and obstacles for women in the social services sector in NSW*, Sydney.

the Commonwealth, state and territory governments. Cumulatively, these issues result in high staff turnover and resulting lack of continuity of care. Yet, consumers report that continuity of care provided by the same workers enables better care and improves wellbeing.<sup>24</sup>

Staff recruitment and retention is one of the biggest challenges facing the ECEC sector and this has been exacerbated by the COVID-19 pandemic. There are compounding pressures on the sector including growing demand for places for children, alongside declines in the number of enrolments in educator and teacher qualifications.<sup>25</sup> Yet, stability in care is strongly positively related to child outcomes – centres with low staff turnover rates have staff that engage in more appropriate and attentive interactions with children. Conversely, high staff turnover is associated with lower quality service and poorer child outcomes.<sup>26</sup> SSI notes that ACEQUA has developed a 10-year workforce strategy for the ECEC sector.<sup>27</sup> Given the complexity and scale of workforce challenges in the sector, it is vital that this strategy is fully funded and implemented.

Similarly, the NDIS workforce has very high levels of turnover, estimated to be between 17% and 25% per year, which means at least 45,900 workers leave the NDIS workforce each year. According to the findings of the NDIS Workforce Survey, the most common reason that people want to leave the NDIS workforce is high workload, and 43% of workers feel burnt out at least half the time.<sup>28</sup>

For the non-profit sector, these issues are compounded by government funding contracts that are short-term and do not cover the full cost of service delivery.<sup>29</sup> In a recent survey of the NSW social services sector, 53% of respondents cited low pay and/or insecure work as career impediments and one in two indicated they are either planning to leave or are not sure if they will still be in the sector in five years' time.<sup>30</sup>

Issues relating to the relationship between job quality for workers, quality of care and funding models are discussed further under objectives 2.2, 2.3 and 3.3.

## **Objective 2.2: Work is organised and jobs are designed in a way that promotes good job quality and job satisfaction**

## **Objective 2.4 Workplaces are safe and healthy, and psychological and physical risks are eliminated or, if this not possible minimised**

The implementation of market models has been accompanied by the growth in digital platforms to engage workers, especially in the NDIS and aged care. Some businesses operating digital platforms act purely as intermediary platforms and take no responsibility for the safety of the work environment for workers, or the quality of the work provided to the participant beyond a basic safety level.<sup>31</sup>

The growth of digital labour platforms in government funded care and support programs also undermines efforts to advance economic equality for women. As in the broader care and support workforce, most workers using platforms are women; many are younger workers; and many are recent migrants. As independent contractors, they have few rights and protections and are in jobs without access to training and development, supervision, peer support or any certainty of ongoing work or

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<sup>24</sup> Royal Commission into Aged Care Quality and Safety. (2021). Op cit.

<sup>25</sup> <https://www.cela.org.au/publications/amplify!-blog/nov-2021/increased-turnover-and-a-need-for-targeted-funding>

<sup>26</sup> OECD. (n.d.). Encouraging Quality in Early Childhood Education and Care (ECEC). Research brief: working conditions matter. <https://www.oecd.org/education/school/49322250.pdf>

<sup>27</sup> <https://www.acecqa.gov.au/sites/default/files/2021-10/ShapingOurFutureChildrensEducationandCareNationalWorkforceStrategy-September2021.pdf>

<sup>28</sup> Department of the Prime Minister and Cabinet. (2023). NDIS workforce retention: findings from the NDIS workforce survey. Australian Government.

<sup>29</sup> Social Ventures Australia and the Centre for Social Impact. (2022). Paying what it takes: paying indirect costs to create long-term impact. <https://www.socialventures.com.au/assets/Paying-what-it-takes.pdf>

<sup>30</sup> Ibid.

