

**Division 36: Disability Services Commission, \$383 868 000 —**

Mr P.B. Watson, Chairman.

Dr K.D. Hames, Deputy Premier representing the Minister for Disability Services.

Dr R.F. Chalmers, Director General.

Mr D. Ramanah, Director, Corporate Services.

Mr D. Granville, Principal Policy Adviser.

Mr E. Bartnik, Director, Metropolitan Community Support.

[Witnesses introduced.]

**The CHAIRMAN:** The member for Swan Hills.

**Mr F.A. ALBAN:** I refer to the first dot point on page 461 of the *Budget Statements*. What does this budget mean to families and carers?

**Dr K.D. HAMES:** I make it clear at the start that this is not my ministerial responsibility and I will be asking the advisers to answer the questions. I ask the director general to respond.

**Dr R.F. Chalmers:** The budget provides additional funding for a range of different initiatives. Some of it is topping up core services that very much have family and carers at the focal point, including our statewide Local Area Coordination program, Intensive Family Support program and the flexible Family Support program, which have been established for some time. However, the new initiatives are funding for new respite facilities. A couple of those will be in regional areas and three will be in the metropolitan area. They will bring much-needed out-of-home respite for the families of people with disabilities, including children, teenagers and adults. We also have additional funding for a School Holiday Respite program. Although we have been able to run some of those programs in years gone by, it has been done on a cash basis but now we have recurrent funding to lock in those initiatives into the future. We also have additional funding very much around the core program of intensive family support.

**Ms L.L. BAKER:** I refer to the three per cent efficiency dividend on page 459. The director general just mentioned two new services. I am interested in the staged implementation of new services funded by the state. Will the director general run through those?

**Dr R.F. Chalmers:** New funding is being provided for a wide range of new services over the next few years. In fact, it is an unprecedented level of growth funding. Disability Services has never seen this level of funding before.

The member referred to the three per cent efficiency dividend. We have been able to apply that through genuine belt tightening and efficiencies within the commission without having to touch any direct services or non-government service providers. The staged implementation is not pulling back on anything. All it is doing is actually adjusting the implementation of this unprecedented growth over the next few years. We are very fortunate that again we have unprecedented levels of commonwealth growth funding, which will far and away compensate for any of what is a minuscule amount in our overall budget.

**Ms L.L. BAKER:** Is it possible for the minister to comment on what specific services are included in that?

**Dr K.D. HAMES:** Yes, it is. I will ask Dr Chalmers to answer the question.

**Dr R.F. Chalmers:** It is referenced across all the main program areas—accommodation, individual family support, therapy, local area coordination; all the commission's programs. Again, it is not a reduction; it is phased implementation of the growth in those services into the future.

**Dr K.D. HAMES:** It is interesting to look at the total appropriations for division 36. In 2007-08 the actual budget allocation was \$311 million; in 2008-09 the budget allocation was \$325 million and the estimated actual allocation was \$353 million; in 2009-10 the budget estimate is \$383 million; and the forward estimate for 2010-11 is \$425 million. One of the Liberal Party's major commitments during the election campaign was to better care for people with disabilities, and that is what we have done.

**Mrs L.M. HARVEY:** I am interested in the accommodation support breakdown. How much of that accommodation support is being divided out through the combined application program process? What is the breakdown of the increase to accommodation support?

**Dr R.F. Chalmers:** The combined application process is the primary mechanism through which we apply funding to people with disabilities in the state. There will be an increase of almost \$14 million put out through the combined application process this year. That means that, again, an unprecedented 175 people will gain additional support through the combined application process. On top of that, there is another \$2 million for people in the residential aged care program, which is designed to allow people to move out of those facilities into

more appropriate accommodation. I am also pleased to say that there is \$1.2 million for the new community-based service this year, which we are calling the community living strategy. It is a new pathway for people.

**Dr K.D. HAMES:** The funding for Disability Services is mirrored in other portfolios. For example, the health budget, through non-government organisation funding, provides about \$70 million. A significant component of that goes to areas like multiple sclerosis, motor neurone disease and cystic fibrosis. It also funds carers in those areas. There is a strong government focus on those areas.

