

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

2017–18 BUDGET ESTIMATES HEARINGS



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
THURSDAY, 19 OCTOBER 2017**

**SESSION THREE
DEPARTMENT OF COMMUNITIES — DISABILITY SERVICES**

Members

**Hon Alanna Clohesy (Chair)
Hon Tjorn Sibma (Deputy Chair)
Hon Diane Evers
Hon Aaron Stonehouse
Hon Colin Tincknell**

Hearing commenced at 11.15 am

Hon STEPHEN DAWSON

Minister for Disability Services, examined:

Mr PAUL WHYTE

Acting Director General, examined:

Ms MARION HAILES-McDONALD

Assistant Director General, examined:

Mr LIAM CARREN

Chief Finance Officer, examined:

Mr SAM CIMINATA

Executive Director, Business and Finance, examined:

Ms LINDA SPERRING

Executive Director, Policy and Planning, examined:

Mr PAUL ISAACHSEN

Executive Director, Reform and Transformation, examined:

Mr MATTHEW RICHARDSON

Director, Finance and Business Support, examined:

Mrs LOUISE HOLDING

Chief of Staff, Minister for Disability Services, examined:

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

The WITNESSES: Yes.

The CHAIR: 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.

Would the minister like to make a brief opening statement?

Hon STEPHEN DAWSON: No, thank you, Madam Chair.

Hon PETER COLLIER: I have a number of questions but there is one in particular with regard to the current structure of the commission, which I would like to address but I think Hon Simon O'Brien is going to deal that, so I will leave that to him. Suffice to say, at this stage, how many SES officers currently exist within Disability Services, as a matter of interest?

Hon STEPHEN DAWSON: I will get the ED of business and finance, Mr Ciminata, to respond to that question.

Mr CIMINATA: Currently, there are 12 officers.

Hon PETER COLLIER: How does that compare with prior to the amalgamation?

Mr CIMINATA: Prior to the amalgamation, there were 16 SES officers.

Hon PETER COLLIER: Thank you. As I said, Hon Simon O'Brien will cover that.

On the one issue that everyone is talking about, and it gets quite consistent commentary throughout the budget papers, particularly on page 236 at the second and third dot points with the NDIS. Minister, this is probably for you to comment. I know you are probably not going to be able to tell us. I am not having a go at you here, but given the debate we had last Wednesday in this place and the comments I made and some that I did not make with regard to the final outcome with regard to the NDIS and in light of the Productivity Commission report that was handed down yesterday with regard to the NDIS and issues that exist at the federal level, can you perhaps give us an understanding of what is preventing you from making a decision at this stage with regard to the rollout of the NDIS throughout Western Australia?

[11.20 am]

Hon STEPHEN DAWSON: Thank you, member, for the question. I will try not to go over the half hour of information I provided to the chamber last week. I am sure you would like to hear that again!

Hon PETER COLLIER: No.

Hon STEPHEN DAWSON: But, in all seriousness, this has been a difficult issue. I took on the role offering and promising to consult with the sector—that is, people with disability, their families, their carers, and those who work in the sector, staff, trade unions, the business community, the CCI and service providers big and small, who were critical of the decision made by the previous government, and who had issues with the decision that was made. Some did not like the decision at all, some thought it could be better, so I spent the first few months —

Hon PETER COLLIER: Some liked it, of course.

Hon STEPHEN DAWSON: Some did like it, yes. I spent the first few months consulting widely with everyone about it. Since then, we have been in dialogue with the federal government about moving forward and about a new bilateral agreement. At the moment, we are in negotiations with the federal government about a new bilateral agreement. I am not at liberty to say today what is in the bilateral agreement; it is being negotiated at the moment. You quite rightly pointed out, honourable member, the Productivity Commission's report from yesterday highlighted serious issues with the National Disability Insurance Scheme and the federal model. It will be no surprise to anyone in this house, particularly in the eastern states where there has been a campaign running, that there has been concern raised by various sectors in the community about the national model —

Hon PETER COLLIER: I think they looked at my speech from last week.

Hon STEPHEN DAWSON: That was your speech from last week? Very good.

In terms of providing the landscape that we are operating in at the moment, that did, quite rightly, point out there have been issues with that. I have placed on the record previously my view that I am

a supporter of a national scheme but I would not be signing up to a national scheme if there are issues that I believe are insurmountable. I am very pleased that yesterday the federal government announced some changes to the national scheme.

One of the criticisms so far has been that if you sought service through the National Disability Insurance Scheme, the federal agency, the NDIA, a person with disability had to make a phone call. You did not get face-to-face interaction with someone to provide you service to deal with your planning. Not only that, but also every time you rang, you got a different person. That was a big frustration for people who are getting service through the federal scheme. They could not see a person face to face; in fact, it was a phone line that could have been in Perth or Geelong. Also, every time they rang, they had to go through the process again because they could not speak to the same person again. I am pleased to say that that issue has been addressed, and an announcement was made yesterday in relation to changes that will occur in those two areas. That gives me a bit more confidence and comfort with the federal scheme. It is a difficult decision. The other thing I was very conscious to ensure is that I think there could have been a better financial deal for the state. I wanted to ensure there is a quality scheme, but it is also about getting the best deal for people with disability. That is what is under negotiation with the feds at the moment.

