

**COMMUNITY DEVELOPMENT AND JUSTICE
STANDING COMMITTEE**

**INQUIRY INTO ACCOMMODATION AND INTENSIVE FAMILY
SUPPORT FUNDING FOR PEOPLE WITH DISABILITIES**

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 19 FEBRUARY 2014**

Members

**Ms M.M. Quirk (Chair)
Mr I.M. Britza (Deputy Chair)
Mr C.D. Hatton
Mr M.P. Murray
Dr A.D. Buti**

Hearing commenced at 10.08 am**Dr RONALD CHALMERS****Director General, Disability Services Commission, examined:****Ms MARION HAILES-MACDONALD****Executive Director, Funding, Disability Services Commission, examined:****Ms FLEUR HILL****Disability Services Commission, examined:**

The CHAIR: Welcome, Dr Chalmers, Ms Hill and Ms MacDonald. At the risk of telling you how to suck eggs, I am afraid I will have to repeat what we said on the last occasion. The Community Development and Justice Standing Committee is a committee of the Legislative Assembly of the Parliament. This hearing is a formal procedure of the Parliament, and therefore commands the same respect given to proceedings of the house itself. The purpose of this hearing is to assist the committee in gathering evidence for its inquiry into accommodation and intensive family support funding for people with disabilities. I believe you have been provided with the specific terms of reference. I am Margaret Quirk. On my left is the Deputy Chair, Mr Ian Britza; to his left is Mr Chris Hatton, the member for Balcatta; to his left is Mr Mick Murray, the member for Collie–Preston; and, to my right is Dr Tony Buti, who is the member for Armadale. Even though we are not asking you to provide evidence on oath or affirmation, it is important that you understand that any deliberate misleading of the committee may be regarded as contempt of Parliament. This is a public hearing and Hansard will be making a transcript of the proceedings for public record. If you refer to any document during your evidence, it would assist Hansard if you could provide the full title for the record.

Before we proceed to the questions we have for you today, I need to ask you a series of questions. Have you all completed the “Details of Witness” form?

The Witnesses: Yes.

The CHAIR: Do you understand the notes at the bottom of the form about giving evidence to a parliamentary committee?

The Witnesses: Yes.

The CHAIR: Please do not just nod. Please say yes or no because it needs to be recorded. Did you receive and read the information for witnesses briefing sheet provided with the details of the witness form?

The Witnesses: Yes.

The CHAIR: Thank you. Do you have any questions in relation to being a witness today?

The Witnesses: No.

The CHAIR: You have also provided a written submission to us. Is there anything you would like to add or make any amendment to with that submission at this stage?

Dr Chalmers: We sent a submission in on 3 January, and no changes are needed there. We are happy to answer questions, but we also sent in another piece of information to Dr Palmer, I believe, related to some of the procedure elements of the combined application process.

The CHAIR: Yes.

Dr Chalmers: So there are two documents.

The CHAIR: Yes, thank you. Is there any opening remarks that you would like to make, or observations?

Dr Chalmers: Most of what we wanted to put forward against the terms of reference was in that first submission. But a point of clarification is that the accommodation support and the intensive family support no longer exist as programs. A couple of years ago, we moved away from the notion of a heavy focus on programs in how we disburse funds to individuals. We pre-empted, in a way, where the NDIS was going to be moving to. So, while happy to talk retrospectively about those programs, I guess the world has moved on since then.

The CHAIR: Can you tell us what the current state of affairs is, then?

Dr Chalmers: Yes. All dollars that we receive, that find their way out in individual packages, we are calling individual funding. So rather than breaking it down into program purposes, we simply look at individuals in terms of their support requirements and then allocate dollars rather than look at program-based approaches.

The CHAIR: That then begs the question: are the dollars allocated sufficient to be able to provide accommodation to everyone who wants accommodation?

Dr Chalmers: No.

The CHAIR: You are not saying that everyone who applies for a particular level of services is currently getting it? That is what this inquiry is about—there are people who are wanting accommodation, who are not getting it.

Dr Chalmers: That is correct.

The CHAIR: Can you explain how it is that that is happening under your new regime?

Dr Chalmers: Well, the Australian Productivity Commission two and a half years ago identified that right across the nation there is a significant gap between the amount of resourcing that is going into disability services; that is, the demand for services versus the availability of resources, and those calculations are in the public domain. In Western Australia, the calculations basically tell us that 41 000 people are requiring some form of disability service. The Productivity Commission's modelling is saying that, on average, \$35 000 would be needed per person. So you are looking at a spend—with a full rolled-out NDIS—of close to \$1.7 billion.

The Disability Services Commission at the moment has a budget of \$800 million. That alone tells us that there is a gap between one and the other, and successive governments have known this for a long time; we have never had the resources that we need to meet our need.

The CHAIR: The changes you are talking about are how you deliver that limited or, if you like, rationed service?

Dr Chalmers: Yes.

The CHAIR: Rather than whether more or fewer people are going to get that service?

Dr Chalmers: That is right. People were telling us over a number of years that the program boundaries that we are putting around accommodation, intensive family support, alternatives to employment and post-school options were not helpful—in fact, they were restrictive. So, knowing that an NDIS was not going to be using those sorts of program boundaries, we took the decision to move away from them.

The CHAIR: Just before we get on to the specifics, you are speaking as if NDIS is inevitable in Western Australia, in which case that begs the question of why we are having trials, if it is proceeding.

Dr Chalmers: On 1 July of last year, the NDIS started its trials right across the nation.

The CHAIR: Yes, but you are saying that you are making changes anticipating an NDIS will be coming in as a fact.

Dr Chalmers: We started to make changes to this program-based approach before there was even the mention of an NDIS and we started thinking this way. I guess it was fortuitous that when the NDIS started to emerge as a concept, they very clearly were going down the road that we were going down.

The CHAIR: What we are trying to do is get some sort of benchmark, some sort of snapshot, as to the current state of affairs in Western Australia. In a sense, talking about what might happen in the future is a bit of a distraction for us. What we want to focus on is: Who is missing out? Why are they missing out? What are the criteria for those who are able to access accommodation? What is your calculation of what it would take to meet more needs than currently are being met?

Dr Chalmers: All I can come back to is to say that the most recent objective modelling about the gap between current resources and the demand is what the Productivity Commission has come up with and is out in the public domain. But we would need, like every other state and territory, almost a doubling of the resources to meet everyone's need.

The CHAIR: Are you saying that there is no separate calculation in Western Australia and that we are having to rely on the Productivity Commission, which presumably looked at the issue Australia-wide?

Dr Chalmers: That is correct. We simply deal with people who apply for resources from us in discrete rounds; we do not go out and ask the whole population.

The CHAIR: No, but of those who apply, how many are successful initially? How many miss out each time—what percentage?

