

**STANDING COMMITTEE ON ESTIMATES AND  
FINANCIAL OPERATIONS**

**2016–17 BUDGET ESTIMATES HEARINGS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
TUESDAY, 14 JUNE 2016**

**SESSION THREE  
DISABILITY SERVICES COMMISSION**

**Members**

**Hon Ken Travers (Chair)  
Hon Peter Katsambanis (Deputy Chair)  
Hon Alanna Clohesy  
Hon Rick Mazza  
Hon Helen Morton**

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**Hearing commenced at 3.46 pm**

**Hon DONNA FARAGHER**

**Minister for Disability Services, examined:**

**Dr RON CHALMERS**

**Director General, examined:**

**Ms SIMONE SPENCER**

**Executive Director, Policy and Planning, examined:**

**Mr MATTHEW RICHARDSON**

**Acting Director, Finance and Business Support, examined:**

**The CHAIR:** On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. Can each of the witnesses confirm that they have read, understood and signed a document headed "Information for Witnesses"?

**The Witnesses:** Yes.

**The CHAIR:** Thank you. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Agencies and departments have an important role and duty in assisting the committee to scrutinise the budget papers and the committee values your assistance with this.

**Hon STEPHEN DAWSON:** Page 7 of budget paper No 3 makes a reference to the agency review process having been extended as part of this budget, with a 3.5 per cent savings target to apply to a further 54 agencies. When we turn to page 152 of the same document, the Disability Services Commission is listed as number four on that agency list, and it details its savings measures to be implemented from next year of \$12.1 million, and totalling \$37.1 million over the three-year forward estimates. Can the minister explain how these savings measures will be implemented and has the DSC done preliminary work in this regard?

**Hon DONNA FARAGHER:** I will refer to Mr Richardson to answer that in terms of some of the savings measures.

[3.50 pm]

**Mr Richardson:** The agency expenditure review targets as in budget paper No 3 have been allocated to the commission in the budget paper. They are not actually in the commission's budget papers yet. The commission has until April next year to work through the review process and identify how the savings will be found. We have commenced the preliminary work, which involves a list of all the programs the commission currently delivers—we have to provide that to Treasury. But that work is very preliminary and we are not yet able to identify what services, if any, will be affected to achieve those savings.

**Hon STEPHEN DAWSON:** Can the minister guarantee that no funded service provider will be worse off as a result of these savings measures?

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**Hon DONNA FARAGHER:** I will ask the director general to make a few comments.

**Dr Chalmers:** The amount that is funded to the 175 non-government organisations that the commission is currently in contract with varies from week to week, month to month, year to year, because the vast majority of all of the funding that flows for disability services now is funded on an individual basis. The question was: will there be any reduction in the amount of funding that flows to organisations?

**Hon STEPHEN DAWSON:** Or can a guarantee be made that there will not be a big reduction of funds to those services?

**Dr Chalmers:** No. The savings measures will be coming from other parts of the commission's operations.

**Hon STEPHEN DAWSON:** Thank you. Back to the earlier question. The agency has until April next year to submit suggestions to Treasury. My understanding is that this \$12.1 million will not start in 2016–17. Will it start in 2017–18?

**Dr Chalmers:** Yes; that is true.

**Hon DONNA FARAGHER:** In 2017–18.

**Hon STEPHEN DAWSON:** Thank you. I turn to page 841 under “Independent Living Support”. There is probably no real need to turn to that page. I am going to ask a question using that line item. Actually, you could, because the estimated funding required for independent living support was below the budgeted figure. How were savings made? I will ask another question and you can answer them both together. Respite is an important part of the care and quality of life delivered to people with disability and their families. I have had some contact from constituents advising me recently that they have previously been able to access respite funding for family support and that can be used for travel and accommodation costs, but they have told me that that has ceased. Why is that flexibility not there anymore? Does the DSC allow for special consideration to be given to families in certain circumstances?

**Hon DONNA FARAGHER:** I will ask the director general to say a few words, but I understand there is now greater flexibility than there was before. I am interested to hear if you have some specific examples and will obviously take that separately, outside the chamber, from the discussion we are having now, but I will ask the director general to say a few words.