<sup>31</sup> percapita. (2022). Contracting care: The rise – and risks – of digital contract work in the NDIS.



opportunities for career progression. They are highly vulnerable to underpayment of minimum wages and unfair treatment.<sup>32</sup>

The Royal Commission into Aged Care Quality and Safety saw significant evidence that contractor-based care led to negative outcomes for aged care workers and their clients. The Commission considered that permanent (and direct) employment is more compatible with developing a skilled, career-based, stable and engaged workforce providing high quality aged care.<sup>33</sup>

Similarly, the 2018-2020 Inquiry into the Victorian On-Demand Workforce highlighted that there were 'legitimate concerns' about the impact of digital contractor platforms in the NDIS sector, particularly in relation to health and safety, insurance, unpaid work, and the training needs of the workforce.<sup>34</sup>

As noted in the draft Strategy, in response to the recommendations of the Royal Commission into Aged Care Quality and Safety, the Australian Government has committed to preferencing direct employment in aged care. SSI recommends that this approach to commissioning should also apply to the NDIS.

In Australia, the statutory minimum standards set out in the National Employment Standards and the protections that apply to employees under the Fair Work Act do not apply to independent contractors meaning minimum wages standards, maximum working hours, leave provisions, unfair dismissal protections and other protective conditions, do not apply to their work. Other entitlements and protections, including superannuation, workers' compensation, and some anti-discrimination laws, also often do not apply or have limited application to workers engaged as independent contractors.<sup>35</sup>

The Australian Government has committed to empowering the Fair Work Commission to set minimum standards for workers in 'employee-like' forms of work, including the gig economy. However, there is a risk that not all platform care and support workers would be covered under these powers if they are not considered to be 'employee-like'. Regulation should ensure that there are minimum standards and rights all workers in government funded care and support services regardless of their employment status.<sup>36</sup>

## Goal 3: Productive and sustainable

**Objective 3.2: Regulation is simplified and made more efficient to comply with, without compromising quality and safeguards**

**Objective 3.3: Funding models support market sustainability, job quality for workers, and quality care and support, including consumer choice and control.**

The draft Strategy states that: "*One benefit of markets is that lower quality or less productive providers are driven to exit the market because of competition from stronger providers.*" SSI questions this premise in the context of human services, where for-profit companies compete with not-for-profits to provide services that are funded by government in 'quasi' or 'managed' markets.

Notably, the co-chairs of the NDIS Review initiated in 2022 have found that the current operation of the NDIS does not incentivise high quality care, fails to drive efficiency and allows for a culture of

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<sup>32</sup> Macdonald, F. (2022). Unacceptable risks: The dangers of gig models of care and support work. The Centre for Future Work, Australia Institute.

<sup>33</sup> Royal Commission into Aged Care Quality and Safety. (2021). Op cit. p131.

<sup>34</sup> percapita. (2022). Op cit.

<sup>35</sup> Macdonald, F. (2022). Op cit.

<sup>36</sup> Ibid.

fulfilling plans at the maximum cost. Payment and pricing methods have focused too heavily on competition, rather than quality and efficiency.<sup>37</sup>

Large segments of the quasi-market for care and support in the NDIS and aged care are poorly regulated. As the Royal Commission into Aged Care Quality and Safety concludes, the regulatory system needs to be:

- much more rigorous in only letting into the system those providers that can demonstrate their suitability and capacity to deliver high quality care;
- more vigilant in assessing the performance of providers; and
- more determined to remove from the system providers that are unable to deliver consistently high quality and safe care.<sup>38</sup>

Similarly, under the existing regulatory system for the NDIS, there are strong incentives for organisations not to register as care and support system providers, including that they do not have to comply with NDIS practice standards and are not proactively monitored by the NDIS Quality and Safeguards Commission. Recently there has also been increased recognition of fraud and price gouging by some providers in the NDIS. Mandatory registration for service providers is critical to prevent providers from gaining unfair advantages and ensure quality care and support.<sup>39</sup>

The growth of digital labour platforms also threatens the viability of service providers that directly employ workers and the care and support market as a whole. For example, if unregistered and under-regulated contractors increase their share of the disability market, they may undercut the price of employment-based providers, who maintain registration with the NDIS Commission, exhibit higher levels of ongoing professional training, and peer-to-peer learning. This would lower the overall quality of the labour force.<sup>40</sup>