Dr Chalmers: Okay. Maybe I just need to give a bit of background. It was in the submission. The focus of the inquiry is on two programs that no longer exist, but I guess it is also a focus on our centralised funding allocation mechanism that we have had in place for 13 years or thereabouts, but that is only one funding allocation mechanism. Of the dollars that we get from government, which in the past five years has been quite unprecedented, the growth funding that we have had, we have moved away from allocating through a heavy reliance on the CAP process to a range of other funding mechanisms as well. So, I am happy to talk about all of those different funding mechanisms, but in each CAP round that we have, which is one of those funding mechanisms, there is a significant gap between those people who apply for funding and those people who end up getting funding allocations.

The CHAIR: I am sorry we are simple souls, Dr Chalmers, but what I am trying to determine and what we are really interested in—whether or not that program exists as a discrete program or is tied up in some sort of broader allocation of whether it is respite or other services or accommodation—is the accommodation side of these whole packages. Whether some have a different name or they are assessed the same way, we want to know what the criteria are and if money was no object, what sort of other measures would you put in place? I do not know whether that assists you. Maybe one of my colleagues could assist.

Dr A.D. BUTI: Basically, I think what we want to know is how much money do you have for accommodation globally? Then if that is broken up into different programs, how many people apply globally individually in different programs and how many are successful and how many are unsuccessful?

The CHAIR: You are still running the funding rounds simply for accommodation, are you not? That is still being run?

Dr Chalmers: We are.

The CHAIR: That is what we are interested in. Whether it has a different name or is packaged differently, whether it is tied to other services as well, we do not care; we just want to know about that process.

Dr Chalmers: The reason I am trying to make the point is that it is not just CAP, because it is easy just to look at the CAP process and go, “There’s a number. There’s a number”, but we provide dollars to people through a variety of mechanisms that leads to them in accommodation that they need, not just CAP. So, I am happy to start with CAP.

The CHAIR: Perhaps you can give us a concrete example then of what you are talking about.

[10.20 am]

Dr Chalmers: Five or six years ago we moved towards a totally different approach around what we now call community living support. So we were getting families telling us that they did not need to be part of the CAP process, the centralised mechanism, and that what they were more interested in was smaller packages of support funding so that they could take more control and start to build accommodation support options for their sons and daughters. So we now have approximately 500 people who have used that mechanism to get themselves into appropriate accommodation. The point I am making is: I am happy to give you a snapshot of the combined application process, but it is now only one mechanism that we have for allocating funds around accommodation.

Dr A.D. BUTI: In your submission do you not say that most of the growth you have received in funding is administered through a supervised funding process and you go through that process?

Dr Chalmers: Yes, it is.

The CHAIR: That is what we are interested in.

Dr Chalmers: Sure. Let me paint you a picture of the last full year of the combined application process. That full year was 2012–13. So over the course of 2012–13 we had 1 100 people for individualised funding. Some of that was for accommodation. Some of that was for family support. Some of it was for a combination. That is the total number of people who applied over the course of that year for funding out of the CAP process. Of those, 25 per cent received new funding packages as requested during the course of that year. On top of that, three per cent of those people received an increase in their existing funding, so they had changed needs and required some additional top-up. The important thing to note, though, is that 60 per cent of the people who were unsuccessful accessed a whole range of other supports through a variety of means within commission resources and other resources. Often people say, “Tell us how many people are missing out on CAP” and “Isn’t that not terrible because they’re not getting any support?” The reality is that most people who are applying and do not get an application are supported by a range of other processes.

Dr A.D. BUTI: That is not necessarily what we received in the individual submissions. A couple of the individual submissions would not necessarily say that they miss out on CAP then everything is hunky-dory. So, I am a bit concerned that you think that if you do not get CAP, there will be another available source. There may be in some cases but there is a crisis out there, and to try to soften that, I think, is a bit alarming coming from the major disability services provider in Western Australia.

Dr Chalmers: That is why I started early prefacing by saying it is well acknowledged that right across the nation there is a major gap between dollars available and demand for services. I have been very clear about that.

Dr A.D. BUTI: That is right and that is not your fault, but for you to then say that a lot of people miss out and then go and claim it from other sources—there would be some, but I do not know of a big majority.

The CHAIR: That is really a stopgap or interim measure; it is not necessarily a palatable alternative. It is saying, “Well, in the meantime we at least have these services.” That would be a fair interpretation, would it not?

Dr Chalmers: I mentioned that over the past few years 500 people who have been applying are now happily supported in accommodation arrangements through community living packages that they get from us. It is nothing to do with CAP—quite separate. So, we have been deliberately moving to other mechanisms to have people’s needs met in that process. Can I also say that of the people who are applying—that is, 75 per cent that do not end up with a CAP package that year—my view is that a significant number of those people are not in critical and urgent need, but over the years successive governments have required people to automatically resubmit one round after the other. We have got good advice to say that some of the people who are on that list are simply saying, “Well, maybe I do not need it now, but I’ll just put my name on there and we’ll just see if I get lucky down the track.” That is some of the people that are on that list.

The CHAIR: Sure. That is certainly a criticism that I know was around a decade ago. Has any consideration been given to something like a Homeswest-type priority list, or a list, and so people say, “I’m not going to get it this year, but I now know I am number 4 000 in the list or something and the way the list is going we know that there is light at the end of the tunnel and we’ll get something in five years’ time”, for example?

Dr Chalmers: That has been considered over the 20 years that I have been part of the commission, and successive governments have looked at it and said, “No, we won’t do that.” So these are governments going back into last decade who looked at it. We purposely look at each CAP round as a discrete funding round, because the person who was in a CAP process six months ago is prioritised in terms of criticality and urgency of need. But last week, someone may have emerged in absolute crisis—critical need—so if we were to just say to that person, “You need to go to the bottom of the list there”, we would not be applying the principle of identifying those who were in absolute critical need or urgent need for support. That is why we take each round as a discrete round and prioritise people based on their current circumstances relative to everyone else who applies.

The CHAIR: We will get back to the application process in a minute, but you have had a decrease in funding of \$17 million for CAP from 2011–12 to 2012–13 and I am just asking why that has occurred.

Dr Chalmers: I am not sure where you are reading from.

The CHAIR: I am just reading from some notes that I have got. Funding for CAP in 2011–12 was \$40.3 million and then it is \$23.6 million in 2012–13.

Dr Chalmers: We have had on average, over the past five years, a 14 per cent increase in funding

The CHAIR: I am just asking about CAP funding.

Dr Chalmers: I would need to see where you are reading that from; that does not accord. CAP, again, is not the only stream of funding.

The CHAIR: I know, but this is what we are interested in, Dr Chalmers—okay. Presumably, stuff is allocated to other programs—I know you say it does not necessarily operate the way that it used to but, notionally, there is money set aside for that. I will find you the reference to that in a minute.

The other thing is that a lot of needs are hidden because care might be within the family and then the carers get too old. What projections have you made for future needs, bearing in mind the ageing population?

Dr Chalmers: Again, we draw on what the Australian Productivity Commission has done for the nation, and we know that that is going to rise significantly.

The CHAIR: Have you got any, sort of, ballpark figures about how significant that will be? Presumably, some of these family carers are on your books, but just not needing the accommodation support. Have you got any idea of the numbers or projections we are looking at there?