**Dr Chalmers:** The first thing I will say is that the total amount of funding directed towards family support and respite has not decreased; it has actually increased. But the way people access that type of support and the way they want to access that type of support has changed and will continue to change. In times gone by, people have tended to be directed towards block-funded traditional respite, a lot of it out-of-home respite; whereas now, in a more individually planned and individually funded environment, people are building in the support, the breaks, the respite that they want designed the way that suits their particular needs. If there is a sense that there is less happening in that traditional area, I imagine that is correct, but the actual availability of respite targeted to the needs of the individual family has not reduced at all; in fact, it has increased.

**Hon STEPHEN DAWSON:** I give you a specific example. I have a copy of a letter from Avivo to one of my constituents. Quoting from the letter, it says that in the past, Avivo has provided funds to families to assist them with the travel and accommodation costs of a holiday. The Disability Services Commission has advised us that family support funding can no longer be used to fund accommodation or travel. That is what the letter says. Is that true and why? If you answered that previously, director general, please tell me again; I was not listening properly.

**Dr Chalmers:** I am totally unaware that there has been any change in our current policy, so I am happy to follow that one up.

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**Hon DONNA FARAGHER:** If you are happy to provide us with a copy of the letter, we are happy to follow it up for you.

**Hon STEPHEN DAWSON:** I will not give you the letter now, but I will do it through proper channels, minister; thank you.

On page 840, “Residential Services”, I note that the disability justice centre is not mentioned in the budget papers, obviously because there have been no changes. However, I have a few questions about it. Can the minister please answer the following questions? I will ask the four, minister, because it probably makes sense to answer them all at the same time.

**Hon DONNA FARAGHER:** Sure.

**Hon STEPHEN DAWSON:** What is the anticipated number of residential clients in 2016–17 or what have you budgeted for? Under what cost centre does expenditure for the disability and justice centre fall? I am aware that 22 staff work at the disability justice centre. How many of those staff are required to directly look after the two clients who have been resident this financial year? Fourthly, I understand that during Assembly estimates, it was stated that the two resident clients had been transferred from the centre for a period. Can the minister advise where those two residents were relocated to and when will they be back at the centre if they are to go back to the centre?

**Hon DONNA FARAGHER:** I will make a couple of comments but there are some specific parts that I will refer to the director general. In terms of the anticipated number of clients, that is obviously dependent on a couple of factors. There are two at the moment but it is dependent on the Mentally Impaired Accused Review Board, obviously, advice through to the minister and approval in that regard as well. I cannot give you an anticipated number because there are other factors beyond, I suppose, the Disability Services Commission’s remit to answer that. In terms of the cost centre and the number of staff, I will ask the director general to say a few words on that aspect. But with respect to the two who currently reside at the centre, yes, you are correct. You will be aware that there is an upgrade being undertaken at the moment of the fence, as well as some other measures. It was taken that it would be appropriate that the two residents leave the site for that period of time. I hope that means the work can be done more quickly. I am not sure whether it is appropriate for me to indicate their exact location, but I can say they are in a low-security prison setting and they still have access to leave of absence as they were previously able to do while at the centre. They will obviously return to the centre once those security upgrades have been completed. But I will refer to the director general, who might be able to provide some more specific detail on parts 2 and 3 of your question?

[4.00 pm]

**Dr Chalmers:** Part 2 of the question was: in which part of the budget are the other costs of the funding for the centre located? It is under “Community Living Support” because it is a type of community living. Staffing varies from roster to roster depending upon whether it is overnight. Less staff are required overnight because residents are actually secured over that time, but typically during the course of the day, we are looking at four direct-care staff when there are two residents in the centre—but of course that varies. If we had more residents in the centre, then you would expect that staffing to increase slightly. That is why the budget is flexible and is also linked to other disability justice services that the commission performs.

**Hon STEPHEN DAWSON:** If I may delve into that a little deeper. In next year’s budget, how much under “Community Living Support” has been set aside for the disability justice centre with the two residents that we have now? Say we only have two residents next year, I am presuming that you have a base amount based on those two, or a base amount based on each person in there, and then you would go back to Treasury—or there is an agreement with Treasury that the more residents in there, the more funding you might get for those? Is that correct?