**Mr A. KRSTICEVIC:** I refer to the second dot point on page 461 of the *Budget Statements*. Will the government fully meet its election commitment to alternatives to employment?

**Dr R.F. Chalmers:** The short answer to the question is yes. The funding that has been made available to expand the alternatives to employment program over the next few years is \$43 million. The focus there is very much on topping up the funds that are already made available for people in the 18 to 25 age group. We were finding that for those people as the years were ticking by the purchasing power of the funding that they had was diminishing each year. It certainly brings a lot of enhancement to the support arrangements that those people can have during the working week. It also has the effect of building respite for their families. Again, this is an unprecedented growth in alternatives to employment funding.

**Ms L.L. BAKER:** I refer to the first dot point on page 461, which refers to planning the new respite facility in Broome. It is fantastic. Reference has been made to a second facility to be built in the metropolitan area. Has the planning for that started and where are the potential places?

**Dr R.F. Chalmers:** The planning is well and truly underway. The commission has been spending the past three to four months modelling to ensure that it not only identifies the locations that are areas of greatest need and demand, but also takes into account where existing services are currently provided and that is in the metropolitan area and also regional areas. We are close to completing that modelling. We are also not just using hard demographic data. We are actually using the local intelligence of our local area coordination network, which once again is statewide, to ensure that we identify those places of greatest need. Once they have been identified and announced by government, which I imagine will be fairly soon, we will embark on a local consultation process to see what people want those respite facilities to look like. The respite facility in Broome might be quite different from a respite facility that is built in the metropolitan area.

[7.40 pm]

**Ms L.L. BAKER:** Regardless of the model of the new respite facilities, where in the budget is the recurrent funding for their running costs?

**Dr R.F. Chalmers:** The government has set aside \$11.75 million overall for this initiative. Our modelling tells us that there is more than sufficient funding within that \$11.75 million for not only the construction costs, but also the ongoing operational costs of the five facilities. The figures \$450 000, \$170 000 and so on do not take into account the capital costs, which appear elsewhere; that is just for the operational costs.

**The CHAIRMAN:** I refer to the first dot point on page 461. The Lions Club in Albany had to build its own respite centre. Admittedly, it received money from the government for that. It is very important to have respite centres in regional areas. I am not having a go at the city members. Are there any plans to build a respite centre in Albany?

**Dr R.F. Chalmers:** The responsible minister will be announcing the locations of the facilities sometime soon. I would not be at liberty —

**Dr K.D. HAMES:** He has already stated that one more is planned for the metropolitan area. Is that the only one that is planned?

**Dr R.F. Chalmers:** There is another regional location and three metropolitan locations. I will add that an announcement was made recently that a sixth respite facility will be constructed in Bunbury. I cannot comment on the locations of the others.

**The CHAIRMAN:** I wondered whether it would be built in either a National Party or a Liberal Party seat. I know it will not be built in a Labor Party seat.

**Mr F.A. ALBAN:** I also refer to page 461. Dr Chalmers has mentioned the respite facilities in Broome and elsewhere. I am interested to know how much funding will go into the rural services under the government's agreement with the National Party.

**Dr R.F. Chalmers:** The funding that the commission allocates is not funded on a regional basis. We do not allocate various amounts to different regions. We provide funding on the basis of individual need. By looking at the needs of individuals, families and carers within their local communities, we apply the programs and dollars. It is not possible to say what the allocation is for particular regional parts of Western Australia. However, well

over a quarter of the dollars that are made available to the commission find their way to regional areas via various programs.

**Ms L.L. BAKER:** I refer to the significant issues impacting on the agency on page 460. The factors that are impacting on demand include the changing and increasingly complex support needs of a growing number of people with disabilities as they age; the growing life expectancy of people with disabilities; and the increased survival rates of people with severe and profound disabilities as a result of improvements in medical technology. Does the minister have the figures for the growth rate in demand or any modelling on the future demand?