Hon PETER COLLIER: Can I anticipate that the minister will be making an announcement before the end of the year?

Hon STEPHEN DAWSON: I do. We are very advanced in our conversations with the feds, and I hope that a new bilateral agreement will be signed and announced in December.

Hon PETER COLLIER: I would like to continue with that, but I am mindful of the time. There is another issue that I would like to deal with. How long do I have?

The CHAIR: You have another four minutes.

Hon PETER COLLIER: I want to deal with an issue that affects pretty much everyone with a disability. It is with regard to people with a disability being able to park in shopping centres. It is broadly captured at page 240 by the words, “the opportunity to participate in community life”. I have approached the minister’s office about this issue and the response I received was that the guidelines—which are based on commonwealth standards—are that all shopping centres must comply if they are new buildings or were built prior to 1 May 2011 and have undergone subsequent work requiring building approval. Can I assume from that that buildings or shopping centres that were built prior to 2011 and have not undergone significant building approval are not required to comply with the federal guidelines?

Hon STEPHEN DAWSON: That is correct. I have a personal issue in relation to shopping centres and the number of car parks available, and as a result of your correspondence I have asked for further work to be done on that issue. It is not as big an issue in regional Western Australia, where big car parks are available. However, certainly in the metropolitan area it is a significant issue. In places like Warwick shopping centre and some of the other bigger centres, there is very limited parking. That is because that was the standard in 2011 and we have not moved with the times. Although there are national and commonwealth agreements in relation to some of this stuff, I think we could be doing better in Western Australia, so we are starting a piece of work to see what we can do. I certainly think that even though the standards are the standards, there is nothing stopping us as a state government from talking to some of the shopping centre owners to see what we might be able to do and what we might be able to get them to agree to do. In order to change the national standards, there would need to be discussions nationally. I am happy to lead those discussions and for Western Australia to be a leader in this space. The national standards require agreement by the states and territories. However, certainly in our own state, there is nothing stopping us from having

conversations to make some of those changes. I have been in the role for only a few months, but I know, from having this stuff previously, the snail's pace at which some national agreements take to come to fruition. There is stuff in the environment portfolio that ministers for environment said they were dealing with 10 years ago and were going to make a decision on, and we are only getting around to it now. I am happy for Western Australia to take a lead on a national scale, but I am happy also for us locally to reach out and do some work on this issue.

Hon PETER COLLIER: I appreciate that, minister; I think you are quite sincere in this. It is an issue, interestingly enough, that has been raised with me consistently—although certainly not as much as the NDIS—particularly with old shopping centres that simply do not have to comply. There are people with a disability who have real difficulty getting access to those shopping centres for one reason or another. I have to say that in our Department of Transport parking guidelines for large shopping centres, there is nothing about compliance. That is a Western Australian document. The minister's department might like to look at that when it is doing its review. We need to get it right at the local level before we starting to talk at the national level. It is good to have the commonwealth regulations et cetera, but fundamentally we need to do what is right at the local level.

The CHAIR: Thanks, honourable member.

Hon PETER COLLIER: I take the minister at his word and I look forward to some changes in that area.

Hon STEPHEN DAWSON: Can the member state for the record what that document is?

Hon PETER COLLIER: It is the Department of Transport's "Parking Guidelines for Large Shopping Centres".

Hon STEPHEN DAWSON: I will make sure I get a copy of that so that can form part of our discussions moving forward.

Hon ALISON XAMON: I could not find the specific line item for what I want to raise, so I will refer to page 235, "Delivery of Services". In light of the comments following the Gene Gibson matter, have any additional funds been made available for the operation of disability justice centres into the future? I am, of course, completely aware, as one of the stakeholders consulted on this, that a review is being undertaken. I am keen to know whether any additional funds have been put into the forward estimates; and, if so, could that can be quantified?

[11.30 am]

Hon STEPHEN DAWSON: Sure. I am happy to answer that. I do not believe there are any additional funds allocated to the disability justice centre in the budget, and so there has been an allocation made moving forward. The member would be aware that there are still only two residents in that centre.

Hon ALISON XAMON: Yes.

Hon STEPHEN DAWSON: So I do not think the centre is being used to its fullest potential —

Hon ALISON XAMON: Absolutely.

Hon STEPHEN DAWSON: — and I think there is latent capacity at that centre. So I think the centre probably has enough funding to operate, and certainly the advice that has been given to me is that the centre has enough funding to operate to the full complement.

In relation to the review, certain members in this place would be aware of that review. I understand that both Hon Alison Xamon and Hon Peter Collier have been consulted —

Hon ALISON XAMON: Yes, that is correct.