**Dr Chalmers:** No. We have a budget set aside of \$2.5 million, but that \$2.5 million is not just for the centre. There is an interaction between the disability justice centre and the disability justice service that we run which includes prison in-reach. It also includes a range of other diversion arrangements in the community. We deploy staff flexibly between the centre and those other services that we operate. I think at last count we had something like 79 other people with intellectual disability or cognitive impairment who benefit from those services either as support under prison in-reach or within the community itself. It is a flexible resource and that is how it was designed from the start, so that if we have low numbers in the centre at any point in time, we can deploy that resource into the community or into prison for periods of time; and if there are higher numbers of people in the centre, we would divert some of that resource back into the centre.

**Hon STEPHEN DAWSON:** By way of supplementary, can I get a list of job titles for each of those staff who work at the centre?

**Hon DONNA FARAGHER:** Yes, we can.

[*Supplementary Information No C1.*]

**Hon STEPHEN DAWSON:** Minister, you partly answered my question in relation to the two residents who have been resident there previously. Are they both on leave of absence, which means they are both back out in the community, or have they been transferred to another facility?

**Hon DONNA FARAGHER:** No. Sorry, you might have missed the first part of my answer. They have been transferred to a low-security prison setting. I will not indicate which prison that is, but it is a low-security prison setting. That is where they are based. However, as they were able to do at the centre when they were residents there, they are able to undertake approved leaves of absence. That is still continuing despite the fact that they have moved to a different setting. That is determined through the mentally impaired accused board.

**Hon STEPHEN DAWSON:** If I can turn briefly to page 837 of the *Budget Statements*, “Significant Issues Impacting the Agency”, I want to ask some questions about non-government disability sector organisations that have been funded under the block funding scheme, or block funding, whatever the word for it is. Those agencies that have been receiving block funding up until now, when will they cease getting block funding or has that actually stopped already?

**Hon DONNA FARAGHER:** I will ask the director general to respond.

**Dr Chalmers:** We signalled to the sector probably three to four years ago that we were moving away from a block funding environment around the time that the National Disability Insurance Scheme was agreed nationally. We have been working over that period of time with the organisations that had block funding. There is a fair degree of variation across those services. For instance, there were a significant number of organisations that provide recreation support for people with disabilities. Two years ago we worked with those organisations to make it very clear that they needed to change their business model from a block funding environment to a highly individualised environment because that is how the dollars will flow through the NDIS. We also made it very clear that we were able to provide them with some transition funding so that they could change their business models to make that transition from one form to another. All those recreation providers will effectively change their model on 30 June this year, but we have done that in a 50–50 split, so even into next year they are still allowed to operate on 50 per cent of what they had before on block funding, because we recognise that they are still in transition to a highly individualised approach. I am pleased to say that they have embraced that change and taken our money to be able to adjust their systems and business models to move with the times. That is the way we have done it. So far, it has been quite successful.

**Hon STEPHEN DAWSON:** By way of supplementary, can I get a list of those agencies that are captured by this issue essentially? Can I have a list of agencies, what they were funded previously and what their 50 per cent will be in 2016–17?

**Hon DONNA FARAGHER:** Yes, we can provide that.

[*Supplementary Information No C2.*]

**Hon STEPHEN DAWSON:** One organisation that has been brought to my attention by a number of constituents is Riding for the Disabled. That organisation is obviously affected by this issue. I am aware that some families who have accessed this service before have paid a certain amount of money. However, as a result of this change, they are now faced with paying a significantly increased cost to allow their son, daughter or loved one to access the service. It might be fine if you live in a trial area and the increase would obviously be paid for, potentially, under your package, but for families who are not in trial areas, it does seem to be unfair that they are not getting any increased grant or assistance from the state government or the Disability Services Commission; however, they might be paying three or four times more to access the service. Is there a way around that, and what can I say to those people affected in that way?

**Hon DONNA FARAGHER:** I will refer to the director general. What I can say is I am also aware as I have also received representations from some in the community regarding the Riding for the Disabled. It is one of those challenges with any organisations when there is quite a significant change to the way funding that was previously provided, but I understand that the commission has been working with them—but the director general might add to that.

