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Indexation to reflect real costs of service delivery

The Fair Work Commission introduced a 5.2% increase in the national minimum wage and 4.6% increase in award minimum wage from 1 July 2022. Along with a mandated superannuation increase of 0.5%, these changes come as service providers face other surging costs, skills shortage, and growing demand for services.

NADA, along with peak bodies representing other NSW Government funded NGOs, wrote to the NSW Treasurer and Ministers calling for the government to match the wage increases and apply indexation to reflect real costs. We contacted NSW Health Minister Hazzard urging the government to pass on the same 5.5% indexation rate delivered to NGOs funded by the Department of Communities and Justice.

Announcements from the various funders reveal significant variation in indexation for NGO AOD contracts from nil to 4.5%. NADA met with the Department of Health to highlight the implications for providers with multiple funders as they try to apply changes to salaries across an organisation while remaining a competitive employer. The failure of indexation to meet true operating costs is directly leading to a reduction in service delivery capacity.

NADA are working with the AOD Peak Network to commence national advocacy. The Network have written to Minister Butler requesting to discuss the inconsistent application of indexations as an urgent priority.

What can NADA members do? We encourage you to communicate to your funders about the increased costs of delivering treatment and any resulting impacts on capacity.

Challenges and opportunities for the NGO AOD workforce

Informed by member feedback, NADA produced a [workforce issues paper](#) [PDF] to highlight the critical issues facing the NSW NGO AOD sector. Developed as a platform for collaborative action, the paper outlines the key stakeholders and necessary steps to address challenges and strengthen the workforce into the future. NADA have shared the paper with the Ministry of Health Centre for AOD, the NSW Health Minister, The Department of Health, the AOD Peak Network and the National Centre for Education and Training on Addictions (NCETA).

We have since held meetings with the NSW Centre for AOD and the Department of Health ATOD Branch to discuss strategies outlined in the paper. We have enhanced partnerships with NSW TAFE and the Industry Training Advisory Body and discussed plans to ensure courses reflect contemporary AOD practice, increase access to AOD qualifications, and short course options for new sector workers.

Special Commission of Inquiry ignored in NSW Budget

As you are aware, the NSW Budget failed to provide any response to the recommendations provided by the Special Commission of Inquiry into the Drug 'Ice', and the urgent action required to improve access to AOD treatment and tackle the sector workforce crisis.

Prior to this NADA wrote an open letter to the NSW Premier, requesting a comprehensive response to the Special Commission in the Budget. Following the handing down of the Budget which provided no such response, NADA put out a [media release](#) and was subsequently invited by Croakey Health Media to provide an [op ed piece](#) to express our disappointment at the NSW Government for not responding at a time when the sector is being pushed to breaking point by workforce shortage and rising demand for AOD treatment.

NADA remains in touch with representatives from the NSW Government and are hopeful that a response to the Inquiry is imminent.

For NADA's latest policy and advocacy activity, access our recent Policy and Advocacy update [here](#) [PDF].

For more information or to discuss, contact Robert Stirling on 0421 647 099 or robert@nada.org.au.