Hon STEPHEN DAWSON: — in relation to that review. I was very keen to ensure that. We all have, I guess, responsibility to centres like this, and I am very happy to work in a collaborative fashion. I wanted to make sure that the reviewer spoke to various members of Parliament about their view of the centre, moving forward. That review is happening. In fact, Mr Alan Carter, who has undertaken that review, is about to finish, and I think I expect a final report over the coming weeks. So if I can leave it there. In terms of extra money —

Hon ALISON XAMON: I will just quickly ask whether it is anticipated that that report is going to be publicly available?

Hon STEPHEN DAWSON: Absolutely. That report will be made publicly available.

Hon ALISON XAMON: Is it likely that that will be publicly available before the end of the year?

Hon STEPHEN DAWSON: Absolutely it will. If I can just say, I have committed to bringing it to cabinet. It came out of a decision made by government previously; however, it will be made public.

Hon ALISON XAMON: If there is any additional money, even if it is just simply CPI that is in the forward estimates for the running of the disability justice centre, can I please have that? I am happy to take that on notice, but can I please have those amounts?

Hon STEPHEN DAWSON: There definitely is money in there for CPI adjustments, is my understanding. I might ask Mr Richardson, who is the director of finance and business, to respond to that.

Mr RICHARDSON: I can advise the budget for the justice centre currently is expected to increase in line with indexation or increasing costs going forward. If you want the specific amounts allocated for those, I will have to take those on notice.

Hon ALISON XAMON: I am happy to do that.

Hon STEPHEN DAWSON: I am happy to provide that information by way of supplementary. So that is the extra money in line with indexation that will be provided in the disability justice centre budget.

The CHAIR: The amount?

Hon STEPHEN DAWSON: Yes.

[Supplementary Information No A10.]

Hon ALISON XAMON: I refer to page 236, “Significant Issues Impacting the Agency”, and the second dot point referring to the NDIS. I am aware that previous government figures have cited that it is estimated that 39 000 people will be part of the NDIS by the end of the three-year transition phase. Could the minister please advise how was this figure arrived at, because it has been disputed as a likely need going into the future?

Hon STEPHEN DAWSON: Can I say from the outset that this was an issue that I raised on becoming minister. I wondered about the 39 087 or something figure. I will ask the deputy director general to make a comment on that in a second. But I was concerned because the figure that the commonwealth was quoting was about 47 000 —

Hon ALISON XAMON: Yes; or 50 000 is what I get.

Hon STEPHEN DAWSON: — and our figure in Western Australia was substantially lower. However, there has been work done by actuaries and others, and I am assured that the figure is the figure. But I will ask Mr Richardson, who has had an intimate experience with the National Disability Insurance Scheme over the past while, to answer that about the figure.

Hon ALISON XAMON: Can I maybe further direct the question. I suppose I am also particularly concerned about how the rate of psychosocial disability was calculated, considering that a lot of the people accessing the NDIS with psychosocial disability have previously not received any disability services.

Hon STEPHEN DAWSON: In relation to that, I just make the point that the 39 000 figure that has been quoted is an estimate, and so this does not preclude—once we get to 39 000, it does not mean everybody after that stops receiving funding. I just make that point.

Hon ALISON XAMON: So there is big budgetary—that is why we need to know from a budget perspective.

Hon STEPHEN DAWSON: Absolutely; there are budgetary implications, but I will ask Mr Richardson to make a comment in relation to the figures.

Mr RICHARDSON: Perhaps if I take a step back: the 47 000 figure that was determined by the commonwealth government, we do not have all the details involved in that but we are aware that it was a top-down figure and in that there was an estimated number of participants Australia-wide and then that was apportioned to the states and territories.

The methodology adopted within the state of Western Australia, which involved input from the former Disability Services Commission, the Department of Treasury and an outsourced actuarial firm, which specialise in social impact and outcomes as a result of government intervention, was a bottom-up figure. It was determined with reference to Australian Bureau of Statistics census data, and it has been updated with every census thereafter. It also had reference to the Survey of Disability, Ageing and Carers. It was informed by the data held by the former Disability Services Commission on people currently receiving services, including those people who had registered interest for services but for whom under the previous rationed scheme there was not enough funding to do that. The 39 000 figure is the result of many years of work and ongoing refinement updated as more census data comes through with respect to trends, with respect to experience through the three-year trial that has been had to date.

I think that is probably the best overview that I can provide on the amount. But suffice to say I think the minister is absolutely correct: the 39 000 is an informed estimate. It is informed by multiple sources and by experts in this area, but if we get it wrong, there is scope to move up or down.

Hon ALISON XAMON: I suppose we will be waiting as the rollout comes out as to how accurate that figure is. I am concerned that a number of the methodologies that you just described effectively rely on self-identification, which often does not apply to people with psychosocial disability until such time as they manage to hit services and finally become aware that they are necessarily eligible for disability services. I will just make that as a comment and move on, if that is okay, because I do not want to lose my questions.