Dr Chalmers: My understanding from the last CAP round, which was completed fairly recently, is that there were about 20 to 30 people in that category of ageing carer who were applying for CAP funding.

The CHAIR: Sorry, what was that on?

Dr Chalmers: In the last CAP round, I think we were looking at about 20 or 30 people in the list of applicants who were in that ageing carer bracket. But, again, that is why we treat each round as a discrete round because it might well be that an assessment is done—we will get to the process in a minute—where a 70-year-old carer is in relatively better circumstances.

[10.30 am]

The CHAIR: Are those figures from the September 2013 Disability Support Funding Bulletin?

Dr Chalmers: I am happy to give you the detail on that change there, but for the community living side of things, the My Way initiative that was kicked off at the same time, saw a diversion of some of that money, still for accommodation and other purposes over that period of time. The new growth funding that was allocated by the various funding streams for people still in that area of accommodation, family support and so on, for the year 2012–13 was \$48.5 million. Yes, the \$23.6 million, which was through CAP, individualised funding access through community and family living—another \$4.2 million—but, again, had a major impact on accommodation.

The CHAIR: What you have done is disaggregated that figure to say in 2011–12 there were 430 people who received funding through CAP and in 2012–13 there are only 262, but they have been given these other services instead. Is that what you are saying?

Dr Chalmers: That is right, as some of these other programs have kicked in. It needs to be said though that 2011–12 was a spike year in terms of growth, but in each year over the past five years it averages out at 14 per cent growth, which is unprecedented in the history of disability services in this state.

Dr A.D. BUTI: What about the growth in demand? What has been the annual growth in demand?

Dr Chalmers: We do not have a demand growth figure.

Dr A. D. BUTI: Okay. What was the increase in applications?

Dr Chalmers: Well, if you look at the number of people applying for CAP, it does not take into account the number of people who are asking for and getting community living and other supports that are increasing as well.

Dr A.D. BUTI: You have told us a number of times of the increase in funding; and that is fine. I want to know the increase in applications. What is the percentage increase in applications under CAP and under other programs that you may have in regard to accommodation?

Dr Chalmers: Okay, in the financial year 2011–12 there were 1 121 people who applied for CAP. In 2012–13 it dropped, and there were 1 100 people who applied for CAP. In the financial year 2013–14, we are still not there yet, although we anticipate that it will be 1 100 people. So it has flatlined.

Dr A.D. BUTI: Okay, it has flatlined but other people must be applying for other funding, are they? Surely, there would not just be a decrease.

Dr Chalmers: They do not apply for other funding. All those other programs tend to be operated through our local area coordination network. These are smaller packages of funding that, quite

frankly, are doing it for many people. We have examples where people have been on the CAP list for many years, and then we sit down and work out a community living package and they say, “Why on earth have I been sitting on the CAP process for so long? This is meeting our needs quite nicely.”

Mr M.P. MURRAY: Can I just jump in there? A bit further down the line, do you have area quotas, I suppose you would say, or is it totally individual? I must state that I am a guardian, so I understand some of the problems that are there and also the problems where people in the industry are trying to reduce support. Do you have area quotas, such as how many hours and dollars can go in there, for all parts of the state, or is everyone just done on an individual basis?

Dr Chalmers: There are no geographic considerations. This is a centralised allocative mechanism and every person in the state who is eligible for disability services can apply on an equal basis and will have their application assessed using the same processes right across the state. At the time when people are successful, then we have a look at what dollars need to flow and that is when we look at the cost of services in regional areas that might be higher than in metropolitan Perth. In terms of how we treat people, we do not say to the south west, “You have so much money”, and to the goldfields, “You have so much money.” We have never done that—ever.

Mr I.M. BRITZA: Dr Chalmers, we have had some opinions that the application process has been long and complex, and that for many it has been very disheartening, especially for those who have low literacy skills. If this is so, has there been any planning to—for want of a better word—“simplify” the process for these people to apply?

Dr Chalmers: Yes, the process, I would admit, requires people to submit an application. Over the years, we have reduced the complexity of that application over time. I would have to say that in a comparative sense that we are monitoring closely the application process that people are being put through in the NDIS environment now, and this is less onerous than an NDIS application form and assessment process. We have trimmed this down over the years and we have also said to people that if they want to, they only have to do it once. If they miss out on one round, they can just say they want to automatically resubmit; they do not have to resubmit again. We have local area coordinators who are available to assist people in completing these applications and we have 120 disability service organisations that are also routinely assisting people to fill these out as well—that is all they have to do.

The CHAIR: It is said widely—I will not say that it is generally said—that the process encourages people to gild the lily and to exaggerate their level of hardship. If they are unsuccessful the first time, they feel that in resubmitting an application they have to up the ante, if you like. It is also said that families that are quite often close to other families say that there is a fair bit of discomfort about having to compete against others for these limited resources.

Dr Chalmers: That is effectively what they are doing. It is still a rationed system, and people are putting forward the best representation of their current circumstances. So in that sense I guess it is a competitive environment.

The CHAIR: But people are encouraged, if you like, to really up the ante in order to be successful. They thought they had a case of merit, and they were unsuccessful, so on the second or third or fifth time that they apply, they really have to delve into very personal matters, and also, as I have said, exaggerate their difficulty. This has a profound effect on people, because they love their family members, and then they literally have to put in a form saying, “This person is a pest and a nuisance and I can no longer cope with them.”

Dr Chalmers: Can I say also in passing that this is exactly the same issue that the NDIS is dealing with at the moment. It is no different. You are still dealing with people putting forward their circumstances, whether it is on bits of paper or in an interview or something else. Can I also say that for people who submit a CAP application, there is also a triangulation that happens between the

people who look at these applications, and also either a local area coordinator or a disability support organisation would need to verify the integrity of the content of these applications as they are put forward. So I would say with a very high degree of surety that we are not getting people who are gilding the lily—I think was the term you used—in terms of overstating their circumstances. If anything, people are reluctant to put forward a true reflection of some of the pressures that they are under.

The CHAIR: Are people given adequate feedback, or any feedback, when they are unsuccessful, or is there just a letter saying unfortunately they missed out this time around; try again in the next round?

[10.40 am]

Dr Chalmers: No. People can get feedback from the commission, and that happens routinely. Sure, people often get distressed when they get a letter. I have to say that we have refined the content of those letters so many times that I have lost count. But we still deliver a message at the end of the day that says that they have been unsuccessful in that round; and no matter how we write those letters, it still has an impact, I would have to admit. But in terms of feedback, that is always available for people.

The CHAIR: How widely known are the criteria for assessment that the panel uses?

Dr Chalmers: The actual risk assessment framework that is used as part of the prioritisation process is not made public.

Mr M.P. MURRAY: Are you aware that at times, because it is a competitive environment, people may be directed to another stream of funding in lieu of your funding or your support? This is a personal thing, but I have noticed that people are told, “We do not have enough funding here; I suggest you go and apply over there.” So your figures could be skewed, because people are being redirected before they actually get to you.

