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29 January 2025

The Treasury
Langton Crescent
Parkes ACT 2600

Email: prebudgetsubmissions@treasury.gov.au

Re: 2025–26 Pre-Budget submissions

The Australian Services Union ('ASU') is one of Australia's largest unions, representing approximately 135,000 members. ASU members work in a wide variety of industries and occupations in both the private, public and community sectors.

We refer Treasury to our previous submissions: *2024-25 Pre-Budget submissions*; and *2023-24 Pre-Budget submissions*¹. Our priorities and recommendations contained within these submissions remain unchanged.

The Commonwealth must provide sustainable and long-term funding for the social and community services sector, reform the NDIS, and substantially increase federal funding for local government. These key areas are vital for ensuring a sustainable and equitable society, as they directly impact the well-being of individuals, the quality of public services, as well as supporting Australia's most vulnerable.

[Work with the ASU to modernise the Social, Community, Home Care and Disability Services Industry Award](#)

Community and disability workers are highly skilled workers who provide vital support to millions of Australians. In everyday life, as well as through fires, flood and other emergencies, these essential frontline workers support our communities and help build an inclusive and strong Australia.

The Commonwealth can demonstrate its support for community and disability sector workers by supporting the ASU's Fair Work Commission applications to modernise the classifications structure in the Social, Community, Home Care and Disability Services (**SCHDS**) Award, protect the legacy of the 2012 Equal Pay Case, and close the home care loophole.

Despite winning professional wage rates through the 2012 Equal Remuneration Order (**ERO**), our members' work in community and disability services remains systematically undervalued because the classification structure was made 30 years ago and does not reflect the growing complexity and professionalism of community and disability service work. This makes it difficult for employers and

¹ Australian Services Union, Submissions [Online] <http://www.asu.asn.au/resources/submissions>
2024-25 Pre-Budget submissions; and 2023-24 Pre-Budget submissions

funding agencies to correctly classify employees, allowing unscrupulous employers to deliberately under-classify workers to win funding contracts.

The problems with the classification structure are driving down wages across the community and disability sector. A recent UNSW report² found that 67 per cent of workers are under-classified under the SCHDS Award. Many perform tasks beyond their pay grade and face limited career progression. Financial pressures are severe, with 29% needing financial help from family or friends to meet living costs.

Significantly, a growing numbers of disability employers exploit the 30-year-old classification structure to misclassify disability support workers as home care workers under Schedule E of the SCHADS Award. This loophole allows the employer to pay their employees up to \$9 less per hour while claiming the full NDIS price, with the employer pocketing the difference. We estimate around 10% of NDIS workers are being ripped off under this loophole. NDIS providers who underpay their workers undermine the sustainability of the entire NDIS, by driving down standards for service delivery and skilled workers away from the industry.

Our members deserve to be valued for their professional skills and the experience they bring to their communities, with clear pathways for career progression.

Government must support our application to modernise the SCHDS Award classification structure and protect the legacy of equal pay.

Making the NDIS the best it can be

The National Disability Insurance Scheme (NDIS) requires targeted investment to support people with disability and to build a more equitable and supportive nation. Recent Final Reports by the Disability Royal Commission³ and the NDIS Review⁴ have recognised urgent workforce action is needed to build a highly skilled and qualified workforce that can deliver high-quality and individualised services.

Key recommendations from these Final Reports include: trialling a portable training and a portable personal leave scheme; continuing professional development; ensuring workers have sufficient paid time built into their rosters for training, handovers, and essential administrative tasks, as well as effective supervisory arrangements for workers. This would be achieved by implementing the NDIS Reviews recommendation for the NDIS pricing and payments framework to be reformed.

Government must now act and immediately start implementing these workforce recommendations in consultation with people with disability.

Prioritise local government funding

Local government delivers critical services and infrastructure to our communities, with our communities relying on local government services more than ever before. However, local government services have faced extreme financial pressures with the reduction of critical Federal Government funding.

² Cortis, N. and Blaxland, M. (2024) Australia's Social and Community Services Workforce: Characterisation, Classification and Value, Sydney: UNSW Social Policy Research Centre [online] Accessed at https://static1.squarespace.com/static/661f04b91fdda6655ac8d468/t/664ee846f8e0332f1a2dbb3a/1716447307208/Final+report+for+ASU_19_April_2024.pdf

³ Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, Final Report <https://disability.royalcommission.gov.au/publications/final-report>

⁴ Australian Government, NDIS Review Final Report <https://www.ndisreview.gov.au/resources/reports/working-together-deliver-ndis>

The value of Financial Assistance Grants provided to local government has declined over the past three decades from around 1 percent of Commonwealth taxation revenue to around 0.53 percent. The ability for Local Councils to provide essential services and infrastructure to their communities has been heavily impacted by this reduction.

Government must restore the quantum of Financial Assistance Grants to at least 1 per cent of Commonwealth taxation revenue.

Budgets reflect a government's priorities. This is why the Albanese government must address the critical issues outlined in this submission, as well as our previous Budget submissions. By prioritising these issues, government can foster a more inclusive, sustainable and equitable society for everyone.

Yours faithfully



Emeline Gaske
National Secretary