

Mr Tony Krsticevic; Mr Reece Whitby; Dr D.J. Honey; Mr Shane Love; Mrs Lisa O'Malley; Mr Mark Folkard

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**Division 33: Communities — Services 11 to 17 and 22, Disability Services, \$1 110 710 000 —**

Ms S.E. Winton, Chair.

Mr R.R. Whitby, Parliamentary Secretary representing the Minister for Disability Services.

Mr G.J. Searle, Director General.

Ms M. Hailes-MacDonald, Assistant Director General, Disability Services.

Ms H. Nys, Assistant Director General, Policy and Service Design.

Mr M. Richardson, Director, Finance and Business Support.

Mr L. Carren, Executive Director, Business Services.

Ms L. Holding, Chief of Staff, Minister for Disability Services.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, the parliamentary secretary shall be examined only in relation to their portfolio responsibilities.

The parliamentary secretary may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the parliamentary secretary to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the parliamentary secretary's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if the parliamentary secretary asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

Member for Carine.

**Mr A. KRSTICEVIC:** I refer to the National Disability Insurance Scheme on page 95 of budget paper No 3. What is the major difference between the state and commonwealth models?

**Mr R.R. WHITBY:** As the member would know, back in December a decision was made by the state government to go with the federal model for a range of reasons. It was seen to be a superior option in working collaboratively to deliver a federal system. At the moment two systems are operating in Western Australia—NDIS in WA, which is continuing to serve a number of people and is still being rolled out and transitioned to the federal structure. I think it is a bit difficult to describe the differences between the two systems, because the WA NDIS was a trial that will not reach its full conclusion. The determination we made as a government was that it would be better to be a part of the national scheme for a range of reasons, including reciprocal arrangements and so that people with disability have portability to go from state to state, as sometimes happens. I am happy to drill down on those differences if the member wants to know more.

**Mr A. KRSTICEVIC:** Yes.

**Mr R.R. WHITBY:** I can certainly take some advice on that. I refer to Marion Hailes-MacDonald for a bit more of that detail.

**Ms M. Hailes-MacDonald:** The differences are in the way that it will be implemented. The national scheme works with planners and local area coordinators, which are two separate people, whereas the WA system, as it is currently, operates with a single local area coordinator. The intention of being part of the national system is that it will be fully portable, as the parliamentary secretary said, and the plans will align from state to state. A national registration system will be used across the nation. From the perspective of portability, consistency and administration, the same approach will be taken with everybody who is eligible for the NDIS.

**Mr A. KRSTICEVIC:** Will any people who are currently eligible under the state system not be eligible under the national system? I have heard that some situations supported in the state system will not be supported in the national system.

**Mr R.R. WHITBY:** I will get some clarification, but I make the point that anyone receiving benefit under the Western Australian system will not be left behind. Arrangements have been made to pick up responsibilities in those areas. I am sure that the adviser can explain more.

**Ms M. Hailes-MacDonald:** Under the bilateral agreement there is a continuity of support agreement. The support for people who are currently in the system will continue. We suspect a number of people, including New Zealanders who entered Australia after February 2001, will not be eligible, as they are not at this point in time. The state is looking at ways to support those people, and that will be done in conjunction with other states that have people in similar situations. The National Disability Insurance Scheme has particular eligibility criteria. First, people have to be under 65 years of age at the time of entering the system. The member may have heard that people aged over 65 might not be eligible, and that is where continuity of support comes in. People who have turned 66 and are currently receiving support will continue to receive their disability supports. There is also a residency requirement as part of eligibility, and the other requirement is that the person has to have a permanent and profound disability.

**Mr A. KRSTICEVIC:** It has been indicated that the new people who come on board who may not be eligible will be supported in some way by the state. Will they be treated as second-class citizens? Will they get the same level of support as those who are on the NDIS or will they be offered a lesser level of support?

**Mr R.R. WHITBY:** I am happy for Ms Hailes-MacDonald to answer that.

**Ms M. Hailes-MacDonald:** It is intended that the support they receive will be very similar or the same, according to their needs, and the mechanisms for that are currently being worked out across government and the different states.

**Mr A. KRSTICEVIC:** When Ms Hailes-MacDonald said that it will be very similar, does that mean that it is not guaranteed that it will be the same? It will be somewhere near, but that could be a long way off where it is currently. If it is “similar”, there is the potential that some major things could be left out.

**Mr R.R. WHITBY:** There is no intention at all for someone to suffer a massive decline in services. The aim and intention would always be to provide a very similar service.