Dr Chalmers: For many years the commission has been actively involved in assisting people through re-referral to more appropriate funding streams. One that springs to mind is the home and community care program. There are many people under the age of 65 with disabilities who access good quality support out of the HACC program. That is a commonwealth-state funded program and we would want them to be using that program.

Mr M.P. MURRAY: But the problem is that some people will not come up on your radar as a figure because they have already been redirected, and that affects your structure all the way up, because they are not on your books as such.

Dr Chalmers: I imagine that that might well happen. But, again, the commission is not set up and never was set up to note every person in Western Australia who has a disability and who might require services. If people want to establish links to informal supports and want to get to other government agencies or other funding streams, we would not want to stand in their way.

Mr C.D. HATTON: While we are talking about funding and the provision of services, can you explain what you mean when you said that there has been five years of unprecedented growth in funding?

Dr Chalmers: I have a graph here, which I am happy to table, which shows the growth in funding that we have had into the Disability Services Commission over the past 10 years. For the past five years, we never had growth in funding of this level.

Mr C.D. HATTON: Where does that funding come from?

Dr Chalmers: The majority comes from the state government. A small proportion—I think it is currently sitting at about 18 or 19 per cent—comes from the commonwealth.

Mr C.D. HATTON: So there is still limited funding, but there is growth in funding from the state government, and it is all about the provision of service. You have mentioned that 60 per cent of the people for whom you cannot provide that initial funding are getting federal funding for accommodation. Can you explain the other services that are available—those three or four other providers—and can you also explain the community living package so that we can get an idea of what is provided for those people who cannot meet the high-care provision?

Dr Chalmers: I will start at the end and work backwards and see whether I can remember that. We took a conscious, quite deliberate, decision about six or seven years ago to create a new process for people who would otherwise just funnel down the CAP. We did that with the disability sector, and family members were involved in our development of this. These are small packages of around \$20 000 that people can access. But they access it based on a planning process. It is very much about saying, “What are your goals and what are your objectives, and what current support mechanisms do you have in place?” Some people have quite good informal family networks that they want to strengthen and grow upon. A lot of people just need a package of that size to be able to continue to live in the community with a quality of life. That has been very attractive, and it has been successful. As I have said, in a relatively short period of time we now have 500 people who are living in the community and tapping into those packages. A few years after that, we did a similar thing in terms of family support to assist families in their home. Community living has now expanded to be a family-living initiative as well, and we now have hundreds of people who are accessing packages. These are not \$100 000 or \$150 000 packages, as is often the case through the CAP process. I think the average across all of the CAP funding is currently sitting at around \$80 000 per person. These are smaller and more modest packages, but they are certainly having an impact on supporting people.

Mr C.D. HATTON: You said that there has been unprecedented growth in state funding over the last five years. Yet a finite amount of money is available in the scheme of things. Do you think that the way in which the other 60 per cent of people are provided for is working quite well, and are the LACs doing a good job in that area?

Dr Chalmers: I think the local area coordinators are doing an extraordinary job. But if you are asking me whether everyone’s needs are being met, I would say again clearly not. There is still a significant gap. There are still people missing out on needed services.

The CHAIR: A lot of the material that is before us now says that there is still a need in relation to young people with acquired brain injury, for example, or early onset Parkinson’s, who are being placed in aged-care facilities, which is clearly inappropriate. What is happening in relation to that? Previously through COAG, measures were put in place to try to get young people out of nursing homes. What are the numbers we are looking at currently?

Dr Chalmers: Without going into all the history, the young people in the residential aged-care program was a jointly funded state–commonwealth initiative. It ran for half a decade, or thereabouts. The previous commonwealth government then decided not to continue to fund that program and left it to the states to continue to fund that. We have been endeavouring to treat that group as a high priority within the CAP process. But we are still losing ground on that, and that is why as an election commitment the current government has committed to \$9 million in additional growth funding, starting in 2014–15, to assist us to chip away at that number of people who are still not able to leave the hospital system as quickly as we would want them to do.

The CHAIR: Have you got any idea about numbers?

Dr Chalmers: Numbers in terms of the breakdown of those dollars or the number of people who are still —

The CHAIR: Number of people?

Dr Chalmers: It is in the 80s; there are about 80 people, but again, we were meeting all our targets under the young people and residential aged care and we were on top of all of that. That program did two things. Not only did it make money available for people to exit inappropriate settings— younger people under 65—but also it allowed us to stop people going into them in the first place. When the commonwealth government decided to stop funding that, it put a lot of onus back on the state to try to keep on top of that. We have not been, and the \$9 million that starts in a couple of months will be very useful.

Dr A.D. BUTI: You referred to an unprecedented funding increase but you would also agree that the cost of living and cost of accommodation over that period has also increased significantly in WA, so while, of course, the increase is welcome, it probably has not allowed you to expand your services or your reach much more, would it?

Dr Chalmers: I would agree with that and that is where the injection of, again, an unprecedented level of viability and sustainability funding out to our sector—we have never had that before. There was a \$20 million injection a few weeks ago of component 1 and component 2 funding that came out of the \$604 million from the state government to our sector. We got the lion's share of that into disability services. Something like 55 per cent of that \$604 million was channelled into disability services to meet that additional cost of our services as they go by year after year. I have to say that that has had a major impact on our sector and its capacity to meet people's support needs.

[10.50 am]

Dr A.D. BUTI: I refer you back to the September 2013 issue of the "Disability Support Funding Bulletin", which was part of your submission. I have a couple of questions. You stated that the accommodation support and intensive family support programs are no longer in existence. Is that right?

Dr Chalmers: That is right.

Dr A.D. BUTI: When was that the case? I am wondering because you have included it in that figure 2 in the funding.

Dr Chalmers: Yes.

Dr A.D. BUTI: When did the program cease?

Dr Chalmers: We started moving away from program funding in concept in 2012. We started moving away in 2013 from holding CAP rounds on that basis, but we are still reporting back to Treasury until we go through a cycle for Treasury to be able to treat these in a different way.

Dr A.D. BUTI: We have received evidence from other people in respect to your funding bulletin that there has been a decrease in the level of detail that has been provided over time. For instance, there are no longer demographic details of those who are successful and those who are unsuccessful. I do not know whether it is true but if it is true, why has there been that change?

Dr Chalmers: I am happy to table the previous version, which was a very skinny document—it was a page and a half. We are now putting out twice as much information in the current bulletin. This was the last of the old format and it is basically just a table and a bit of narrative over the page. We now put out a four or five-page very comprehensive bulletin that shows all the funding we have put out.

Dr A.D. BUTI: Does it include demographic details of successful and unsuccessful applicants?

Dr Chalmers: No, it does not.

Dr A.D. BUTI: Has it ever been the case?

Dr Chalmers: Yes, it was in the past. But we were finding that people were looking at that and getting a skewed picture of what was happening, because, again, they were just looking at CAP and

a program in CAP and saying, “Oh, there are still 300 people missing out there.” They were not seeing the full picture of what was available to them, so we felt it was misleading.