In relation to the NDIS again, I know that in addition to the NDIS, the federal government has also committed to funding a wide range of advocacy services, and the advocacy services from both individual to systemic to 2020. I specifically am looking to see whether the state government is looking to do the same, and I am talking about block funding.

Hon STEPHEN DAWSON: Certainly advocacy, I believe, is an important part of the system, moving forward. A decision was made previously by the previous government to step back from systemic advocacy. I have had conversations with the agency, and I have expressed my view about the need, moving forward, to continue to fund systemic advocacy. Those conversations are continuing, but it is a focus of mine and I am hoping to make it a priority moving forward, if I can leave it there.

Hon ALISON XAMON: That is very heartening to hear, minister. Of course, the two main agencies that we would be talking about would be Developmental Disability WA and People with Disability. I am aware that they are already at risk of potentially closing because of the uncertainty around funding for systemic advocacy. Is the minister able to give any indication about the sort of time frames to look at the reversal of this decision? It is really important, particularly in light of the scope of the reforms we are facing with NDIS, that we have independent agencies that are able to provide that sort of systemic oversight.

The CHAIR: Before the minister answers that question, that needed to be your last question, member, because of time.

[11.40 am]

Hon STEPHEN DAWSON: I am hopeful that in the next budget we will have some movement in this area—the 2018–19 budget. Both of those agencies that you mentioned are being funded at the moment, albeit they are being funded for projects. I agree that it does not give them certainty moving forward, so I am well aware of that. I am also aware that some people have been given, I guess, limited funding moving forward; they had extensions for certain things. I want to work through those issues. I do not think it is fair to leave agencies hanging like that, so we are working through those issues at the moment. But certainly in relation to those two agencies that you mentioned, they are very important agencies in Western Australia. DDWA and PWDWA do fantastic work, so they will not be falling on my watch.

Hon JACQUI BOYDELL: Minister, I have some other questions today on the NDIS. I refer to budget paper No 2, volume 1, page 236 under the heading “Significant Issues Impacting the Agency”, which refers to the NDIS. I think you have probably already covered this, but can I have an indication of when work on the model will be finalised? Given that you have announced the rollout in the Kimberley and Pilbara, how is that occurring? Can we have some update on it? Where is that funding coming from? If we can just go there for now, and I just have two other questions.

Hon STEPHEN DAWSON: Thank you for your interest. As somebody who represents the Mining and Pastoral Region with you, I also share an interest in the Pilbara and Kimberley in particular, not only as minister, but by virtue of representing them in Parliament. In relation to your first question, we anticipate having a new bilateral signed in December this year. One of the issues that has been under negotiation with the feds, which has not been as easy as possible, is the 39 000 participants versus the 47 000. We are hoping that that issue is addressed and to both of our agreements in this bilateral agreement. In relation to the Pilbara and Kimberley, obviously, member, you would be aware that from 1 July this year, the rollout commenced in those two areas. I was very keen to make sure that even though we are still in discussions with the feds about the future, the rollout promised to people under the previous bilateral continues, so that people who thought they were getting services from 1 July will actually get those. That is happening now, so people in the Kimberley and Pilbara are getting service under the existing bilateral agreement, which is the WA-run model.

In relation to numbers for the two regions, as of Tuesday this week, there were 470 eligible participants in the NDIS in the Kimberley and Pilbara regions, with 234 of these having active plans. The advice I have is that it is estimated that about 1 025 people will be eligible for NDIS support across both of these regions when full rollout is achieved. Under the agreement that was signed, there is a target or an estimate each quarter of how many can come into the system—and part of it is that we can only have so many people who are already in the scheme come in that quarter and so many who have not receive services before come into the scheme. You cannot bring everybody who has had a service before in straight away. The agreement says that you have got to bring some

of both in. That is why, I guess, I have said that it is estimated that 1 025 will be eligible over the period—because we are taking them in methodically.

One of the concerns that was raised by the Productivity Commission yesterday, one of the warnings from their report, was the speed at which people come into the NDIS. They expressed concerns about shoehorning in people quickly and that impacting on the quality of the planning that happens. I think that was valuable advice and a valuable warning from the feds. We have to do it methodically. We have to get people in absolutely, but we have got to do it methodically to ensure that they actually get quality plans. We are telling people this is a huge policy change and it is going to make a difference to their lives, but you do not want to give them worse service than they have got now, bearing in mind that if you have never had service from the Disability Services Commission before, you will not be getting worse service. I know, honourable member, and you would know, too, from our electorate, that there are people in our communities who have never received any service from the DSC who will finally get stuff under this. You only have to go and look in some of our communities. Obviously, I am not talking about psychosocial—those people are there, too—but you look in some of our remote communities, I think the Parnngurrs or the Jigalong or whatever, and I know of people there who have obvious and severe disability who have never been plugged into the system before. They will get service and they will hopefully be included in this 1 025 estimate.