**Mr A. KRSTICEVIC:** Will these people eventually transition to the NDIS or will the government eventually run a second NDIS equivalent in Western Australia if the number of people currently outside the system grows at an exponential rate?

**Mr R.R. WHITBY:** Everyone who is eligible will be transitioned. We can go through the eligibility criteria later, but a person eligible for the WA NDIS will be transitioned across to the federal structure. Everyone who is eligible will be accepted and there will be a national standard across Australia. We anticipate that there will be about 39 000 Western Australians by 2020 and 48 000 by 2023. It is a significant number. Some people might not meet the criteria because of age, nationality or other reasons, but I anticipate that would be quite a small proportion.

[2.10 pm]

**Mr A. KRSTICEVIC:** How many people has it been projected will not transfer to the National Disability Insurance Scheme after that and will need to be supported both currently and in future years by the state?

**Mr R.R. WHITBY:** If they are in the WA NDIS, they will be transferred over.

**Mr A. KRSTICEVIC:** But some will not and they will need those services. I think the parliamentary secretary mentioned that some will not transition and some will come in after that transition.

**Mr R.R. WHITBY:** Everyone who is part of the WA NDIS system will transition.

**Mr A. KRSTICEVIC:** But what happens if they are not part of it?

**Mr R.R. WHITBY:** That is a different issue, and perhaps Marion Hailes-MacDonald can answer.

**Ms M. Hailes-MacDonald:** Work is still occurring on that as to how the states will respond.

**Mr A. KRSTICEVIC:** So we do not know at the moment. Will the transition happen soon?

**Mr R.R. WHITBY:** It will happen progressively.

**Mr A. KRSTICEVIC:** When will we know what the state’s position will be and what people who are currently not in the system will face when that happens?

**Mr R.R. WHITBY:** Perhaps the director general can offer some insight.

**Mr G.J. Searle:** We are currently working with the National Disability Insurance Agency to understand the transition time lines. Its current time line to transition people across is 2020. We think that is very ambitious given the task in front of the agency. The requirement in this space is around required necessary supports. At this stage, it is the position that we will continue to provide those supports to people who require them. The challenge we have is that the demography of Western Australia is changing quite rapidly at the moment. We have gone through a period in which the population has dropped, and trying to get a handle on how many non-citizens will be eligible in three years’ time is a pretty tricky thing to do. The intent is for the state to remain a provider of last resort. Although some people fit the categories of NDIA, it is not commercially viable for people to provide services to

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them given the cost structure, so we think there is an ongoing role for the state as both a provider of last resort and an emergency provider for people in crisis situations. The budget is structured in such a way that we are still trying to work through with Treasury what the size of that will be in 2021, which is when we think it will kick in. It is still a work in progress. The numbers will become more readily defined as we go through the transition process, but there is no intention to walk away from anybody.

**Mr A. KRSTICEVIC:** Is the director general guaranteeing that funds will be available to deliver the services at the required standard, irrespective of how many people are in that situation at a future date?

**Mr G.J. Searle:** My understanding at the moment is that the government's position is to continue to fund the required necessary supports for those people who are not eligible.

**Mr A. KRSTICEVIC:** Obviously, we do not know what that is, so nothing is built into the forward estimates for that. It could be any figure. One would have to pull a figure out of the air to work out what that is because we do not know what the numbers are.

**Mr R.R. WHITBY:** Some of the information is imprecise—for example, the nationality of people who may or may not be here in Western Australia at a particular time in the future, as the director general explained. This government would obviously be very keen to support people. To give the member some indication of the figures, we think that the current number of people who have New Zealand citizenship is about 200, which is the bulk of the people concerned who are non-Australians. With the way that migration is going at the moment, I do not see that number going up dramatically any time soon. Like any area of government, when we project forward it is difficult to know exactly what the numbers will be. Given that relatively small number, I think that we would be able to cope with eventualities and, as the director general said, no-one would be left behind. We would certainly be very keen to support people.

**Mr A. KRSTICEVIC:** The parliamentary secretary mentioned that there are currently 200 people. Is the funding for that number of people allocated in the budget?

**Mr R.R. WHITBY:** Yes.

**Dr D.J. HONEY:** I refer to page 95 of volume 3, as per the previous member. We were talking about the number of customers who had been served. There has been some public comment on the eligibility of autism clients. I have a two-barrelled question. Firstly, are autism clients funded under the state model currently; and, secondly, are we confident that they will be funded under the National Disability Insurance Scheme?