**Dr Chalmers:** Just generally, Riding for the Disabled was one of those organisations I was referring to before that we used to block fund as a recreation service. Three or more years ago, we clearly indicated that they had to change across to the new environment. There was high anxiety at the start of that because they were so used to funds flowing in a block grant. I am pleased to say that recently they have indicated that they are making a significant change to make their model suitable to operate within a highly individualised NDIS-type environment. You are correct in saying that people in the NDIS trial sites may have dollars made available within their individual plans if in fact recreation support of that type is deemed to be reasonable and necessary, but it may —

**Hon STEPHEN DAWSON:** I think, for some people I am aware of, it has been, but for others it might not have been.

**Dr Chalmers:** Yes, but it may not, and that is part of the planning process. There are people in trial sites who have chosen other recreation activities or other supports there as well. In the non-NDIS trial sites we are moving as quickly as we can to fund individuals, so even outside of the NDIS environment. Again, if people have plans developed that have supported riding in their plans as well, those dollars will continue to be available for people as well. But if there are some people who were not able to be funded through the block arrangement that was there in the past, I am happy to find out who they are. It is possible that that is the case, because, in a way, those individuals were brought into the service based on whom Riding for the Disabled wanted to support. Now, we know who the individuals are, and I suspect some of the people who were being supported were not actually people who will end up becoming eligible for the NDIS. The change has brought about some intended and unintended consequences in that transition.

[4.10 pm]

**Hon STEPHEN DAWSON:** I think that some of the families that have contacted me would be eligible for the National Disability Insurance Scheme. For some families and some individuals, it is not just a recreational activity; it is actually a form of respite for families, too. It might be a couple of hours a week or whatever, but it is an opportunity for those families to go and do something else—do a bit of shopping or whatever else. It does not seem unfair that it is only being treated as a recreational activity and it is not being recognised as a respite-type activity as well.

**Dr Chalmers:** Can I just add that the actual quantum of funds around recreational support has not diminished; it has actually increased. It is how it is being individualised and made available for people that is changing here.

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**Hon STEPHEN DAWSON:** Through the minister, director general, do you want to comment on the point that I made that it should be treated as a respite-type activity and not simply a recreational activity? What is the agency's view on that point?

**Dr Chalmers:** Clearly, it provides both. It provides a range of benefits; there is no doubt about that, as do many other recreational activities that find their way into individual plans now as well. But that is right.

**Hon STEPHEN DAWSON:** Can you tell me today that it simply will not just be treated as a recreational activity, but the agency is happy to consider it as a form of respite, too? I take your point that it is a recreational activity, but it can be recognised as respite. Some people might not get recreational activity signed off in their plan; however, respite is, or potentially should be, signed off in their plan for some people.

**Hon DONNA FARAGHER:** Are you saying that in that instance that plan would allow, from a respite perspective, the utilisation of Riding for the Disabled or another organisation?

**Dr Chalmers:** In fact, if I could add one more point, under an NDIS approach, the focus is very much on what are the goals and what are the outcomes that we are trying to achieve around the person with a disability. But there is absolutely no doubt that in shaping up a plan to achieve those goals and objectives, the strategies that are used clearly can have a respite effect or a beneficial effect for the family or carer; there is no doubt about that.

**Hon LYNN MacLAREN:** I understand that at the beginning of this year there were still 7 000 young people with disabilities who were in aged care; for example, people who are suffering MS. That is across Australia. How many young people with disabilities in WA are in residential aged care and is there a transition strategy? Does the NDIS provide us with an opportunity to find more appropriate facilities for those people?

**Hon DONNA FARAGHER:** I will ask the director general to say a few words. I understand that at the moment we are currently aware that there are 63 young people—well, who are 50 years or younger—who reside in aged care or similar accommodation. Certainly, I, as minister—and I know the commission is as well—am of the view that it is not the appropriate location. I think there are a range of factors, though, as to why, on occasion, a particular individual may find themselves there. There is some decision-making by the family, I would say. With one individual there are a number of reasons for that, but I think that it is fair to say that we, as a government, have provided funding for appropriate housing to, I suppose, reduce those numbers. But I will ask the director general to make a comment as well.

**Dr Chalmers:** My general comment is that we have been in a much better position in Western Australia than any other state in the country in terms of how we have attempted to keep pace with the demand that exists to keep people out of inappropriate accommodation who should not be there, but also to assist people to exit inappropriate accommodation. The 63 people, though, are people that we have in our sights. Eleven or 12 of those people are currently in the Quad Centre and dollars have been set aside for those people, and we are in the process of planning and working with Health for the transition of those people back out into the community. But some of those 63 are also people who we border on harassing to try to get them out, but their family members are saying that they want them to remain where they are. A classic example is some people in regional towns who would much rather have their son or daughter living in the same street in the aged-care facility, rather than having them somewhere else, significantly away from them in some other town or regional centre. So it is a complex issue. We are on top of this; we are not happy with the 63. The other thing that I would mention is that these are not people in their 20s; they are not young people. Most of the 63 are people who are closer to 50 than they are to 20 or 30.