The CHAIR: It is not directly related to what we are looking at but it is sort of tangential. There is a situation, I understand, where, for example, a lot of the support will be provided by NGOs rather than employees from DSC.

Dr Chalmers: Yes.

The CHAIR: And there are something like, I think, 300 DSC staff—social trainers or whoever—who will no longer be providing that direct support. Is that the case?

Dr Chalmers: The state government has announced a very deliberate transition of 60 per cent of the commission’s direct services out to the non-government sector; that is correct.

The CHAIR: What is the rationale for that?

Dr Chalmers: Readiness for the National Disability Insurance Scheme, which is underpinned by the concept of choice. Many of the people we currently have in our service have been with us for decades and were never given any choice. They came out of institutions and came straight into our group homes. I am on the record as saying that we have a very uni-dimensional service approach and people do not have a lot of choice, so we are gearing up, just like every other state and territory. New South Wales legislated in December to not have any government service. Tasmania currently has no government service in disability. The National Disability Insurance Scheme will require that people have a broad range of service providers that they can choose from.

The CHAIR: Is there a cost differential in that? Will there be any savings to the commission?

Dr Chalmers: We are looking at each person individually, and we are predicting that in some cases it will cost more to support them in the sector and in other cases it will cost less. Until we go on that journey—families will decide what support option they want; some will have their son or daughter living in the same group home in the same house that they want to live in; the only thing that will change is the service provider. Other families, we are hearing, will take the opportunity to look at very different support options, some of them returning to country because our history has been that a lot of people in regional WA with a significant disability had to come to Perth in years gone by. Now they get the chance to head back if they want to with family that are still back out there. We do not know because families will decide the models and therefore the cost.

The CHAIR: There are some cultural impediments certainly for some ethnic communities who are accessing services.

Dr Chalmers: Absolutely.

The CHAIR: Similarly, I know that in the past the indigenous community has been under-represented in terms of service delivery. What measures are you taking and do you believe that deficit will still be there? How are you addressing it in terms of providing quality for life of service?

Dr Chalmers: Are you talking specifically about the transition of our services out to —

Dr Chalmers: No, I am just talking generally about service delivery in the sector?

Dr Chalmers: It is a challenge. We realise that if you look at the clientele of the disability sector overall, it is under-represented in terms of the number of Aboriginal and people from CALD backgrounds. I have in front of me information to show that it is currently running at six per cent of people in our services with an Aboriginal and Torres Strait Islander background, which I guess is over population.

The CHAIR: What about CALD.

Dr Chalmers: We will get that figure for you if you like. I do not know what it is. Can I also say that I think we were one of the first government agencies with a reconciliation action plan. We have

focused heavily around how we need to be doing things better to make services. A program we have internally is called “Getting services right for Aboriginal people”, so there is a heightened consciousness about it. It is sometimes difficult.

Mr M.P. MURRAY: You were saying that people may relocate, I suppose, back to country areas. In a press release in *The Weekend Australian* dated 13 July 2013, these people are called disability refugees who are relocating to qualify. Can I have a comment on that and the statement that disability services minister Helen Morton said that restructuring would see a reduction in accommodation places offered by the Disability Services Commission and transition to non-government organisations again in the south west—that there would be a reduction in the number of places along with these people who are so-called disability refugees. I would like a comment on that.

Dr Chalmers: If we could take the article on disability refugees, they are talking about the National Disability Insurance Scheme. People were speculating that if the national rollout of that scheme is going to take half a decade, some people cannot wait half a decade to get support. They are speculating that people will actually move house—move location—so they can be within one of the trial sites that is happening at the moment. We are gearing up for and putting in an awful lot of effort into making sure that we are ready to go with our NDIS My Way trial in the lower south west region of the state on 1 July this year. We have very good local intelligence and we have nothing to indicate that people will be heading from Perth or any other country area and moving to the lower south west unless they happen to want to live in Margaret River for their own reasons. We do not sense that there will be this migration of people either there or to Cockburn–Kwinana or to the Perth hills. We just do not think it is going to happen. On your other question, which was about —

Mr M.P. MURRAY: The minister’s comments.

Dr Chalmers: All the government accommodation at the moment is in the Perth metro area. We do not have any accommodation outside the Perth metro area. Since forever, accommodation services outside of Perth have been provided by the non-government sector. There will be no change.

Mr M.P. MURRAY: This is under My Way.

Dr Chalmers: We are gearing up for the commencement of My Way and we are working very much hand in glove with the Department of Housing and all other mainstream agencies because there will be a significant flow of dollars into the lower south west starting on 1 July. On day one, 450 people will commence in the NDIS. Many of those people will be getting significantly more support than they have ever had and that will rise to about 1 200 to 1 300 people in the second year. Many of those people will need houses. We have been doing an awful lot of preparatory work around that.

[11.00 am]

The CHAIR: You are using the terms NDIS and My Way interchangeably. I know there was going to be a My Way trial in the Perth hills somewhere. Is that effectively now an NDIS trial? What is the status of that?

Dr Chalmers: The agreement that was signed on 5 August between the then Prime Minister and our current Premier was for two launch approaches. They are now termed trials rather than launches but that is right across the country. In the Perth hills, which will basically be the City of Swan, Mundaring and Kalamunda, a trial model will be operated by the National Disability Insurance Agency out of Geelong. Decisions will be made on that basis in that place. The other approach was to be run through the Disability Services Commission. That will be in two locations—one in the lower south west at the bottom corner of the state and also in the second year expanding into the Cockburn–Kwinana area of Perth. They are similar in approach in areas that they need to be similar in so that it is genuinely a national scheme but there will be fundamental differences between the

model that we roll out on 1 July because we have all said that the relevance of the national scheme does not fit the Western Australian context.

Mr M.P. MURRAY: When does the gap get filled between Busselton and Kwinana?

Dr Chalmers: There are a couple of ways to answer that. The agreement that has been signed between the commonwealth and the state is for a two-year trial arrangement through until the middle of 2016. That is all that has been agreed to. An independent evaluation will be done of the two models. Based on the outcomes of that evaluation, decisions will be made about the future of disability reform in WA. The modelling that has been done across the nation and the National Disability Insurance Agency is working to a rollout time frame through until 2019–20 for the full rollout across the nation.

To answer your question, no-one has decided where the next batch of trial sites will be beyond the current ones. Busselton, Margaret River, Manjimup and Nannup—all that patch—commences fully on 1 July this year. The next year—1 July 2015—we expand into Cockburn–Kwinana, if that helps.

Mr M.P. MURRAY: As you can see, there will still be no change in that middle section, which houses a very large number of people.

Dr Chalmers: And no change in the Kimberley, Pilbara, midwest or metropolitan Perth.

Dr A.D. BUTI: Just turning back to the move to NGOs managing these homes, you mentioned choice. Clients and their families will not have the choice of staying with DSC. I am told that families are being given two weeks to make a decision on NGOs. I know you are shaking your head but this is what I am hearing. There must be some uncertainty out there in the industry. Also, they will not have the choice of remaining with the staff members who have looked after them—some for over 20 years. That is a major concern. Often people with intellectual disabilities need that certainty and they do develop a rapport. That will now be removed in many cases because there is no guarantee that the staff members will stay with the NGOs.