**Mr R.R. WHITBY:** Certainly, autism is included under the state system and the transitioning to the federal system.

**Dr D.J. HONEY:** Is the parliamentary secretary confident or can he guarantee that those autism clients will be covered under the NDIS scheme?

**Mr R.R. WHITBY:** They are covered under the WA NDIS and under the NDIA-managed federal scheme.

**Dr D.J. HONEY:** It is just that that was widely reported as changing for the federal scheme or that there may be a change to the criteria for the federal scheme.

**Mr R.R. WHITBY:** The member is asking me about a newspaper report. I do not have any more details than what has been in the press.

**Mr R.S. LOVE:** We were just told about the continuity of support during the NDIS transition. I take it that that is the continuity of support for people transitioning from the state trial to the federal system, not those who are receiving other methods of support through the Disability Services Commission at the moment. For those who are receiving support through the Disability Services Commission, especially those who might be in regional areas where the private service provider may not yet be available, what will be put in place to ensure that that transition occurs smoothly? I asked the same sort of question last year and I was assured that people would not be thrown off the home and community care program and put into a situation in which they had nothing, but I can report that people are. It has been reported to all our members of Parliament throughout the state that that is happening and there is concern about that going forward. What is being done to ensure that people in regional areas who perhaps the state has supported in the past will continue to be supported? Will the state actively try to ensure that other providers will move into those areas as the state-provided or otherwise resources may retreat?

**Mr R.R. WHITBY:** The member has made a point about people who are not covered by the NDIS. Anyone who currently receives disability services at the state level and is not part of the NDIS will continue to receive those services. I remember being here last year and responding to the same question. There are special challenges in the regions; there is no doubt about that. As part of the NDIS transition, the government is investing about \$20 million to assist the sector to upskill and prepare for what will be a big increase in demand. It will bring a lot of opportunities for employment not only in the metropolitan area, but also across the state. However, there are those existing issues in regional areas about the availability of appropriately trained staff. It is an issue of concern that

will be addressed by growing the sector. We anticipate a doubling of employment in the sector from 10 000 or so currently to 20 000 in a relatively short time frame. That will mean more services and more service providers existing across Western Australia. We hope that that will alleviate the situation. I think to a degree we will always have an issue in terms of isolation, particularly in the remote parts of Western Australia. It is being addressed.

[2.20 pm]

**Mr R.S. LOVE:** Western Australia has some unique circumstances that have been brought about by the development of our state-supported system over the years. I am sorry but a bit of a preamble is necessary. Other states tend to use institutions a little more and they gather together persons with disabilities into areas in which their care is more easily provided. Western Australia has taken a more dispersed model in the past. That leaves us in the situation in which we have a National Disability Insurance Scheme program that really does not have within the costing components for each individual plan the types of travel costs that will be faced by providers as they go into the regions. Will there be a special effort to try to set up a model or to try to negotiate with the commonwealth to have some special consideration of the unique circumstances of regional Western Australia?

**Mr R.R. WHITBY:** The member raises a very good point. Indeed, we have been in consultation with federal counterparts to make the point that distance issues are involved in Western Australia and that perhaps some of the funding models need to be thought about again in order to meet the special needs in Western Australia. There is national governance around NDIS criteria that includes eligibility requirements, and the states can make representation. Western Australia has special needs because of some of the distances involved. Some of the allowances that were put up at the federal level made no sense in Western Australia, where distances are a lot further. That is being taken up with the federal authorities and the NDIS. We definitely want to make that scheme as adaptable as possible to Western Australia's situation, and we will focus on that.

**Mr R.S. LOVE:** I have a further question on the provision of special consideration for the regions. I understand that the Disability Services office in Margaret River has closed. How do actions like closing that office give people in regional areas confidence that this program can be rolled out in their area? People's concerns about autistic children generally and other disabilities have been referred to in the press, and there is a gathering feeling of some uncertainty and fear in the regions. Actions like closing that office are certainly not helpful. Can the parliamentary secretary confirmed that that office has closed?

**Mr R.R. WHITBY:** It would be ideal to have an office of every government agency in every town. The situation with Margaret River is that that region will be serviced from Busselton, which, when we think about some of the distances in Western Australia, is not a particularly long distance for clients to travel. The demand in Margaret River was quite small. I understand that the rationale for that office did not pass muster in terms of the demand it was serving, and Busselton is well within the radius of the Margaret River region for people to seek assistance.