It is rolling out. I get a report every Monday on the rollout to track how it is going, and I am pleased to say I have been able to meet people in the electorate who are now starting to get service, and that is a great thing. So, it is happening. As a result of the rollout in the Kimberley and the Pilbara, more staff have come on board in those regions. We have also been working with service providers because, as you would know, there is a limited number of disability service providers in both of those regions. We are working with service providers to bring them into the region, because one of the big things about NDIS is choice and control. You currently have no choice and control if there is only one service provider in town. We are trying as best we can to ensure that other service providers are in those communities. It is harder in the small communities where there might be one person with a disability or a handful to bring in more service providers, but I am very conscious to ensure that we are actually meeting that choice and control ideal in our remote regional communities as well.

Hon JACQUI BOYDELL: It is certainly a complex issue for sure.

The CHAIR: Member, two short ones just because that was an extensive answer.

Hon STEPHEN DAWSON: Sorry, Madam Chair.

The CHAIR: No, it was important, I understand that, but just two quickies.

Hon JACQUI BOYDELL: Leading on from that then, particularly when we drill down to regional areas, I am just wondering what provisions you are making for the unique circumstances in regional areas and particularly how people in remote areas remain engaged in getting service provided to them. Added to that, regional areas do not have the demand to drive a market model, so what consultation work are you doing to ensure that the NDIS is applied appropriately to those areas? I know it is a complex issue, but how do you manage that; how are you seeking to manage that?

Hon STEPHEN DAWSON: I will make a couple of points and I might hand over to one of the advisers about the specifics of what we have been doing on the ground in some communities. Certainly, funding has been provided to the Ethnic Disability Advocacy Centre service to provide advocacy and support services in relation to the NDIS in the north west of the state. They are funded to work with Aboriginal people in particular to advise them of the scheme and get them on board. We are about to provide funding to an Aboriginal organisation—the announcement has not been made yet—that

operates in the Kimberley for them, and, separately, to do some work. I understand that an EDAC staff member has been based in Newman, but they have been working across the Pilbara. They have been doing some kind of outreach stuff in the Kimberley, but this is kind of a Kimberley-specific Aboriginal organisation on the ground. What we found is that people who are non-Aboriginal have less difficulties getting into the scheme; that is kind of anecdotal. People who are not Aboriginal know where to go, know where to ask and whatever. Hopefully those two services will help Aboriginal people. I have lost my train of thought. In terms of service provision in some of those communities, we are looking at opportunities to partner with some of the organisations that might be in some of those towns and communities already, so if you think of Aboriginal medical services, they are on the ground in some of those communities already. The NDIS is very different to a medical model of service provision, but there are certainly opportunities because they have staff, and trained staff, albeit trained in the medical sphere, in some of those towns more frequently. They could potentially provide some services under the NDIS in those communities, so we are looking actively at that partnership, too.

In relation to some of the specifics on the ground, I might ask Ms Marion Hailes-McDonald provide some more response to that.

[11.50 am]

Ms HAILES-McDONALD: There are three areas that I would mention. The first is local coordination. We have particularly targeted on employing Aboriginal local coordinators, and that has seen 12 people from Jigalong included in the planning. An Aboriginal woman has been engaged in both Derby and Newman, and that is really bearing fruit in the number of Aboriginal people who are engaging with us. We also have a significant increase in the number of local coordinators who are engaging in the planning with people with disabilities. We have also done a lot of media coverage to invite people to be part of it, including on Aboriginal radio stations. Another area that we are particularly focused on is we have had a specific call for interested service providers across the Kimberley and the Pilbara. That has seen an increase from seven providers to 21 providers, many of those in the therapy space, and looking at partnership and consortiums. The other specific area targeting and recognising the unique circumstances of distance and the higher cost of utilities et cetera is we have worked with providers to develop what we call a “support cluster price framework” that is specifically geared and indexed to the prices that occur in the Pilbara and the Kimberley. That is not only to ensure the sustainability of service providers, but also working closely with them for feedback to ensure that the types of services provided and the prices paid for those services will attract a sufficient number of providers into our market to provide choice of provider.

Hon SIMON O'BRIEN: Minister, this is your first appearance as minister at an estimates hearing. I am sure we all wish you well.

Hon STEPHEN DAWSON: Thank you, member.

Hon SIMON O'BRIEN: I want to follow-up in the first instance on a remark the minister made earlier about the relationships between our clients and the NDIS based in Geelong. The minister mentioned, and I agree, that our clients do not want to have to get into some sort of Centrelink phone queue to deal with someone they have never met and will never be face-to-face with, and that there have been some developments for us in that respect. What are the arrangements that will apply?

Hon STEPHEN DAWSON: I thank the member for his interest. I know that as a former Minister for Disability Services he retains a keen interest in the disability space.

Hon SIMON O'BRIEN: Very much so.