Dr Chalmers: Regarding the first issue about two weeks, that is simply not the case. If that is the message given to families—I know there has been misinformation given to families—we are disappointed about that. Coming from sources that we can just speculate on, that is very unfortunate but that is certainly not the case. We have made it clear to families that they can take as long as they like to make their decision.

Dr A.D. BUTI: Is there any date that that decision has to be made by?

Dr Chalmers: No. We deliberately did not put an end date on this because we are going family by family, person by person. That is where there is a family because, sadly, a lot of the people in our service do not have a family or the family peeled off a long time ago and we are basically it; we are family. We are working with guardians and other bodies around that. All of our practice and messages is people start conversations in a sensible rollout pattern and we will give them as much information as we can. We are even going to be holding an expo soon where they can come along and meet with 120 different organisations that they want. They can take their time to get this right. I also say that the early feedback I am getting from families is positive. Once they can get past some of the misinformation that they are getting, the response has been, “Oh, okay, this is worth a go.” Again, it is back to choice. They have never had it before.

Dr A.D. BUTI: There must be a date when the NGOs are going to take over these funds. It cannot be an indefinite period of time. When is that likely to be?

Dr Chalmers: Informally, we are thinking this process could take up to two years.

Dr A.D. BUTI: What about if the family says it is happy with the move to an NGO but they want to retain their current carer?

Dr Chalmers: That is an interesting position because that assumes that people in our accommodation services have been sitting with the same carers for year after year. Let me tell you the reality. We have 1 000 staff in our accommodation service. The rollover rate per year is about 120 staff. We are constantly changing the locations of staff to deal with staff leaving. It is a dynamic, mobile situation. This notion that people will be comfortably sitting with the same staff year after year is simply not true. We are still this big monolith of a service provider with all of the inflexibility and all of the restrictions. By moving to smaller scale, not-for-profit organisations, we will give people a much better arrangement in terms of the care and stability that they will have in smaller units rather than dealing with 110 houses with 1 000 staff and all of the movement that goes into that. It is not true. When we point that out to families, they say, “Okay, fine; let’s move.”

Mr M.P. MURRAY: I certainly have to back that up. You just get to know the names of some of them, and they are gone, so I certainly understand that. Some of the transitional processes are quite traumatic for the person, but in the main it is done quite well and I do pat people on the back when it is due. But some of the comments about wages, conditions and hours are something I would like to hear a comment on as well.

Dr Chalmers: I was just going to respond to something you said. Your first —

Mr M.P. MURRAY: The transitions?

Dr Chalmers: I have lost that one.

We were very much aware. If we were sitting here a couple of years ago, I would be a lot more concerned about the differential between government service and the non-government service in terms of what wages and conditions are offered out there in the non-government sector. The injection of the viability and sustainability funding that has come in the past two years has made a huge difference. The feedback we are getting from the non-government sector is that they are in a much, much better position now. They are holding on to staff, they are attracting staff and they are far more able to provide attractive packages to their staff in the non-government sector. This has come at the right time for us to be able to move people out to the sector because we are comforted by that.

The CHAIR: If we can just get back to the accommodation issue, in 2007, the Auditor General identified in a report that the CAP process lacked transparency and accountability, and was even regarded as being secretive. He identified deficiencies as including non-disclosure of the criteria used to assess applications, lack of money for feedback to unsuccessful applicants and limited documentation on how applicants were rated. What has been done since that report in 2007 to address those, what I think are very well-founded criticisms?

[11.10 am]

Dr Chalmers: I will take them in order. We looked very carefully at those issues. Inherent in the first one is that we realise publicly all inner workings of our risk assessment framework. We will never do that. Just like the National Disability Insurance Scheme, which has been approached through FOI in the past six months and through legal processes, they will not be releasing any of their inner workings of risk assessment tables because that immediately leads to the potential for people to be doing what you were suggesting before—working towards a particular outcome using those risk assessment tables. Whenever this gets raised, successive governments look at the issue and say, “No way; don’t release the inner workings of the risk assessment side of things.” We looked at what the Auditor General said and we understood where it was coming from, but we did not change.

In terms of feedback, we did. I mentioned before that we now have a far more sophisticated mechanism for people to get feedback on their applications. Some of that is available in a very formal way, but some of it is also back through our local area coordination network. I think the position we are in now is a much better position than we were in back in 2007.

The CHAIR: I understand there might have been a change post-2012, and in fact people are now claiming to have less information than they had in the past. There used to be a graph showing the rating and what have you, and now there is less information contained, according to one of our submissions.

Dr Chalmers: That was the issue I was speaking to Dr Buti about.

The CHAIR: Yes, with the CAP bulletin.

Dr Chalmers: I think what they are referring to is: does it say there were 500 applicants and 200 got it?

The CHAIR: Yes.

Dr Chalmers: No, it does not. But the information provided now is far more comprehensive than it ever was in the past. I suspect they are just looking for that couple of lines in that table there, and for the reasons I have already given, we will not do that.

The CHAIR: You will not put the numbers?

Dr Chalmers: No.

The CHAIR: I am not sure of the reasons. I understand the reasons you have given for not releasing the risk criteria, but the numbers of —

Dr Chalmers: Yes.

The CHAIR: Does it not work two ways? If people are on the margins and they see that they have Buckley's chance and they then explore other avenues, surely releasing that information might be useful?

Dr Chalmers: The problem then becomes that if you say to someone, "You were the next one on the list that did not get funded", because these are discrete rounds, the next round they might go further down.

The CHAIR: Okay.

Dr Chalmers: That serves no useful purpose to anyone, because all of a sudden a sole carer to a person with a significant disability died last night, so they are going to ramp right up the priority list for the next discrete round.

The CHAIR: From what you said earlier, I understand not much research has been done on those who are not accessing CAP funding who might be entitled; in other words, we do not know how many people are choosing not to apply, if you like, because they believe they are not going to be successful. Do you have any sort of —

Dr Chalmers: This comes back to the nature of the Disability Services Commission. Ours is an enabling and voluntary service. We do not, in any way, try to identify every person with a disability across WA. It very much relies on individuals stepping forward and using the mechanisms to seek support from the commission. We just do not have that population-based overview; in fact, the Productivity Commission's report was the closest we have come to an overview of that a couple of years ago.

Mr C.D. HATTON: Dr Chalmers, with the trialling of the NDIS and My Way, do you think that is going to put adverse stress on your staffing, administratively I guess more than anything, to the detriment of those clients who are not on the trials, like for those left over in the Disability Services Commission?

Dr Chalmers: If I can just clarify: are you talking about pressure on our staff versus pressure on individuals in other parts of the state?

Mr C.D. HATTON: Pressure on the staff in administering the trials.