**Dr D.J. HONEY:** Is the parliamentary secretary really confident that people in Margaret River will see the same level of service? It might be a shorter distance, but typically we have the tyranny of distance; that is, if it is out of sight, it is out of mind. What measures have been put in place to make sure that we do not see a diminution of service to the people of Margaret River?

**Mr R.R. WHITBY:** I do not think that going to Busselton is a particularly arduous or extensive journey for a person in the Margaret River region. As I say, given some of the distances that clients elsewhere —

**Dr D.J. HONEY:** I was thinking about it more the other way, of services coming to the town rather than people travelling to Busselton.

**Mr R.R. WHITBY:** The member makes the point of staff from that office going into the community, and I am advised that that is what happens; clients are not expected to go to an office. The office is there to serve a population of a particular region and it is used as a base to go into the community. I have no doubt that many clients in the Margaret River region probably would not notice a difference in where the staff who are assisting them are coming from.

**Mr A. KRSTICEVIC:** Can the parliamentary secretary rule out job losses as a result of this move, now into the future, and as a consequence of the shift to NDIS?

**Mr R.R. WHITBY:** I thank the member for the question. There will not be any job losses as a consequence of the shift to NDIS. As I said, many thousands of jobs have been created in the community in the private sector, which is a very welcome thing.

**Mr A. KRSTICEVIC:** The parliamentary secretary said that jobs have been created in the private sector, as opposed to the government maintaining its —

**Mr R.R. WHITBY:** No, I said —

**Mr A. KRSTICEVIC:** Will those employees still have their jobs after this transition?

**Mr R.R. WHITBY:** Some new jobs will be created in the private sector. New opportunities and jobs will be created within the NDIS federal structure in Western Australia. I am sure that some of the staff who previously worked at the state level will move across. There will be some movement of employment, but overall there will be a massive increase in employment.

**Mr A. KRSTICEVIC:** Does that mean that there will be forced redundancies for those staff, because they will potentially, from what the parliamentary secretary said, no longer have that role?

**Mr R.R. WHITBY:** There is no intention to introduce forced redundancies.

**Mr A. KRSTICEVIC:** What will those staff do if there is no longer a role for them in their current capacity after this move?

**Mr R.R. WHITBY:** I will get Ms Hailes-MacDonald to respond to that.

**Ms M. Hailes-MacDonald:** The skills and knowledge that the local coordinators have is well recognised within the Department of Communities. Our focus within the Department of Communities, of which Disability Services is one area at the moment, is person-centred, local decision-making and semi-autonomous working. It has been well recognised by the director general that the skills and knowledge of the local coordinators need to be fostered through the whole of the Department of Communities. Certainly, if I look at the Department of Communities and the way it is and will be operating, those skills are well there, with people in various regions presenting at different offices, whether that be a co-located office for what we knew as housing and child protection, but a Department of Communities' office, with the local coordinators approach being very much about facilitating and assisting people with disabilities and others to get the wholesome and full services that they need. We see certainly that the skills of the local coordinators will be very much needed within the Department of Communities.

[2.30 pm]

**Mr A. KRSTICEVIC:** Will they be allowed to stay in Margaret River or will they be forced to move elsewhere to undertake that role within the Department of Communities?

**Ms M. Hailes-MacDonald:** They will not be forced to move anywhere. There are various options that occur under a human resource arrangement when somebody's specific job is not required. A lot of consultation occurs with them and then we look at where they might either want to go or how they can work within the community that they are working in. No, there will be no forced moves.

**Mr A. KRSTICEVIC:** If there is not a fit, in all those particular situations, will there be involuntary redundancies offered to those people?

**Mr R.R. WHITBY:** No.

**Mrs L.M. O'MALLEY:** I refer to the third dot point under "Significant Issues Impacting the Agency" on page 416 of budget paper No 2. How is the state government working collectively with the commonwealth and advocating for a system that best meets the needs of Western Australians with disability?

**Mr R.R. WHITBY:** As part of the commitment to get the best scheme possible, the government has committed to a review of the previous government's decision to pursue a state-based National Disability Insurance Scheme. A collaborative approach working closely with our commonwealth counterparts is very important and integral to that approach in getting the best scheme possible. Western Australia is represented at the ministerial level on the Disability Reform Council. It has senior officer levels on the senior officers working group and various policy working groups as well. Our representation at all levels enables the WA government to advocate for the interests of Western Australians. We feel we are very enmeshed and represented at federal decision-making on the new NDIS. I am advised that Minister Dawson engages on a frequent basis with his federal counterpart, Hon Daniel Tehan, the chair of the Disability Reform Council; and Mr Rob De Luca, the chief executive officer of the National Disability Insurance Agency. There is continuous involvement and monitoring of how things are progressing. Developing and maintaining a positive working relationship will assist the WA government to continue to make significant contributions to how the scheme supports people and how the scheme is rolled out in Western Australia.