Hon STEPHEN DAWSON: An announcement was made by the National Disability Insurance Agency in the last couple of days that it is moving away from a telephone line to providing face-to-face planning opportunities. That is a great initiative. I have said here before, member, that a big concern of mine and of many of my constituents, and of many of Hon Jacqui Boyde's constituents, in the Kimberley and Pilbara is that their only interaction with government, the federal government in particular, is over the phone line to Centrelink, and they have to wait for hours at a time, and it can go on for days. I would not like to see it happen to anyone across Australia that that is the only service they can get if they are in the federal scheme. They have announced that. That is one element of it.

Hon SIMON O'BRIEN: How will that work? Will they get out of their call centres and live in Western Australia?

Hon STEPHEN DAWSON: Yes. There is a commitment from the NDIS to have hub-and-spoke models. The NDIA has made a number of visits to Western Australia over the past few months. I honestly believe that Western Australia has been a leader in this space for a very long time. We are well serviced by our local coordination model in WA. In fact, the new Department of Communities, which has brought together a number of agencies into the one agency, is looking at how the DSC provides service through the local coordination model to see whether this new agency can provide other services under the same banner in the same way. Not everyone agrees with me that we have been well serviced by our local coordination system, and there are some disability advocates and people in the disability sector who do not like it and say it depends on who the local coordinator is. I will not go into that, but I think this state has led for a long time in this space.

Hon SIMON O'BRIEN: That is very encouraging and I congratulate the minister on that. If the minister needs anyone to give some bipartisan support, he knows where to come.

Hon STEPHEN DAWSON: Thanks, member.

Hon SIMON O'BRIEN: Madam Chair, I must return to the budget.

The CHAIR: You must, honourable member!

Hon SIMON O'BRIEN: I want to refer to something across the budget sphere. It strikes me—the minister might agree or disagree—that there are two things that make it very difficult in this current estimates season. The first is that what was a former independent, standalone authority in the DSC has been subsumed in some sort of mega department. I will be asking some questions about that in the next session. That is one thing that confuses the budget analysis. The second is the NDIS funding. That is referred to in a number of notes under a variety of performance areas. At page 236 we see amounts starting this year of \$305 million and going up to half a billion dollars next year and then to over \$1 billion by 2021. Clearly that has a major impact on the evaluation of the minister's agency. That is repeated in sundry places, including at page 250 under "Community Living Support" and at page 251 under "Independent Living Support". There is a remarkable change in the amount of expenditure because of the impact of the NDIS. The minister may need to take this question on notice, but I am trying to compare what was in the budget last year, the year before and the year before that, and of course we have those figures. I am trying to evaluate how much of this money is new federal money and how much is ongoing state funding. I have a whole range of conspiracy theories that I might throw into the pot later, but if the minister wants to address that, I would appreciate it.

The CHAIR: In the interests of time, maybe we will hold the conspiracy theories and answer that question.

Hon SIMON O'BRIEN: They will incubate for a while—do not worry!

The CHAIR: I have no doubt!

Hon STEPHEN DAWSON: I assure the member that he should not have conspiracy theories in relation to this. The money—the growth—that appears in the budget relating to the NDIS does so as a result of the existing bilateral agreement that is signed. I want to go back to an earlier comment. The member said that the budget papers are harder to navigate as a result of this new agency. It probably is harder for us, but I am pleased to say that as a result of this new agency we are already seeing benefits to people in community. People on the ground who are getting services from government in the disability, housing and child protection space are already seeing benefits from it. I think it has been a good thing. I will leave it there and ask Mr Richardson if he can comment on the specific questions about the finances.

Mr RICHARDSON: In relation to the member's first question on a comparison between previous budgets and this current budget, I can advise that on page 241 of the budget papers there is a chart headed "Service Summary". Services 11 to 17 are the previous services that were provided by the Disability Services Commission. Throughout the budget papers from then on, the detail for services 11 all the way through to 17 should have back-cast figures to the previous year to compare the growth in what was experienced in 2105–16 through to the 2016–17 estimated actuals and the budget in the forward estimates period. That should, hopefully, provide the level of transparency required. It is simply a lift and shift from what would have been the standalone Disability Services Commission budget into the Department of Communities budget.

With regard to the second question about how much of the funding is new versus existing, I can advise that over the three years of the NDIS trial period, we are looking at getting \$1 billion from the commonwealth. I can provide the annual breakdown if that is required. In terms of state funding over the three-year period, \$1.3 billion is existing state funding, which is then topped up by a further \$683 million.

[12 noon]

Hon SIMON O'BRIEN: Thank you for that. I take on board your point that items 11 through to 17 relate to DSC, although possibly, in view of the minister's comment just now, that is shared a bit among other aspects as well.

I notice that for the 2017–18 budget, the total service summary—this is for the whole super-department—is \$3.671 billion. The forward estimates show growth to \$4.289 billion. That is an increase in round figures of a bit over \$600 million. In disabilities alone, we are talking about getting more than \$1 billion from the commonwealth, and presumably these figures on page 241 also contain the growth figures for all of child protection, all of housing and every other sphere. What has happened to the other \$400 million? Has that been taken out to be spent somewhere else?