**The CHAIR:** I think the minister thinks that that is still young!

**Hon LYNN MacLAREN:** How many would be under 20?

**Dr Chalmers:** I am not sure that we have any under 20 at the moment. I would need to check on that. But not so long ago, there were none. The other thing that was mentioned is that clearly for the people who are in the NDIS trial sites, this becomes a non-issue, unless the individual and their family want them to stay where they are in the aged-care facility, and we cannot force them out.

**Hon LYNN MacLAREN:** Thank you. You mentioned that some of them were in the Quadriplegic Centre. That was one of my other questions, which was really whether there is a specific amount of funds available for people who are exiting the Quadriplegic Centre after they have had their initial rehabilitation and they are wanting to integrate or go into other accommodation. Is there a specific amount of funds available for that, because that will be an ongoing need?

**Dr Chalmers:** The \$9 million over four years is part of that solution. Some of the people that we are planning with in the Quad Centre will be accessing some of that resource, but others in there as well have managed to be prioritised through our other centralised funding process—the combined application process. There are two funding streams available. I was working with the director general of Health on this only last week, looking at, in the changing environment of the Quad Centre, how we can make sure that the 55 people that are currently in the Quad Centre can be involved in an individual planning process that would replicate the NDIS so that we are facilitating that transfer out.

**Hon LYNN MacLAREN:** That is great. My last question is regarding systemic advocacy. I understand that the funding has been removed from that area. Would you fill me in?

[4.20 pm]

**Hon DONNA FARAGHER:** It has actually increased from \$1.9 million to \$2.2 million. It has increased, not decreased.

**Hon LYNN MacLAREN:** Where is that in the budget papers?

**Dr Chalmers:** It is included in service 7; that is where the funding is found. But it is probably worth a mention or two about the context here.

**Hon LYNN MacLAREN:** Yes, please.

**Dr Chalmers:** Two years ago, we embarked on a reform of the disability advocacy sector because we were not convinced that it was providing value for money and there was an unfairness in the system about who could access advocacy support. Two years ago, we worked with the nine funded advocacy providers on a reform journey. That has now been consolidated into five organisations that are offering statewide reach, so it is a fairer system overall. We have increased slightly the funding that is in there, but the original question you asked was about systemic advocacy. In the reform process, we moved quite intentionally towards the vast majority of those funds being made available for individual, independent advocacy knowing that people entering the NDIS would need support at various points in that journey from are you eligible, in the planning process, linking to services, review processes and so on. We have refocused the advocacy there, but we recognise that systemic advocacy is still important and that we are going to be funding that through a grants environment based on specific systemic issues rather than just offering a block grant to an organisation and saying that it decides whatever causes it wants to run with at a point in time under the banner of systemic advocacy. The money has not been reduced; in fact, it has increased. But I think we are going to get better value for money out of the whole thing.

**Hon LYNN MacLAREN:** Can I get some details about the grants—what is available and how they are distributed?

**Dr Chalmers:** Yes.

**Hon LYNN MacLAREN:** Obviously, that is the kind of funding that would be adjunct to an organisation's other duties. Systemic advocacy is sometimes a speciality. An organisation does not run on a grants basis alone.

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**Dr Chalmers:** The organisations that we continue to fund have a service agreement, so there is certainty with the commission. Those five organisations are now in contract with us, but they are also able to apply for grants to take on systemic advocacy roles. They are not excluded from that; in fact, we anticipate that they will be the primary providers of systemic advocacy. We are also in a transitional period towards the NDIS. The dollars that we apply to grants for systemic advocacy in 2016-17 and probably 2017-18 will be out of our current budget. But into the future, the NDIS will have with it an allocation of resource called information linkages and capacity building, which was an old tier-2 concept within the NDIS. It is likely that there will be resource within that pool going forward that will provide the funding available for that. It is a transitional period.

**The CHAIR:** Were you asking for something to be taken on notice in terms of the allocation of grants?

**Hon LYNN MacLAREN:** Yes, details of the grants and the five agencies that are eligible to receive them.

**The CHAIR:** So who is getting the grants and how much they are. I assume that they are locked in over a period of years if it is a service agreement or is it just annual—the length of the service agreement?