**Mr R.S. LOVE:** On the same page, page 416 of the *Budget Statements*, the sector transition fund is referred to in a line item and the third dot point. The \$20.3 million that has been allocated to that fund is, I assume, to handle all those matters we have been talking about—I refer to matters occurring during that transitional period between the state and federal systems. How did the department arrive at \$20 million and what confidence does the parliamentary secretary have that it is a sufficient amount of money given the enormous task that seems to spread out goodness knows how many more years ahead of us to achieve a successful transition?

**Mr R.R. WHITBY:** The department and the minister determined that that was a reasonable amount of money—with a proviso that I will mention later—in the cost of compliance and the other issues that were investigated in the transition. We have made an approach to the federal minister to seek some additional funding from the commonwealth. Given that other states have sought and received that funding, we believe that we have a good case to bolster that figure. It is an amount that we have determined at the moment that is reasonable, and we hope that if we can bolster it, obviously we will be able to achieve more.

**Mr R.S. LOVE:** The purpose of the fund is to provide money to existing suppliers or organisations that might be working in disability services so that they can continue that service. As people who are in that service progressively fall off, so to speak, on to the NDIS, presumably there must be at some point some role for those organisations going forward. Will they be able to continue to provide their service under the NDIS or do all the state's current organisations just disappear?

**Mr R.R. WHITBY:** It is not the case that a service provider to the WA NDIS will cease to be a service provider when transition occurs to the federal scheme, and indeed the whole design of the process is about individual freedom, allowing the person with a disability to seek out their own support in a competitive free market. It is very likely that if a service provider were to lose a service provision to a particular person under the NDIS, there is every likelihood that that same service provider that is providing valuable services will be able to pick up and attract new people to the service. It is building a market. There is no restriction on any service provider to only be a service provider under one system and not under the new system. There will be huge opportunities for service providers and indeed new companies created or expanded to meet the demand of an invigorated market.

**Mr R.S. LOVE:** Is that the fund that would also ensure that people in regional areas continue to receive some level of service when there may not be a person or provider coming into the area?

**Mr R.R. WHITBY:** The amount of money the member has pointed out is to help equip service providers to meet the transition. It is accurate to say that those service providers could be located anywhere in the state. Undoubtedly, and it is quite possible that because of their situation in regional Western Australia, they may have a greater call for assistance. That money is available to service providers all over Western Australia, but it is for the service providers to transition.

**Mr R.S. LOVE:** I will go back to the case of regional areas. If this money is not specifically to support regional areas in trying to adjust to the new system, what money is available in the budget to provide for services to regional areas?

**Mr R.R. WHITBY:** I refer the member to the director general.

**Mr G.J. Searle:** I thank the parliamentary secretary. The intention of the fund is to try to help all service providers in Western Australia transition from one management and accounting set of arrangements to another. The reporting requirements for the National Disability Insurance Agency are different from the state system; the way it operates is different from the state system. We are trying to help all service providers make that transition with this sum of money. Obviously, that will take a fair bit of negotiation with the sector, and we are setting up a process with National Disability Services and some other key providers to work through what those transition issues are and how best to address them.

That is regardless of whether they are in Perth or Kununurra. It is on a case-by-case basis and takes into consideration the requirements of the new system and how we can best help people to transition.

[2.40 pm]

**Mr R.S. LOVE:** I do not think that quite points to where in the budget the money is available to continue those services in the event that a service provider does not operate in an area where a person may currently be receiving a service through a state-sponsored organisation. That is what I am asking.

**Mr R.R. WHITBY:** I will elaborate for the member. Obviously, we are still developing the process. The WA Country Health Service already provides some of these services in remote and regional areas. In fact, discussions are going on within the sector. The member might want to flesh this out with the Minister for Health when the Health division comes up. We are looking at the possibility of WACHS being a service provider under the National Disability Insurance Scheme. That would be a really positive development. The WA Country Health Service has an extensive network in Western Australia, and its provision of an NDIS service would be another way to serve people with disability in remote regional areas. That is part of the discussion going on now, but it is a challenge. This sort of lateral thinking is one of the things we are doing to meet that challenge.