Hon STEPHEN DAWSON: I will ask Mr Richardson to reply to that. I cannot comment, as the member would appreciate, on child protection, domestic violence, homelessness or whatever. I and my advisers in this session can only comment on what is happening in the disability space moving forward.

Hon SIMON O'BRIEN: There is an extra \$600 million in the entire space, including disabilities, that has been swallowed up within the mega department. Disabilities is meant to be getting more than \$1 billion. Is that happening?

Hon STEPHEN DAWSON: I make the point that from the 2016–17 budget, against the total of the whole agency, we are moving from \$3.318 billion to the forward estimate of \$4.289 billion, which is almost \$1 billion. I will ask Mr Richardson to comment on the extra money that will be coming into the disability portfolio in this budget paper.

Mr RICHARDSON: I can advise the member that across the seven services that are former Disability Services Commission services that are being carried over, the 2017–18 budget estimate in total is \$1.26 billion, and in the final year of the forward estimates in 2020–21 we are looking at \$2.08 billion. The key issue to bear in mind, I suppose, is that as the NDIS rolls out over the three-year transition period and then in the final year, the parts of the former Disability Services Commission that are yet to roll into the NDIS will also become more efficient. They will receive top-up funding, and also the back office coordination functions of what was the Disability Services Commission are now part of the department of communities, and as part of a larger organisation there are obviously economies of scale in the central processing areas. There are some efficiency dividends and measures built in there. Those are exclusively aligned to the non-NDIS parts of the business such that by the time the NDIS covers the entire state, those efficiency dividends will be built in and we kind of hit peak optimal efficiency, for lack of a better term.

Hon ALISON XAMON: I refer to page 236, “Significant Issues Impacting the Agency”, in particular the second dot point on the NDIS. As the minister is aware, we still need to maintain particular areas that have block funding. Can the minister advise whether any block funding has been set aside in this budget and into the forward estimates for interpreter services; and, if so, can the minister quantify how much?

Hon STEPHEN DAWSON: For interpreter services?

Hon ALISON XAMON: Yes. My specific concern is that a number of interpreter services are currently made available just through block funding, particularly the services that are available through the WA Deaf Society. There is a concern that it will be too difficult to commission those services on an individual basis. What will happen with the future funding of those services?

Hon STEPHEN DAWSON: I will ask Mr Hailes-McDonald, the assistant DG for disability services, to respond to that.

Ms HAILES-McDONALD: The funds that have been provided to the organisation the member mentioned are not specifically for interpreter services but rather for administrative services. In fact, the former Disability Services Commission has not provided funding for interpreter services. It is a responsibility that has been carried by the National Relay System, which is commonwealth funded. Under the NDIS, there is a service type that includes Auslan funding at an individual level and is built into people’s plans.

Hon ALISON XAMON: I suggest, minister, that the concern that is being raised is that it is very difficult for people to plan individually for the sorts of interpreter services they will require in the future, and that if there is a lack of block funding for those services to be maintained and available, we will end up losing the capacity for those services to exist. Can I have it confirmed that the intention is not to provide any block funding around these particular services and people will be expected to predict what their likely needs will be in the future for their plans? Can I confirm that that is what is intended?

Hon STEPHEN DAWSON: If I could put it this way: as part of the National Disability Insurance Scheme, the move is totally away from funding those services by block funding. Everything about the NDIS is about people’s packages and about giving people choice and control over what goes into their plan and where the money is spent. Obviously, with the rollout of the NDIS, that was the agreement. It is what governments of both persuasions, federal and state, have agreed on. It was one of the premises of the NDIS. The rollout of the NDIS, regardless of the scheme, will happen over a number of years. It is my concern that we cannot just say to the services that get some sort of block funding from the agency now, “You’ll be all right, because everybody who is deaf will access your service through their plan.” That might well be the case into the future and it might be the case

at full scheme, but it certainly would not be the case in the next few years. I am working with agencies like the WA Deaf Society to ensure they can continue to function over the next few years. But I make the point that one of the premises of the NDIS is that these types of services will be funded out of people's individual plans. It is not a decision I have made; it is a decision that is part of the whole NDIS space. Ms Hailes-McDonald might want to add to that.

Ms HAILES-McDONALD: One of the recommendations in the recent Productivity Commission review of the NDIS is that what is known as information linkages and capacity building be revised and reviewed to consider whether there is an appetite for commitment to certain services potentially being block-funded into the future, and further work will be happening on that as the NDIS rolls out.

Hon ALISON XAMON: Okay. Thank you.

Hon MARTIN PRITCHARD: Most of my questions have been answered. I think I have been given most of the information I need on the two areas I am very interested in, one of which has just been raised. My concern with regard to Auslan is that the lack of identification or certification means that people without experience can provide an interpreter service, and it is not always the best. However, I think that question has been asked and answered.