**Dr Chalmers:** The service agreements are for a period of time—I am not sure whether it is two or three years—but the grants are specific grants to undertake pieces of work for us. They are not locked in for periods of time.

**Hon LYNN MacLAREN:** Did I understand that the five organisations that have been consolidated down from nine are the only organisations that are eligible to receive those grants or they are likely to receive them and other organisations could apply for those systemic advocacy grants?

**Dr Chalmers:** The latter. If we want a push around disability justice matters or disability education interface, there might be skills within those five organisations or there might be expertise outside of those organisations that we would want to draw upon.

**The CHAIR:** So it is just the grants we are asking for on notice.

**Hon LYNN MacLAREN:** We are asking for the details of the grants scheme—what grants are provided, how does one apply for them? Separately, if you could provide the names of the five organisations that are in the space of providing service agreements.

*[Supplementary Information No C3.]*

**Hon ALANNA CLOHESY:** The commission has made \$7.2 million worth of savings in the 2015–16 year through the transition or privatisation of accommodation services and through greater repayments from clients and through a reduction in workers' comp premiums. That is \$7.2 million over those three areas. Can you break that down for me; how much has been saved in the privatisation of accommodation services, for example?

**Dr Chalmers:** The \$7.2 million saving came from three sources. These were one-off savings that we could return to government.

**Hon DONNA FARAGHER:** I will ask Mr Richardson to provide that detail.

**Mr Richardson:** I do not have the precise details in front of me, but I remember that it was about \$2 million returned from compensable clients and about \$2 million returned in unspent savings due to the accommodation outsourcing process and \$3.2 million for the remainder.

**Hon DONNA FARAGHER:** If you would like to have the specific figures, we would be happy to take that on notice.

*[Supplementary Information No C4.]*

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**Hon ALANNA CLOHESY:** What provision has the commission made in the forward estimates for the repayments from compensable clients increasing? Is there an expectation that there will be a greater number of compensable clients?

**Dr Chalmers:** It is impossible to predict because everyone's circumstances are different. The policy we have had in place for some time is that where people do receive a payout at the end of a court process for compensation for injury where they are left with a permanent disability, the commission seeks to reclaim the costs involved in supporting that person because in most cases that is built into the payout that they receive. But we have no line of sight on who is currently in court processes seeking compensation. That is why this year in the current year we just happened to have a year where more people came to settlement in those compensation payouts. They reimbursed the commission and we had cash that could be returned to government.

**Hon ALANNA CLOHESY:** Maybe I will rephrase my question. What work has been done about the impact on the commission's budget through the introduction of the no-fault insurance scheme?

[4.30 pm]

**Dr Chalmers:** The modelling done around the catastrophic injury scheme was based on an average of 44 people sustaining a catastrophic injury over the course of a year, and that was modelled through to the \$99 increase on motor vehicle insurance premiums. We anticipate that that number of people each year will not be part of our requirement to support those individuals heading forward, but in a way it is a funding stream for those people. If that scheme did not exist, they would probably over time be picked up by the National Disability Insurance Scheme.

**Hon ALANNA CLOHESY:** Or My Way.

**Dr Chalmers:** My Way is the National Disability Insurance Scheme.

**Hon ALANNA CLOHESY:** So—either federally or state. My question is about whether that will have an impact on the Disability Services Commission budget so that where those people are compensable, has it been factored in in the out years to reduce the Disability Services Commission budget?

**Dr Chalmers:** No.

**Hon HELEN MORTON:** I just note significant issues impacting the agency on page 857 and the top two dot points referring to the expansion and extension of the NDIS trial. It does say that the state-run trial will be extended for an additional 12 months on 30 June 2017, but it also says that the same applies for the NDIA trial. I understood that the expansion and extension of the NDIA trial was actually starting after 1 July 2016. Is that correct—on 1 October or something?

**Hon DONNA FARAGHER:** I suppose there are two parts to that. What we announced with respect to the current trials that are currently operating is that they will extend from 1 July this year to 1 July next year—that is for both trials. Then in terms of the expansion, the state trials will be expanded from 1 October, so the additional sites from a state perspective will come online on 1 October and then the commonwealth sites or expanded areas will start from 1 January.

