



## **Volunteering Australia**

### **Response on the National Disability Insurance Scheme (NDIS) Costs Productivity Commission**

July 2017

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## Response on National Disability Insurance Scheme (NDIS) Costs

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### **About Volunteering Australia**

Volunteering Australia is the national peak body for volunteering. We work to advance volunteering in the Australian community.

Volunteering Australia's vision is to promote strong, connected communities through volunteering. Our mission is to lead, strengthen, promote and celebrate volunteering in Australia.

We work collectively with the seven State and Territory volunteering peak bodies to deliver national, state/territory and local volunteering programs and initiatives in accordance with the Government's priorities.

### **Introduction**

Volunteering Australia welcomes the opportunity to provide a response to the Productivity Commission on the National Disability Insurance Scheme (NDIS) Costs.

This position paper outlines the Commission's views on the National Disability Insurance Scheme (NDIS) Costs study. The purpose of the position paper is to seek feedback on the Commission's preliminary conclusions and draft recommendations, and on any additional issues that should be considered before the public release of the completed study in September 2017.

Volunteering Australia appreciates the opportunity to provide a response on the NDIS Costs. We would like to acknowledge the important role that volunteering plays in the National Disability Insurance Scheme roll out, with volunteers adding key skills and services to the disability support sector.

Volunteering continues to play a role central to our identity as a nation, with 5.8 million Australians or 31 per cent of the population volunteering<sup>i</sup>, making an estimated annual contribution of \$290 billion to our economic and social good.<sup>ii</sup> At Volunteering Australia, we define volunteering as "time willingly given, for the common good and without financial gain"<sup>iii</sup>; volunteers donate their time freely, but volunteering comes at a cost. The operational cost of delivering innovative and agile volunteering programs that respond to the needs of Australian society is increasing, and requires investment.

While the NDIS costs are broadly on track with the NDIA's long-term modelling, there are emerging cost pressures, that require a suite of initiatives to address them. While many participants of the NDIS are receiving more disability supports than before, and have more choice and control, the speed of the NDIS roll out has put the success and financial sustainability at risk. There is a heavy focus on meeting estimates in relation to participant intake, and not enough of a focus on planning processes, supporting infrastructure and market development.<sup>iv</sup>

Volunteering Australia has highlighted a need for specialist training for volunteers, adaptation to market changes, building social capital, and a sustained investment in the volunteering workforce to deliver the scheme successfully.

## Response on National Disability Insurance Scheme (NDIS) Costs

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### **Volunteering Australia Response**

#### Resourcing the Participation of Volunteers in the Disability Support Sector

In Australia over 4 million people, or 20 per cent of a population of over 23 million people are reported as having a disability. Further, over 1.3 million Australians report having a “profound or severe disability”.<sup>v</sup> Between 2010-11 there were 2,283 disability support services funded by State/Territory or the Federal Government throughout Australia, managing 13,883 services. The main service providers (82%) were in the non-government sector, and many of those (86%) were in income tax exempt charities.<sup>vi</sup>

It is important to recognise that the disability sector and the NDIS are heavily reliant on the volunteer workforce to deliver key programs and services. Volunteers are considered essential to the provision of supports and services that are integral components of the NDIS.

Volunteering Australia believes that the volunteer workforce needs to be costed and accounted for in the National Disability Insurance Scheme (NDIS), given the reliance of volunteers in the scheme.

As identified in Volunteering Australia’s submission to the Information, Linkages and Capacity Building Commissioning Framework Consultation,<sup>vii</sup> the NDIS interacts with volunteers in two key ways:

- Volunteers are engaged to work within disability support service organisations;
- The NDIS engages people with barriers more inclusively into society, either through volunteering as an end unto itself, or using volunteering as a pathway to paid employment.<sup>viii</sup>

In our *2016 State of Volunteering in Australia* report we identified a misalignment between the level of community interest in volunteering in disability services compared to the number of positions to be filled. The report also identified that the disability services sector was fifth-highest for unmet volunteer demand, behind community services, young people, education, and health (with some crossover to be expected between health and disability services).<sup>ix</sup>

#### Specialist Training and Adaptation to Market Change

Many not-for-profits in the disability support sector are small and specialised in nature, with their work often developing out of need identified by a carer or family member of a person with disability. As identified in the Commission’s Position Paper draft recommendation 4.2,<sup>x</sup> there should be specialised planning teams and/or more use of industry knowledge and expertise. Volunteering Australia recommends it is critical that there is specialist training for volunteers, managers of volunteers and Volunteer Involving Organisations in the disability support workforce.