**Dr K.D. HAMES:** The comments made in the budget about increased survival rates of people with profound disabilities and their growing life expectancy are absolutely true. Recently, the Deputy Leader of the Opposition and I were at a palliative care function and we heard about people with chronic disabilities. The average life expectancy of people with cystic fibrosis today is 30, whereas previously most people with cystic fibrosis used to live to only 20, if they were lucky. People with cystic fibrosis, motor neurone disease and other acute illnesses are living longer than they have before, with support. There are huge carer requirements. I will be interested to hear Dr Chalmers' answer.

**Dr R.F. Chalmers:** The commission relies on good modelling on the future need. Recently it was recognised nationally that we do not have good, robust demand data that can be rigorously applied to planning on a national basis. The new national disability agreement that was signed binds the states and territories with the commonwealth to engage in a major program to look at population benchmarking and demand data across the nation. We are engaged in that process. Some of the best minds in our policy division are playing a leadership role in that area. It is fair to say that in each state and territory it is not as robust as we would like it to be. Another dimension to this is that some of the demand appears out of the blue. Every time we have a major funding round, people step forward who had not been known to the commission at all and who might have been living quite happily within their own communities. At each funding round new people present with particular needs.

**Ms L.L. BAKER:** Does the minister have the latest figures?

**Dr R.F. Chalmers:** It depends on what the member is focused on. The figures for accommodation are very different from the figures for children who require early intervention, and there are figures for the people who put up their hand for local area coordination. In some of those cases, the response is almost 100 per cent.

**Ms L.L. BAKER:** Perhaps the minister could pass on the available information about that. That would be very helpful.

**Dr K.D. HAMES:** We need to determine whether the member wants that information as supplementary information. I must first determine whether that information is available.

**Dr R.F. Chalmers:** Yes. A similar question was asked last year and we provided that as supplementary information.

**Ms L.L. BAKER:** I was not here last year!

**Dr K.D. HAMES:** We are happy to provide that as supplementary information.

**Ms L.L. BAKER:** I would like information on the range of demand indicators that are used and what the measures are.

**Dr R.F. Chalmers:** Can we clarify the particular program area that we are looking at?

**Ms L.L. BAKER:** Therapeutic and residential. Would that be possible?

**Dr K.D. HAMES:** I understand the problem. We will agree to provide further information on categories of people with disabilities. We will try to provide the member with the same information that was provided last year. It will be updated, of course.

*[Supplementary Information No B30.]*

**Mrs L.M. HARVEY:** Half an hour is not enough time for this portfolio. The last dot point on page 461 refers to the 100 additional early childhood intervention places and increased disability professional services. Can the minister explain more about what that is and when that program will become active?

[7.50 pm]

**Dr R.F. Chalmers:** This is an expansion of existing programs that the commission provides. The commission runs its own early intervention services but also funds a range of non-government agencies to provide early intervention services. Some of those are focused on children with autism, some more generally around children with developmental delay. This additional funding will allow us to not only expand the number of places that are available within those services, both non-government and our own, but also increase the intensity of the support

that those children receive in the early years. We are very much focused on those early years of intervention, picking up children as soon as possible when their particular problems start to arise and intervening as early as we possibly can. The school age is similar so we fund non-government organisations to provide school-age services for children. Again, this additional funding will allow us to increase the intensity there.

**Ms L.L. BAKER:** Picking up on the role of NGOs, I noted on page 466 of the *Budget Statements* that some very good increases in funding will go into grants and the like. I think the service increases from \$306 million in 2009-10 up to \$403 million in 2011-12. That is impressive. Clearly, there will be a reliance on the non-government sector in order to meet that extra demand. What extra increases will the non-government sector be taking on? What proportional increases does the minister have in mind for it? That begs the question about the problem that we have with NGOs and the salaries that they are paying workers compared with the salaries that the government pays, which are much, much better, and that then goes to the ability of NGOs to contract with the government to deliver services because they cannot get staff.