**Mr R.S. LOVE:** It is part of the ongoing discussion, but it is not government policy at this time for WACHS to automatically pick up areas that are not being serviced by another provider.

**Mr R.R. WHITBY:** On page 420 of budget paper No 2, the member will see a list of services in addition to what we have already mentioned. Items 11 to 17 are all services that are funded statewide, including regional services. A lot of the issues and concerns are addressed by those line items.

**Mr R.S. LOVE:** I already have those items marked with my pen. Am I to assume that those items are for regional areas?

**Mr R.R. WHITBY:** As I have explained, those items cover regional services and areas.

**Mr R.S. LOVE:** The minister mentioned before that there has been discussion within government about the role of the WA Country Health Service. How far advanced is that discussion? It would be of tremendous comfort to people if they knew that WACHS would be a provider of last resort in those areas. Is a whole-of-government decision on that issue likely?

**Mr R.R. WHITBY:** It is a responsibility of the federal National Disability Insurance Scheme to seek out those service providers, but WACHS is certainly one of the possibilities; the federal NDIS would have that conversation. I might seek some input from the director general on how developed those negotiations or discussions are.

**Mr G.J. Searle:** As late as Monday of this week, I was having discussions with the director general of the Department of Health around what the National Disability Insurance Scheme rollout would mean in regional and remote communities, the role of home and community care and how that transition would be best managed. If the member looks at the budget papers to which the parliamentary secretary referred, he can see that those numbers go down over time. Those figures are based on the current assumptions for the rollout of the National Disability Insurance Agency. We are committed to not withdrawing services from anybody until the NDIA is ready to pick up those people and they have transitioned from our service to its service.

**Dr D.J. HONEY:** To close the loop on the transition arrangement for patients, from the answers that the parliamentary secretary gave before I understood that clients who did not transfer over to the federal National Disability Insurance Scheme would be picked up by the state system so that they did not lose coverage. What happens in the circumstance that they transition over to the NDIS and subsequently the NDIS changes its eligibility criteria, as foreshadowed for autism clients?

**Mr R.R. WHITBY:** I make it clear that if someone is currently part of the WA-based National Disability Insurance Scheme, they will transition. There is no argument. If someone is eligible for the state-based system, they will be eligible for the NDIA-administered system. There is no issue there. The member raised the issue of autism and changing criteria. I cannot speak about eligibility for the NDIA on behalf of the federal government. I am not aware of any indication of any change of criteria. Indeed, there is an ongoing process to transition people from the state-based system to the federal system. It is progressing and there is always the odd bounce or issue along the way, but given that we are talking about thousands of people, I think it is fair to say that it is progressing fairly well. There is no indication that there will be any change to criteria. Again, the member referenced a report in the newspaper, but I honestly do not know anything more than what the member read.

**Dr D.J. HONEY:** Autism was a topical example, but there could be other examples. If the criteria changes, is there a mechanism for the state to pick up those people who were covered by the state scheme but are no longer covered by the national scheme?

**Mr R.R. WHITBY:** My advice is that the federal NDIS cannot change without jurisdictional agreement. I take it that means that the states have to agree; is that correct?

**Ms H. Nys:** That is correct.

**Mr R.R. WHITBY:** I will refer the question to Ms Nys.

**Ms H. Nys:** The commonwealth National Disability Insurance Agency cannot change legislation without agreement from all jurisdictions, and that would typically be brokered through the Disability Reform Council. There would be a reasonable expectation that should there be a change, there would also be discussions around the financial impost on states and territories.

[2.50 pm]

**Dr D.J. HONEY:** I am intrigued about whether those changes include the specific categorisation of individual clients.

**Ms H. Nys:** Do you mean in relation to the number of participants?

**Dr D.J. HONEY:** No, the category of participants. There is a particular category of participant. Would that require the agreement of all parties; is that part of the agreement?

**Ms H. Nys:** Yes. That would also have to be negotiated with the parties.

**Mr M.J. FOLKARD:** I refer to the third dot point under “Significant Issues Impacting the Agency”. How is the state government preparing the disability sector for the significant growth that is expected to occur over the next few years following along the earlier themes?