SSI understands that NDIS data is not currently disaggregated by registered/unregistered providers, nor is any information gathered on digital contractor platforms. This means that the NDIA cannot effectively monitor the extent or quality of different types of providers. Given the potential risks that digital contractor work arrangements may pose to NDIS participants and workers, gathering this information is critical to inform future policy development.<sup>41</sup>

### **Objective 3.4: Innovation is shared, adopted and adapted across the care and support sectors**

SSI supports the proposed objective to strengthen sharing and adoption of innovation across the care and support sectors. As the Productivity Commission recommends, and the draft strategy notes, government can play an important role in better diffusing innovation by providing an authoritative source of advice on best practice care and support.

Governments also have a vital role in trialling and scaling innovative service models. However, historically, where governments have funded pilots or demonstration projects to test new innovative social service delivery models, often this funding has been discontinued or not scaled up, despite positive evaluation findings. This highlights the need for a stronger focus by government on scaling up innovative service models where evaluations show positive impact on quality and effectiveness.

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<sup>37</sup> <https://www.abc.net.au/news/2023-06-02/federal-gov-to-make-inflated-prices-for-ndis-services-illegal/1024271>

<sup>38</sup> Royal Commission into Aged Care Quality and Safety. (2021). Op cit. p 55.

<sup>39</sup> Macdonald, F. (2022). Op cit.

<sup>40</sup> percapita. (2022). Op cit.

<sup>41</sup> percapita. (2022). Op cit.

SSI also notes that the increasing use of competitive, market-based funding models has tended to stifle sharing of good practice and innovation. For example, early research suggests that the pre-existing collaborative relationship between disability service providers is being eroded as organisations shift to more competitive relationships in the quasi market. Competition can have the effect of reducing cooperation and trust between organisations.<sup>42</sup>

**Objective 3.5 Opportunities in data and digital are harnessed to enable quality care and support, decent jobs and productivity growth.**

SSI welcomes the focus in the draft Strategy on strengthening the collection and use of data including the development of data standards. As the draft Strategy recognises, currently there are no common data standards across the care and support economy and there are significant gaps in current approaches to data collection. Strengthening the collection and use of data is critical to improved planning, design, evaluation and continuous improvement of human services.

The development of data standards should include metrics that capture accessibility and the effectiveness of interventions for different cohorts, including CALD communities. For example, the initial rollout of the NDIS was independently evaluated and highlighted gaps in access for groups including people with psychosocial disability and people from CALD backgrounds. The inclusion of a dashboard performance metric for the NDIS on CALD participants resulted in greater recognition and visibility of the limited access by CALD people with disability to the NDIS. Consequently, the NDIA is currently revamping a cultural and linguistic diversity strategy.

SSI welcomes the commitment by the Immigration Minister, Andrew Giles, to work with peak multicultural bodies to establish whole-of-government standards for measuring cultural diversity.<sup>43</sup> The development of the Action Plan on data standards should include strong consultation with multicultural organisations and draw on this work.

As outlined previously, the ongoing digital transformation of government services should be anchored by policy that promotes equitable access by migrants and refugees. Issues relating to the growing use of digital find-a-provider platforms are discussed under Objective 1.5; issues relating to digital employment providers are addressed under Objectives 2.2, 3.1 and 3.2.

**Authorised by:** Violet Roumeliotis, SSI CEO

**Contact:** Toni Beauchamp, Social Policy Lead

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<sup>42</sup> Green, C., Malbon, E., Carey, G., Dickinson, H. & Reeders, D. (2018), Competition and Collaboration between Service Providers in the NDIS, Centre for Social Impact, UNSW Sydney.

<sup>43</sup> Australian Government. (2022). Immigration minister pledges to collect more data on diverse communities to better understand their needs. <https://www.sbs.com.au/news/article/immigration-minister-pledges-to-collectmore-data-on-diverse-communities-to-better-understand-their-needs/iz6q0iv11>