The need for this is heightened by rapid turnover, change and demand within the paid disability support workforce. Furthermore, recent data indicates that formal volunteering is declining, while informal volunteering is increasing. These changes are vital for workforce planning in the disability support sector, and assist with ongoing policy development, future planning and sustainable service delivery.

Volunteering Australia highlights that effective, but small, community-based providers that rely on volunteer participation may not be able to adapt quickly enough to the changing environment and

## Response on National Disability Insurance Scheme (NDIS) Costs

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may exit the market.<sup>xi</sup> Assisting these organisations to transition and adapt will ensure that those which are specialist in nature will be able to remain in the scheme.

The disability support sector is such a competitive marketplace. Volunteering Australia recommends ensuring that Volunteer Involving Organisations have a place in servicing the NDIS, given the immense social capital they provide. We are acutely aware that volunteering is the first area of support to receive cuts when costs are reviewed. However, given the contributions of the volunteering sector to the National Disability Insurance Scheme, this would have an enormous impact on service delivery, erode social capital and affect outcomes for people with disability.

### Building social capital

Volunteering Australia echoes the sentiment expressed in the Commission's position paper on NDIS Costs, that participants achieve the best results, as well as choice and control, when they are able to access a diverse range of providers.<sup>xii</sup>

At Volunteering Australia, we believe that the social capital derived from volunteer engagement in the NDIS is of substantial benefit to both participants and the individual volunteer, with those participating in the scheme able to enjoy community inclusion. However, a lack of clarity for existing programs in the NDIS, transparency around process, and guaranteed funding options are all barriers to Volunteer Involving Organisations preparing for, or engaging with, the NDIS.<sup>xiii</sup>

Organisations who engage volunteers in the disability support sector have stated there is a difference between the outcomes achieved by paid staff and volunteers. A *Survey of Victorian Disability Organisations* found that 83 per cent of respondents saw the role of volunteers as unique, with volunteers providing an extra social connection and community participation, genuine relationships, and the value of lived experiences.<sup>xv</sup>

*"Volunteers have more time to give for social interaction, therefore increasing much needed social networks for people and meaningful relationships are formed by sharing common interests, values and goals. This extra time and attention leads to improved self-esteem and general wellbeing as well as providing life enhancing opportunities and experiences for those people accessing our services."*

*"We find volunteers are very committed with no expectations and see the person and not the disability. Volunteers can come with various skill sets which can be very advantageous in program planning whereby some staff have been trained in disability only which can sometimes hamper progression."<sup>xvii</sup>*

### Operational cost of volunteering

Volunteering is "time willingly given for the common good and without financial gain"<sup>xviii</sup>, but volunteering comes at a significant cost to Volunteer Involving Organisations. The operational cost of delivering innovative and agile volunteering programs that respond to the needs of the disability support sector is increasing, and requires investment. Volunteer Involving Organisations ensure the

## Response on National Disability Insurance Scheme (NDIS) Costs

effective management of volunteers, as well as recruiting, training, and managing volunteers, and guarantee the implementation of volunteer programs.

While Volunteering Australia is supportive of an increase in the number of volunteers in Australia, and particularly in the disability sector, we are cautious of calls by the Government to increase the number of volunteers, when they are not matched by funding. This is significant when there isn't adequate funding to support both volunteer management and resourcing.

### Case Study

*A Volunteer Involving Organisation in Melbourne that provides supports to people with disability, identified that volunteer costs have become raw overheads in the NDIS as they have not been considered in the costs.*

*The Volunteer Involving Organisation provides support for vulnerable people in the form of a walking group. Feedback from the organisation was that while everyone begins walking together, it isn't long before the group splits up, with the slower participants trailing behind. The paid staff instructor encourages faster participants of the walking group to slow down, and slower participants to "hurry up". In this circumstance, the organisation will place a volunteer in the group to assist the staff instructor to help with supervision. This is particularly important if there are participants with disabilities in the group, as the risks are higher.*

*In this context, the Volunteer Involving Organisation is required to cover the cost of providing the service. There is no recognition from the NDIS that volunteer roles are vital to a client receiving a high-quality experience. At this organisation, there are 80 volunteers involved throughout the organisation. A staff member commented that, "Running a volunteer program costs money, and if disability funding in the NDIS does not account for services provided by our volunteers, where do Volunteer Involving Disability Organisations receive funding for our volunteer programs?"*

*Source: Alkira, Volunteer Involving Organisation (11 July 2017)*

Volunteering and disability support have a mutually valuable relationship. But the NDIS has a fundamental obligation to support the organisations that run and manage the volunteers who provide that support. Volunteering Australia recommends the implementation of a code item number against which volunteering costs can be charged. This would be instead of the current itemised pricing schedule issued by the NDIS that categorises volunteer supports more generally.