**Mr R.R. WHITBY:** As I said earlier, there are currently 26 000 people in Western Australia with a disability accessing supports in WA. According to the bilateral agreement, with the transition to the National Disability Insurance Scheme, it is expected that over 39 000 people will transition to the NDIS in WA by 2020. This is expected to increase demand on the disability sector for services and support. I raised the spectre previously of the vibrant growth in this sector growing jobs in Western Australia. National Disability Services WA undertook the development of the “NDIS: WA Disability Services Sector Industry Plan”, which estimates that funding for a full rollout of the NDIS in WA by 2019–20 would have reached \$1.7 billion. It is estimated that this will generate \$2.7 billion of activity, including \$1.8 billion in income, and 20 144 full-time equivalent direct and indirect jobs in the sector across the state. By comparison, that number currently is around 9 000 to 10 000, so it will literally double the employment in the sector over that time. This should also deliver people with disability more choice in service providers and greater flexibility in relation to the supports they receive. If the member can imagine the enormous growth in this sector, he will see how it will promote innovation in the way services are designed to meet the needs of people with disability. The sector workforce development plan is currently under development and the Department of Communities is engaged in consultations with key government agencies and non-government stakeholders. The clear understanding there is that, to be successful, we need that engagement and cooperation.

The Minister for Disability Services and the Minister for Education are also engaged in working out what training will be involved in helping the NDIS grow these opportunities in Western Australia. It is a rapid process, so, as I said, there will be good opportunities in the sector. Already, the private sector is looking at this with forums and expos of what is on offer. It is a growth sector. I guess it has to be because the whole philosophy of this change is about people with disability making decisions for themselves, choosing service providers and choosing the mix of services that are right for them. It is a very energetic and vibrant market out there. People with businesses who can grasp the opportunity to provide a range of services in a range of places will obviously do well and expand their businesses and employ more Western Australians.

**Mr R.S. LOVE:** Are there limits to the number of places available under the NDIS? Are the indicative numbers a limit or is that just an indicative growth rate?

**Mr R.R. WHITBY:** I will seek some further advice, but my understanding is that if people meet the criteria, they meet the criteria. The numbers are expectations of what the demand will be.

**Mr G.J. Searle:** They are indicative numbers. They are commonwealth numbers based, primarily, on census data. Our expectation is that they will struggle to find that number of people. We think fewer people than that are eligible for the scheme. But due to the way the scheme is structured, if more people are found to be eligible, the scheme will be expanded to include them.

**Mr R.S. LOVE:** Does that expansion require any renegotiation with the commonwealth or will it automatically happen?

**Mr G.J. Searle:** It will automatically happen, but there are budgeting requirements on both sides as part of that.

**Mr A. KRSTICEVIC:** Can the parliamentary secretary please tell me the total budget savings over the forward estimates for the transition of the NDIS from the state to the commonwealth?

**Mr R.R. WHITBY:** Can the member point to the line item?

**Mr A. KRSTICEVIC:** It is the National Disability Insurance Scheme on page 95 of budget paper No 3. I am assuming budget savings will come out of this and no doubt there are figures somewhere showing how this will benefit the state.

**Mr R.R. WHITBY:** I refer the member to Matthew Richardson for a response.

**Mr M. Richardson:** Perhaps the best way to answer this is to acknowledge that the overall spending on disability services throughout the forward estimates period is increasing. There is more money for disability services in Western Australia than ever before. A large part of that is due to an increase in additional commonwealth funding to bring its spending up to match the level the state has been previously spending. There is a little bit more state money and a lot more commonwealth money. There are some longer-term savings associated with the transition to the NDIS. That is to do with voided or forgone administration expenses. That was to occur under a 10-year model in the six years beyond the forward estimates period. When the NDIS had been fully rolled out across the state, there would have been a large state-run staffing cohort, who would be administering that service across all Western Australia. That will now be done by the commonwealth government, so there is no need for the state to hire those additional staff members. Overall, that expenditure over 10 years will save \$1.3 billion but there is no noticeable reduction in spending by the state over the forward estimates.

**Mr A. KRSTICEVIC:** Is Mr Richardson saying there is a saving of \$1.3 billion on staffing costs that have not actually been incurred?

**Mr M. Richardson:** Yes.

**Mr A. KRSTICEVIC:** There was a plan to do something that would cost \$1.3 billion. In 10 years' time that will not happen, so it will result in a saving that the parliamentary secretary can report here today, saying that we will save all that money because 10 years down the track, we will not have spent that \$1.3 billion, which may have been spent because it is out there in the distant future. Is it really a saving? I know the government is saying that it is a saving, but it may never have happened and it, obviously, will not happen. It is a bit like a forward estimate that never eventuates or a global figure that is out there. How real is that figure; how real is that saving?