**Hon HELEN MORTON:** So those expansions are not necessarily for 12 months?

**Hon DONNA FARAGHER:** No. It is until 1 July 2017.

**Hon HELEN MORTON:** October. I thought it would be 1 July, that is all. I was just rushing a bit!

**The CHAIR:** You never can rush these things!

**Hon HELEN MORTON:** It is only two weeks away and I was just going to ask the commission how prepared they are, but I know they have got three months.

**Hon DONNA FARAGHER:** We will certainly be prepared for 1 October when the expansion begins from a state perspective at that time. We obviously want to make sure that there was

continuity for those people who are already in the scheme in both trial areas, so that is why the decision was made to extend. Also there was obviously some concern from those who are part of those schemes to see that their funding was going to continue. We wanted to make sure that people were clear that it was going to continue.

**Hon STEPHEN DAWSON:** Can I ask a question about accommodation services on page 837, and in particular I want to ask some questions around the outsourcing of accommodation services? It would not be estimates, Ron, if I did not ask you about this! Minister, it is the first time I am asking you a question about this issue. When do you foresee that the transfer of 60 per cent of accommodation services will be completed? I think with the original time line, the government was aiming to do it within two years, and I think that probably expired last year, so when do you think it might be completed?

**Hon DONNA FARAGHER:** The advice I have is that it is progressing well, but that it is likely to be full transition by June next year.

**Hon STEPHEN DAWSON:** Can I ask by way of supplementary whether you can give me a list of those places that have already been outsourced or transferred—the correct term is transferred?

**Dr Chalmers:** Yes, we can certainly do that.

*[Supplementary Information No C5.]*

**Hon STEPHEN DAWSON:** Minister, one of the concerns that has been raised with me, and I have mentioned it before, is in relation to social trainer positions and those staff who have been trained by the commission to deliver a particular service to people with disabilities. I think there are probably hundreds of people employed at the moment with this training or with this position. Do you, minister, foresee a role for the staff in the public sector in the future?

**Hon DONNA FARAGHER:** I will ask the director general to respond to that, but can I just say that while we are making that transition, it is complex, if I can put it that way, and where there has been perhaps a reduction in non-commission staff—those who have had their transition across—in that regard, I will refer to the director general to provide the detail.

**Dr Chalmers:** When we embarked on this transition process, the commission was using a significant number of agency staff and we also had a significant overtime requirement on our social trainers. As we have been transferring services or individuals out to alternative service providers, what we have been able to do, pleasingly, is reduce our reliance on agency staff and also reduce the amount of overtime that we were requiring our social trainers to undertake. That has brought a number of benefits, including a reduction in the workers' compensation premiums we were paying, because people are now properly rested and so on. We have not reached the point at which we have had to farewell or part company with any of our social trainers. But we said from the outset that it would reach a point in this transfer process where we would have social trainers surplus to our requirements for consolidating our service down to a number of 150 clients in the service. We flagged that over two years ago. Some of our staff have transitioned out into the non-government sector. Recently, 20 of them have taken voluntary severance payments, and that was of their choosing. So we are managing pretty carefully that change of our workforce to make sure that we have the people that we need into the future. But also those people will find their way into the non-government sector; I confidently expect that because that is what is happening now.

**Hon STEPHEN DAWSON:** If I may just follow on from that. Director General, two questions. Do you have a sense of how many social trainers will be surplus to requirements? The second part of my question relates to those voluntary separations you just mentioned. In the last round, how many people across the agency have left as a result of voluntary redundancy? I am happy to take that by way of supplementary information. So, how many have left as a result of voluntary separation and what were those positions? Were they just social trainers or were there other positions as well?

**Dr Chalmers:** Twenty people have taken up that option.

**Hon STEPHEN DAWSON:** So purely social trainers and it is 20 people?

**Dr Chalmers:** Yes.

**Hon STEPHEN DAWSON:** Do you have a sense of how many social trainers may well be surplus to requirements when you do get down to that 40 per cent that you are keeping when the 60 per cent have gone?

**Dr Chalmers:** It will not be a sort of mathematical equation. When we started we had in round terms about 1 000 social trainers or 1 000 staff within our accommodation service. It would have been easier to model it to say if you lose 60 per cent of the service, you lose 60 per cent of your social trainers. It will not be quite that precise, because what we are also doing is taking the opportunity to redesign our own service that we keep in-house, because it was a fairly fixed and traditional model we offered and what we found over the years is that it has become a little less contemporary than the non-government sector. We are remodelling the service, and that might bring about a different staff mix within our own retained service. We are not quite sure yet, but it will be in that range of 500 over the full journey, but some have left us, and we never had the full complement to begin with, because we are using a lot of agency staff and overtime. It is not possible to give a precise number.