Dr Chalmers: We have been gearing up for this for the past year and we have been restructuring internally within the commission, so the short answer to your question as to whether it is putting additional strain on our staff has to be yes. We have a lot of people working really hard to gear up for the launch of the NDIS—My Way in the lower south west on 1 July. The reality is that the commonwealth had a small army of people working on this for two years. We were given eight months to gear up for this, but I would have to say that we are good to go on 1 July, and we are very confident that it is going to roll out well. I cannot comment on the Perth hills because I have no control over how the national agency is going to roll that out. We are also not allowed to speak on behalf of the national agency either.

It is going to be pressure on the commission to do this. We are, effectively, working in three environments from 1 July. We are working in the lower south west with a new model, we are having to be mindful of what is happening in the hills because they are still Western Australian citizens with disability, and at the same time we still have another 83 per cent of the state who are operating in our current arrangements. It is going to be a tricky time for us.

Mr C.D. HATTON: The second part of that question might be for those people with disabilities who are wanting DSC to provide for them and are not part of those trials. Do you think they are going to be left behind a bit during the trial?

Dr Chalmers: I do not anticipate that to be the case. All I can go on is that, again, over the past five years we have received healthy growth funding from state government and a commonwealth contribution. I cannot speculate on what the budget will be in 2014-15 and beyond, but I have no reason to think that it will not be strongly supported for the rest of the state as well.

The CHAIR: The diagnostic tools for autism spectrum disorder seem to have been refined over the years, so a lot more people are being identified with that and there also seems to be an increase in numbers. Have you done any work on the increase or how you are going to address that?

Dr Chalmers: There are a couple of things to be said there. We were pleased a couple of weeks ago when the commonwealth government decided to focus in on this issue of best practice around assessment and diagnosis of autism spectrum disorders. They have recognised that WA has the most progressive system in the nation for dealing with assessment and diagnosis. They have actually asked us to lead a process that will look at how that will be developed further across the nation. We are pretty chuffed to hear that, quite frankly. Over the past 10 years we have been investing heavily in what we call the diagnosticians' forum, WAADF—WA Autism Diagnosticians' Forum—with eminent people who are looking at international best practice. In terms of standards and practice, we lead the nation here in WA. We are also mindful that we are under pressure to keep pace with the demand that is coming in for assessments. We have allocated some additional cash into that area in the past two years to try to keep on top of that. It is tricky, though, because the rigour that we put into those assessments, as I said, is much higher than the eastern states where, quite frankly, it is in some cases quite superficial. The rigour that is in our process actually requires three different specialists to be doing their stuff and then combining their views: therapists, psychologists and neurologists. That takes time, so it pushes out time frames again waiting for that to happen. We are under pressure. We are conscious of that and we are doing our best to keep pace.

[11.20 am]

Dr A.D. BUTI: In regard to the NDIS My Way trials—I know you will not know this with certainty—do you think that it actually might place increased demands on your services and resources in the sense that people who may not have applied now will apply for accommodation funding, with the greater publicity and so forth?

Dr Chalmers: There is no doubt about that. At the moment we are currently providing support for—I think it is—23 500 people per annum, and the modelling for the NDIS is that there will be

41 000 people accessing some sort of formal service. A lot of those people will not require 24/7 accommodation. In fact we believe that will not be a large part of that growth. A large part of the growth will be people who require more modest supports. But yes, if we end up operationalising the NDIS through the Disability Services Commission, we are going to need teams of people on the ground to be able to make that happen. For instance, in the lower south west we are just expanding our team down there quite significantly and getting a new office because there needs to be that infrastructure in place to be able to deal with pretty close to treble the number of people who will potentially be rolling into the NDIS down in the lower south coast. If that gets replicated across the state, we have a lot of work ahead of us. I have just been reminded that a whole new catchment group around people with mental health will bring another dimension to all of that as well.

Dr A.D. BUTI: I imagine that would be a massive increase in your demands?

Dr Chalmers: The first challenge is to get an actual definition of who is in, as we have not got that out of the commonwealth yet.

Dr A.D. BUTI: Has there been any negative feedback from non-mental health disability advocacy groups that mental health may be part of it? I imagine there might be concerns that resources now will be even scarcer with the traditional disability areas.

Dr Chalmers: I have not picked that up. What I am hearing, though, is almost the other way: that there are people within the mental health field that, because of the lack of clarity about who is going to be in and who is going to be out, some concerns are starting to arise by people who think that this might disadvantage people with a mental health disorder who are found to be outside of the NDIS. But there might be a transfer of dollars into the NDIS and they will miss out by being on the outside. We are just going to have to see how that plays out.

The CHAIR: Are you able to say what is happening or where things are around the potential introduction of the national injury insurance scheme to WA?

Dr Chalmers: No, I am not at this stage

The CHAIR: You do not know or you are not at liberty to say?

Dr Chalmers: This matter is not the bailiwick of the Minister for Disability Services; it is carried by the Treasurer and the Insurance Commission of WA. As it is outside of our minister's portfolio, I would not want to be commenting on that.

The CHAIR: So you do know but you are not prepared to say; is that correct?

Dr Chalmers: I am on the edges of the discussions.

The CHAIR: That is a yes then.

What is the expected benefit in terms of transition to non-government service providers? What is the expected benefit to people with intellectual disabilities, and have you identified any risks in this process?

Dr Chalmers: The benefits I alluded to before: we have been promoting the growth of the non-government sector for the past 10 to 15 years. It used to be a very small part of our world, but again successive governments have really pushed for growth and development. Can I also say that for 10 years or more all of the growth has been pumped out into the non-government sector. We have not been growing our services at all; if anything, we have been reducing them. We now have a sector that I would claim is the most diverse and mature in the nation; in fact the envy of the nation. There has been an awful lot of money spent on infrastructure in the past five or six years to really build the capacity of the non-government sector—Rocky Bay, the Autism Association, the Centre for Cerebral Palsy; multimillion-dollar investments across all of those non-government organisations. We are pretty good. But is it sufficient for the future to take the increase that is going to come from

the NDIS? No, it is not, but we have been working really hard with the sector, with their boards and with their senior management, to gear up for the future.

The CHAIR: You do not see any risk to individuals about this transition to the non-government sector?

Dr Chalmers: No, I do not. The other thing to mention, though, is that during the two-year trial period of the NDIS in WA we will continue to use the commission's quality assurance system. We are in the process of beefing that up, if I can use that terminology, at the moment. There will be more rigour in terms of the quality assurance independent monitoring of services.

The CHAIR: That is what I want to talk about because I have certainly had some real concerns about some NGO activity and how it is being monitored and independently oversighted by the commission. I am pleased to hear you are beefing that up. There must be cases, for example, where people with intellectual disabilities, who have not got family members around, might be bullied or under duress or have issues of sexual assault or whatever. What sort of mechanisms will be there to oversight that independently?

Dr Chalmers: I spent two days in Sydney last week with other colleagues from other states and territories and the commonwealth looking at quality assurance in disability services from this point onwards. The agreements are that during the trial period of the NDIS over the next few years states and territories will continue to use their existing quality assurance system. But there is a move towards a national framework that will apply in terms of quality, monitoring, safeguarding, use of guardians and use of all sorts of structures. It will take two years to form that framework. I suspect all states will sign up to it.