The CHAIR: Member, we have five minutes. Can we please focus on the question, thank you.

[12.10 pm]

Hon MARTIN PRITCHARD: Certainly, Chair. The other one was with regard to NDIS. Again, I think most of that has been asked and answered. There are a lot of questions I am getting from the community, obviously, as everyone is, with regard to that. Is there anything else that the minister thinks we need to know with regard to the budget and the NDIS? Just a quick question!

Hon STEPHEN DAWSON: Can I say that the budget speaks for itself. It is a very good document and I am very pleased that significant extra dollars are going in, particularly for the NDIS moving forward. I will not take the free kick. I have not provided dorotheias to people; however, that last question did seem like a very helpful question! Can I go back to the earlier question, because I know that both Hon Martin Pritchard and Hon Alison Xamon have an interest in that block-funding issue? Ms Hailes-McDonald quite rightly pointed out that one of the recommendations of the Productivity Commission in its report—it came out at quarter past midnight this morning, so excuse me for not digesting the whole thing yet—was that the NDIA should address thin markets by considering a range of approaches, including block-funding for agencies. I think it is an important recommendation. Recommendations like that will, I understand, be under consideration at future meetings of the Disability Reform Council, which is the meeting of state and territory ministers for disability and Treasurers, who have an oversight of the NDIS. That gives us some hope and opportunity. I certainly know it is a risk. We cannot let these good agencies fall over, and there are a number of them doing great stuff. I know that people are accessing those services now who have a disability but who will not get an NDIS package. Not everybody will be inside the tent, so the government has to continue to provide services for people with disability, regardless of whether or not they are in the NDIS. I make that point. It is something that I am aware of and something that I will work with my agency on moving forward.

Hon KYLE MCGINN: Following on from Hon Jacqui Boyde in respect to the NDIS and the Kimberley and Pilbara region, can the minister give an indication of whether any jobs will be created through this in the Pilbara and Kimberley region?

Hon STEPHEN DAWSON: Thank you; that is a good question. In relation to both the Kimberley and Pilbara, the workforce report estimates that by 2019–20, an additional 236 jobs will have been created in the Kimberley and 189 jobs in the Pilbara, so that is significant. In fact, I am aware that

over the past few months a number of the new service providers that are providing services in both the Kimberley and Pilbara have created new jobs. PATCHES Paediatrics in the Kimberley, at the time of me getting this information—so, over the last few days—had employed two therapists, each at 0.4 full-time equivalent, and they are actively recruiting for four additional therapists. That is good stuff in those regional communities. Life Without Barriers in the Kimberley has employed 10 staff and is currently in the process of recruiting an additional eight. Lifestyle Solutions in the Pilbara has engaged five new casual staff and is continuing its recruitment process. Far North Community Services, which is the main service provider at this stage based in Broome, has engaged 15 new staff—I understand many are casual—and is in the process of recruiting an additional 10 jobs. EPIC in the Pilbara has created new positions since 1 July. Some of those agencies have also started establishing connections to Aboriginal organisations. There will be more opportunities coming online. As I said, figures to hand suggest that 236 jobs will have been created in the Kimberley and 189 jobs in the Pilbara. I think those figures came out of the report done by National Disability Services, the peak disability service provider agency in Western Australia. It has done an industry plan that I announced a few months ago—last month maybe—and it anticipates an extra 10 000 jobs will be needed across the state as a result of the NDIS. They are the ones in the Kimberley and Pilbara. I have more to say, but I am conscious of ensuring that there are more questions.

Hon ALISON XAMON: I will go straight to the NDIS again. I note that concerns have been raised about people with cognitive or intellectual disability who are not part of the justice system but who are at risk of engaging in offending behaviours and the lack of target services to meet their quite unique needs to be able to live successfully within the community. Is there any work being done or is there suggestion that there will be work done to create what is termed a “provider of last resort” for those with a disability who otherwise might not be able to find in the market the services that they require in order to meet their unique needs?

Hon STEPHEN DAWSON: I will ask Ms Hailes-McDonald to provide an answer to that one.

Ms HAILES-McDONALD: In relation to a provider of last resort, I would take it from the perspective that it is really looking at anybody who does not have a support option. So although you have identified a specific cohort, I would take it broader than that and look at how, as a full department, we will provide services for people with disabilities and other areas. To answer your question specifically, although not on that specific cohort, yes, we are looking very much—we currently have a service which at the moment we call the emergency and transition service. and that extends across other parts of our department, as in the Department of Communities. But we will also be ensuring that we have an emergency and transition service, if you like, so that we can support people with disabilities throughout their life.

The CHAIR: That concludes this part of the hearing. On behalf of the committee, I thank you for your attendance today. The committee will forward the transcript of evidence, which includes the questions you have taken on notice highlighted in the transcript, within seven days of the hearing. Responses to these questions are 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 via the electronic system on POWAnet by 12 noon on Monday, 23 October 2017.

Hearing concluded at 12.17 pm