[4.40 pm]

**Hon STEPHEN DAWSON:** You have told us the end date is essentially the middle of next year. Do you, minister or, through the minister, the director general, foresee another round of voluntary severances in the next 12 months, or indeed, whether it is another round or rounds; and, if so, how many?

**Hon DONNA FARAGHER:** I will ask the director general to respond to that.

**Dr Chalmers:** When we put out the call for voluntary severances from within our accommodation service, we actually had 219 staff indicate an interest in a voluntary severance package. We made it very clear from the start that that would be a list that we would return to, and we worked very closely with the Department of Commerce in terms of due process to make sure that people were treated fairly in that process. That is where we drew 20, because we could allow 20 to leave our service, but the others will come into the frame as the transition continues.

**Hon STEPHEN DAWSON:** I am aware, at least in one case, that some people with disabilities who were transferred from the DSC to a non-government organisation have now come back. They were in DSC accommodation and they were transferred with a house to a non-government provider, but now they are back in a DSC house again. Minister, can you confirm how many people that has happened to? I am happy to take that by way of supplementary information if you do not have it available today.

**Hon DONNA FARAGHER:** The director general can respond.

**Dr Chalmers:** For as long as I can remember, the Disability Services Commission has always had an emergency response capacity for people who, for a range of reasons, could not stay in their accommodation, in the family home or in their existing accommodation service in the non-government sector. For many years we have had that scenario where people, for a period of time, will come back into our emergency response capacity, and we have three facilities available for that. I suspect you are talking about people that fit that criteria. No-one that I am aware of has come back into our service as a permanent accommodation resident. They are coming in for periods of time. Our positive behaviour staff work with those people to immediately start planning for their return back to their new accommodation service, if you like. I suspect that that is the scenario we have got here, and it is a very small number.

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**Hon STEPHEN DAWSON:** Can I ask, perhaps, if you can just take that away and just check that it is not the case that somebody went across, came back, and is still with us and does not look like going again?

**Dr Chalmers:** I cannot give that guarantee, but I will get you the numbers that have come back for emergency periods of time.

[*Supplementary Information No C6.*]

**Hon STEPHEN DAWSON:** The final question in this area is: how many adverse incident reports have been lodged by disability services organisations following the transition to private providers; and, if so, how many?

**Hon DONNA FARAGHER:** Part of that answer can be given now, and we may need to take part of it on notice.

**Dr Chalmers:** I can say with great confidence that we have received many incident reports from not-for-profit service providers related to people who have left our service, because we receive them all the time, from right across the 175 organisations that we fund, and we also received incident reports from our own services. The same quality monitoring system is in place right across the whole of the sector. There is no change in that. We would confidently expect organisations to be reporting to us where incidents occur in accommodation services, because that is part of our continuous improvement process, and in any year we receive hundreds of those.

**Hon STEPHEN DAWSON:** Perhaps, then, by way of supplementary, if you are able to provide me with a number for adverse incident reports that have been lodged by NGOs following the transition to private providers—so, for those houses that have been transferred, the number of adverse incident reports that have been lodged. Is that doable?

**Dr Chalmers:** We could probably disaggregate that, yes.

**Hon STEPHEN DAWSON:** If it is not too much work.

**Hon DONNA FARAGHER:** I just indicate that we will take that, but if it is quite extensive, we will come back to you.

**The CHAIR:** I understand that. We will take it as supplementary information, but if it is going to take up excessive agency resources, you can let us know that.

[*Supplementary Information No C7.*]

**The CHAIR:** Noting the time, I think we are due to finish now. I might bring it to a close, sadly.

On behalf of the committee, I thank you for your attendance today. The committee will forward any additional questions it has to you in writing after Monday, 20 June 2016, together with the transcript of evidence, which includes the questions you have taken on notice highlighted on the transcript. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of the hearing. Once again, I thank you for your attendance today. A copy of the uncorrected version of *Hansard* should be up later this week so you can get going on the answers. We will leave it at that. Thank you for your attendance.

**Hearing concluded at 4.47 pm**

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