**Dr K.D. HAMES:** I will hand over to Dr Chalmers.

**Dr R.F. Chalmers:** The first part of the question was about the dollars that will be flowing to non-government organisations. It will almost be 100 per cent. The commission has no intention of growing its own services over this period. In many regards that mirrors what we have been doing over the past few years. We have a very large and growing non-government sector. The disability non-government sector is bigger than all other human service non-government sectors combined. We are very proud that we have a very strong and robust non-government sector.

The second part of the member's question regarding the capacity that exists within non-government agencies to make sure that they can attract and retain staff is very much at the forefront of our mind. Because we rely so heavily on non-government organisations, it is a big issue. We are very pleased that the indexation rate that has been made available starting this year will give non-government organisations a significant boost in their capacity. Close to \$10 million will become available starting this year.

**Ms L.L. BAKER:** With respect, that is four per cent and the wage difference between the government sector and the non-government sector is significantly more than that. If we take each agency and add the indexation, it will not make a huge difference.

**Dr R.F. Chalmers:** We have been looking at this very closely. We are not comparing apples with apples here with the non-government sector because a range of advantages apply to workers in the non-government sector that do not apply to government workers. Putting that to one side, in the disability sector, starting in 2007 with the indexation that was available there, a \$33 a week increase that came on top of that indexation, indexation last year and this year's \$10 million, all up we are talking about a significant capacity within our non-government agencies to give a decent pay rise. We have estimated that come July this year, at least another \$30 will be available just for direct care workers that could be applied immediately in our non-government sector.

**Ms L.L. BAKER:** Is that happening? Is that being passed on?

**Dr R.F. Chalmers:** We are certainly making that money available starting next year. We cannot dictate to every non-government organisation how they will use that indexation. We are strongly encouraging organisations to apply that money. The formula that is applied is 80 per cent for wages. We want at least 80 per cent applied to wages for those workers.

**Dr K.D. HAMES:** We fund NGOs as well. We do not dictate those fees. The increase in the amounts that have gone to those agencies in my portfolio has been about the consumer price index increase per year. The increase has been in the order of only three to four per cent per year. That has given them no real capacity to increase their wages. We do not have significant increases. Given that I am increasing the funding to some of my NGOs—we jointly fund some of those same NGOs—I hope Mr Chalmers will tell me which organisations he will increase funding to so that I know in my portfolio.

**Dr R.F. Chalmers:** I wish to add that the commonwealth government agreement that we signed recently has seen the commonwealth step up to the mark. Whereas in the years up to now we were getting one per cent to 1.5 per cent indexation, we will have the capacity to mirror the four per cent indexation that the state is providing. Again, that gives us a lot more capacity.

**Mr A. KRSTICEVIC:** Further to that question, how will that help assist increasing access for Indigenous Australians?

**Dr R.F. Chalmers:** Over the past couple of years the commission has focused very much on this issue of how responsive we are to the needs of Aboriginal people with disabilities, their families, carers and so on within the communities. To answer the member's question directly, that indexation will apply across the state so agencies that have a particular focus on Aboriginal people with disabilities will be accessing that same level of top-up. The commission is heavily involved in a range of programs that make our services more responsive to the needs

of Aboriginal people regionally and remotely. We are extending our reach into remote areas. There is a lot happening on that front.

**Mr A. KRSTICEVIC:** Are there any other differences between this new agreement and the previous commonwealth agreement? Have any other things been added to it, apart from that indexation?

**Dr R.F. Chalmers:** The national disability agreement is significantly different in its scope and parameters from what existed for many years before the previous agreement, known as the Commonwealth-State/Territory Disability Agreement. It has a wide range of additional features. Apart from growth funding and indexation, over the next few years WA will be receiving its proper share of funding—an equitable share based on population. That was not the case under the previous agreement. It has a range of funding focus areas. It also has a range of commitments that we have to meet around population benchmarking and quality measurement to make sure that our services are up to the mark. It is a very complex document but it is a good document.

**Mr A. KRSTICEVIC:** It sounds like a good outcome.

**The appropriation was recommended.**

*Committee adjourned at 7.58 pm*

---