The CHAIR: What is happening in the interim here, though?

Dr Chalmers: That is right; that is where I am coming to. When we knew in August that we would be having this trial approach and two different approaches, we realised that we needed to increase the rigour of our quality assurance system. Not that there was, in my view, any serious issues with what we had, but in terms of the regularity of independent monitoring, the focus more on analysing self-assessments that are done by organisations, being able to intervene appropriately to deal with particular issues, serious incident reporting, the whole raft of machinery within all of that, we are going to invest more money in that in the lead-up to 1 July. But I come back to say that this view that if you are getting services in a non-government organisation, in some way it is going to pale in terms of rigour when you compare it with the government service, I am interested in that concept.

The CHAIR: I can explain that concept to you. You are one step further removed from anyone having responsibility within government, so that is it. I am aware, certainly, of one case where, I think, an NGO was completely remiss in its practices, which led to serious assault on a resident. DSC got the NGO to review itself as to how it worked, and I was absolutely appalled that there was not more of an independent oversight in that case. Once you move it one step away from DSC—I have to say we are seeing scenarios in corrective services, for example, once you have got a six-inch contract and a private provider in place, the lines of responsibility start getting a bit blurred.

[11.30 am]

Dr Chalmers: I will say a couple of things in response. The quality assurance system that we use for non-government is identical to the quality assurance system we use for our own service; there is not a paper-thin difference between the two of them. I would also say that the organisations we fund have a long history of mission-focused work; they are not in it for profit and they are not in for return-to-shareholder profit. I would have to say they are very, very focused on the mission of those organisations, which is all about quality. We have organisations that have been part of the Western Australian landscape since the 1950s. I have to say that some of the new ones that we have brought on recently I have a lot of confidence in; they are well run and they are well governed. But, at the

moment we have processes running, truly independent processes, in a couple of organisations where we do have some concerns. We do not shy away from that.

The CHAIR: When you say “truly independent”, what does that mean? In the case that I am aware of I think the lack of oversight is scandalous.

Dr Chalmers: I do not know the case you are talking about and I am happy to hear more details if you want me to follow up. There is an organisation we are involved with at the moment, where we have commissioned quite recently an independent investigation firm—nothing to do with government, but an independent well-credentialed investigation firm that looks into social services as such—because we do get a few alarm bells ringing about quality of services. We will not hesitate to bring in a truly independent investigator to look at any organisation where there are any questions raised about the quality of the services.

The CHAIR: But that is after the event, so what I am asking is: is there going to be some regime that has a—if I can use an analogy, for example, the Inspector of Custodial Services, who looks at systems and at weaknesses and vulnerabilities?

Dr Chalmers: The quality management framework we have used up until now has a range of different mechanisms in place. Organisations need to be able to demonstrate to us that they have all of their bona fides available to us. That is everything from governance and financial through to the quality of the service they are providing at any point in time. At any point in time we want to get in there and analyse that forensically. We have got the power to do that, and we do it. I also have to say that last week, over east, the commonwealth government and the NDIS was not wanting to head down that road of the new framework nationally being independent persons showing up on someone’s doorstep and sort of knocking unannounced and saying, “I am here to check what you are doing to people.” There was no appetite for that at all.

The CHAIR: If we can just move on, we have talked about the panel that assesses the CAP applications. You said the people involved were not identified.

Dr Chalmers: That is right.

The CHAIR: Are you able, for example, to give us the background of the person who is currently the chair?

Dr Chalmers: The chair has been the chair for a decade. She is an eminent academic who is incredibly well respected and qualified in the social service area, an adjunct professor at Curtin University, a person who is highly credible in terms of her understanding of, not just disability services, but human services more broadly, and she has published extensively. That is why we have been happy to have her chairing these as an independent chairperson for a decade. Can I also add that although we got an exemption, it was for good reason that if you were to make it known who the individual—some of these are family members, some of these are consumer representatives, some of these are people from advocacy organisations—what we do not want is these people being lobbied, because that would take you down a very difficult road. The other point I want to make here is that in the time I have been director general I have never once overturned any of the decisions made by this independent panel. These have got nothing to do with the commission and nothing to do with the minister; these are family members who are prioritising and making these decisions.

The CHAIR: All right, so that person is on it in their capacity as someone within the sector or having professional expertise.

Dr Chalmers: Yes.

The CHAIR: Given that the chair does not have a say in the actual assessment process, what danger is there of making her identity public?

Dr Chalmers: I have just been informed that the chair’s identity is public.

The CHAIR: Who is it?

Dr Chalmers: It is Dr Sherry Sagers, adjunct professor at Curtin University.

The CHAIR: Given that she is not involved in the assessment process, what is her role exactly?

Dr Chalmers: To chair the process. Because she has been part of it for so long, she knows the process very well and she also, after each panel, comes and briefs our board, gives a report to our board on the outcomes of each CAP round, but also some of the insights from the board and how they deliberated over this process. People have been telling you that it is not a rigorous process; this is an incredibly rigorous process.

The CHAIR: No; what they have been saying is that they have no idea what the process is. They do not know what the criteria are and they are perplexed as to why they have missed out. So they are then encouraged, if you like, to behave badly by, maybe, exaggerating or saying that their need is more urgent than it is or whatever; that is what the general submissions are.

In relation to this transition into service delivery by private NGOs, is there any cap in terms of charging residents? In one of the cases I am aware of, with the new people who are coming in, there is going to be an increase in charges to residents. What are the arrangements to make sure that that is kept at a reasonable level?

Dr Chalmers: We have a wide range of arrangements in place right across the sector and that reflects, in a way, the difference of board arrangements in place across the sector as well. If some people are in group homes that are owned by the not-for-profit organisation, that is different to if it is a group home not owned by the not-for-profit organisation. There are people who receive support when they are renting premises themselves. There is a broad range; it is not just one formula for those dollars. What we are doing at the moment, though, in light of the pending NDIS, is looking very carefully at the rules that will apply through the NDIA and looking to see whether we can mirror those arrangements for the future. It is wide and varied, but we need to see whether there is a way we can align ourselves with what the NDIA have in place. In some cases, percentages of pension incomes are taken by organisations, and that varies, but it has a lot to do with a wide range of different support options that are in place there.

The CHAIR: Thank you very much. I think that might be it, but we may well correspond with some questions that we did not get to ask. If you had an electronic copy of that draft, we might like to use that in our report, so could you organise to send that to Dr Palmer?

I have a closing statement. Thank you for giving evidence before the committee today. A transcript of this hearing will be forwarded to you for the correction of minor errors. Any such corrections must be made and the transcript returned within 10 days from the date of the letter attached to the transcript. If the transcript is not returned within this period, it is deemed to be correct. New material cannot be added via these corrections and the sense of your evidence cannot be altered. Should you wish to provide additional information or elaborate on particular points, please include a supplementary submission for the committee's consideration when you return your corrected transcript of evidence.

Hearing concluded at 11.40 am