There are similarities in the aged care sector in terms of the recognition of the contribution of volunteering, the operational costs, and investment. In a recent Senate Inquiry on Aged Care, the Future of Australia's Aged Care Sector Workforce, Volunteering SA & NT Inc. highlighted that "there are five volunteers for every paid worker in the not-for-profit sector, at a value of about \$290 billion."<sup>xix</sup>

Similarly, as emphasised in Volunteering Australia's submission to the Information, Linkages and Capacity Building Commissioning Framework Consultation,<sup>xxxxi</sup> the number of volunteers rose by 55

## Response on National Disability Insurance Scheme (NDIS) Costs

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per cent from 2000 to 2009 in the aged care workforce.<sup>xxii</sup> The Productivity Commission report in 2011 discussed the impact of an unprecedented growth in volunteer numbers, recommending that “funding for services which engage volunteers in service delivery should take into account the costs associated with volunteer administration and regulation and appropriate training and support for volunteers”.<sup>xxiii</sup> There is no evidence that the Productivity Commission report recommendations have been implemented in relation to the resourcing of volunteer management in aged care services.

Volunteering Australia believes it is imperative to underscore that all calls for an increase in volunteer participation in the disability sector must be met with an equivalent increase in funding for volunteer management, given the associated administrative costs. Volunteers should not be viewed as free labour within the disability support sector. There needs to be greater investment and consideration for the important role that volunteers play in the sector. Volunteering Australia reiterates the need for NDIS costs to consider the role of volunteers, programs, supports and services.

## Response on National Disability Insurance Scheme (NDIS) Costs

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### **Summary of Recommendations**

- Provide specialist training for volunteers, managers of volunteers, and Volunteer Involving Organisations in the disability support workforce.
- Assisting small, community-based organisations to transition and adapt to market changes will ensure that those which are specialist in nature will be able to remain in the scheme.
- Volunteering Australia recommends ensuring that Volunteer Involving Organisations have a place in servicing the NDIS, given the immense social capital they provide.
- Allowing participants of the NDIS to access a diverse range of providers, including the social capital derived from volunteer engagement.
- Volunteering Australia recommends a sustained investment in the unpaid volunteering workforce to ensure the successful rollout of the NDIS.
- The implementation of a code item number against which volunteering costs can be charged.
- Volunteering Australia reiterates the need for NDIS costs to consider the role of volunteers, programs, supports and services.

### **Conclusion**

Volunteering Australia looks forward to working with the Productivity Commission to ensure Australia's volunteering workforce is effectively considered and costed in the rollout of the NDIS. There is a considerable cost associated with recruiting, placing, supervising and resourcing volunteers, and this must be adequately funded for volunteer programs to be sustainable under the NDIS. Volunteering Australia reiterates that the NDIS costs must consider the role of volunteers, programs, supports and services in the scheme.

We would welcome further opportunities to consult on or expand on recommendations raised in this response.

## Response on National Disability Insurance Scheme (NDIS) Costs

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### Authorisation

This submission has been authorised by the Chief Executive Officer of Volunteering Australia.



**Ms Adrienne Picone**

Chief Executive Officer

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### Endorsements

This submission has been endorsed by the seven State and Territory volunteering peak bodies.

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### Glossary

- VA** Volunteering Australia is the national peak body for volunteering in Australia. It works collectively with the peaks to deliver national, state and local volunteering programs and initiatives.
- VIOs** Volunteer-involving organisations are organisations that utilise volunteers as part of their workforce.
- VSSs** Volunteer support services (also known as volunteer resource centres or volunteer support organisations) provide place-based volunteer support services to volunteers and VIOs in their locality.

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<sup>i</sup> Australian Bureau of Statistics (2015) 'General Social Survey: Summary Results, Australia, 2014', <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4159.0>

<sup>ii</sup> Flinders University (31 October 2014) 'Volunteering worth \$290 billion a year', <http://blogs.flinders.edu.au/flinders-news/2014/10/31/volunteering-worth-290-billion-a-year>

<sup>iii</sup> Volunteering Australia (2015) 'Definition of Volunteering', <http://www.volunteeringaustralia.org/policy-andbest-practise/definition-of-volunteering/>

<sup>iv</sup> Productivity Commission, "Overview", Overview - Position Paper – National Disability Insurance Scheme (NDIS) Costs.

<sup>v</sup> Volunteering Australia and Volunteering and Contact ACT (2016), Submission to NDIA ILC Framework Consultation, p3.

<sup>vi</sup> Turbit, Patrick for 3 Bridges Community (2016) Volunteering in the NDIS, p8.

<sup>vii</sup> National Disability Insurance Agency (December 2015) Information, Linkages and Capacity Building Commissioning Framework – Consultation Draft. Available online at [http://www.ndis.gov.au/sites/default/files/ILC-Commissioning-Framework-Consultation-Draft\\_0.pdf](http://www.ndis.gov.au/sites/default/files/ILC-Commissioning-Framework-Consultation-Draft_0.pdf).

## Response on National Disability Insurance Scheme (NDIS) Costs

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- <sup>viii</sup> Volunteering Australia and Volunteering and Contact ACT (2016), Submission to NDIA ILC Framework Consultation.
- <sup>ix</sup> Volunteering Australia and PwC (2016) 2016 State of Volunteering in Australia, pvii, <http://www.volunteeringaustralia.org/wp-content/uploads/State-of-Volunteering-in-Australia-ExecutiveSummary1.pdf>.
- <sup>x</sup> Productivity Commission, “Draft recommendations, finding and information requests”, Position Paper – National Disability Insurance Scheme (NDIS) Costs, p56.
- <sup>xi</sup> Volunteering Australia and Volunteering and Contact ACT (2016), Submission to NDIA ILC Framework Consultation.
- <sup>xii</sup> Productivity Commission, “Provider Readiness”, Position Paper – National Disability Insurance Scheme (NDIS) Costs, p243.
- <sup>xiii</sup> National Disability Insurance Agency (December 2015) Information, Linkages and Capacity Building Commissioning Framework – Consultation Draft. Available online at [http://www.ndis.gov.au/sites/default/files/ILC-Commissioning-Framework-Consultation-Draft\\_0.pdf](http://www.ndis.gov.au/sites/default/files/ILC-Commissioning-Framework-Consultation-Draft_0.pdf).
- <sup>xiv</sup> Volunteering Australia and Volunteering and Contact ACT (2016), Submission to NDIA ILC Framework Consultation.
- <sup>xv</sup> Extended Families Australia, Inclusion Melbourne, Interchange Incorporated and People Outdoors (2015) ‘Volunteering and the National Disability Insurance Scheme: A Survey of Victorian Disability Organisations’.
- <sup>xvi</sup> *ibid.*, p2.
- <sup>xvii</sup> Volunteering Australia and Volunteering and Contact ACT (2016), Submission to NDIA ILC Framework Consultation.
- <sup>xviii</sup> Volunteering Australia (2015) ‘Definition of Volunteering’, <http://www.volunteeringaustralia.org/policy-andbest-practise/definition-of-volunteering/>.
- <sup>xix</sup> Community Affairs Reference Committee, Future of Australia’s Aged Care Sector, Mrs Evelyn O’Loughlin, Volunteering SA & NT Inc, Committee Hansard, 7 March 2017, p. 34.
- <sup>xx</sup> Volunteering Australia and Volunteering and Contact ACT (2016), Submission to NDIA ILC Framework Consultation.
- <sup>xxi</sup> National Disability Insurance Agency (December 2015) Information, Linkages and Capacity Building Commissioning Framework – Consultation Draft. Available online at [http://www.ndis.gov.au/sites/default/files/ILC-Commissioning-Framework-Consultation-Draft\\_0.pdf](http://www.ndis.gov.au/sites/default/files/ILC-Commissioning-Framework-Consultation-Draft_0.pdf).
- <sup>xxii</sup> King et al (2014) ‘The Aged Care Workforce Census and Survey, 2012 – Final Report’, Prepared for the Commonwealth Department of Health and Ageing by the National Institute of Labour Studies (NILS) at Flinders University, p103.
- <sup>xxiii</sup> Commonwealth of Australia (2011) ‘Caring for Older Australians: Productivity Commission Inquiry Report’, Volume 1, No. 53, pLXXIV.