**Mr R.R. WHITBY:** The background to this, of course, is that the previous government opted to have a trial. That would have been the forecast costs of a WA-based NDIS, so we decided to go with the federal model. There were those savings in that we would not need to replicate bureaucracies, because there is a federal structure and we would not need to replicate that at the state level. That is where a lot of those savings come into it. I refer the member to the director general for some further detail.

**Mr G.J. Searle:** The parliamentary secretary is absolutely right. The amount of administration required at the state level will, basically, disappear over the 10-year time cycle. Some of those requirements will be absorbed within the Department of Communities but the existing infrastructure of the Disability Services Commission will disappear. The need for it will disappear over that period and they are the numbers recorded in the \$1.3 billion.

[3.00 pm]

**Mr A. KRSTICEVIC:** The parliamentary secretary indicated that funds would be allocated towards other parts of the program and the state administered component, which will obviously be a cost that in some cases has not been put in the budget yet. So, it will not really be a \$1.3 billion saving. There will be costs. We do not know what they will be, so the savings may be a lot less or the future cost to support these people may be more than \$1.3 billion over a 10-year period so the state could get behind because it is an unknown quantity.

**Mr R.R. WHITBY:** That is a bit of a long bow. We are talking about Treasury advice of a \$1.3 billion saving from not building a whole new bureaucracy to administer a state-based NDIS because there is a federal structure. The member is talking about other costs that may be incurred in the future.

**Mr A. KRSTICEVIC:** I am talking about other NDIS costs that Treasury has not yet forecast. On the one hand we have a forecast of a cost that will not happen and on the other hand we have a cost that we know will happen but it has not been forecast yet so we do not know what it will be. Therefore, if someone asks what the saving is, we cannot tell them right now because —

**Mr R.R. WHITBY:** At this point we know that the saving is \$1.3 billion, having opted to move to a federal structure.

**Mr A. KRSTICEVIC:** But there will also be a cost and we do not know what that figure will be.

**Mr R.R. WHITBY:** The member is talking about apples and oranges.

**Mr A. KRSTICEVIC:** It is still money. I am talking about money.

**Mr R.R. WHITBY:** We would have to build a very elaborate bureaucratic structure to run this compared with what may change in the number of people who might need various services. I do not know that the two can be compared. I am happy to defer to the director general for further detail, but I think it is a very strange comparison to make.

**Mr A. KRSTICEVIC:** The comparison obviously is the dollars spent on the state component of NDIS, which is ultimately what we are talking about. Whether that is spent on apples and oranges, it is still dollars spent on the apples and oranges of NDIS.

**Mr R.R. WHITBY:** The problem is that those apples cost a lot more than the oranges.

**Mr A. KRSTICEVIC:** We hope. But that is okay because there is always Spudshed.

**Mr R.S. LOVE:** I refer to residential services for people with disability on page 429 of the budget papers. Some costs are outlined for this year and previous years. Is the state a supplier of those services? Under this heading, does it actually own the buildings and provide a place for people with disability or is it simply buying a place from some other provider?

**Mr R.R. WHITBY:** I am informed that it is both.

**Mr R.S. LOVE:** It is both. If the state is a supplier, I assume that in some circumstances a fairly significant proportion of the total number of places may be in state buildings. What will the future of provision of residential services for people with disability be? Does the state intend to have an ongoing program of providing those places and increasing the number if need increases in the future or does it hope, as part of the NDIS changes, to depart from the scene as being a supplier?

**Extract from Hansard**

[ASSEMBLY ESTIMATES COMMITTEE B — Wednesday, 23 May 2018]

p314b-323a

Mr Tony Krsticevic; Mr Reece Whitby; Dr D.J. Honey; Mr Shane Love; Mrs Lisa O'Malley; Mr Mark Folkard

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**Mr R.R. WHITBY:** The services will continue to be provided by the state as before. I am happy for the director general to provide the detail.

**Mr G.J. Searle:** The reality of accommodation in the disability sector is increasingly one of providing choice to individuals. The Department of Communities currently provides a number of residential beds. I think it is probably around 200 beds, whereas a few years ago it would have been nearly treble that. There has been a significant reduction. That has been accommodated by people with disability and their families working through the issue of where they want to live and what their best option is. We will continue to provide services. Right now I think it is probably between 150 and 200 beds. I do not think the government intends to increase its supply and compete with the private and not-for-profit sectors, but it will continue to run the service it is running for the foreseeable future.

**Dr D.J. HONEY:** I refer to the spending changes table on page 416 of budget paper No 2. The hardship utility grant scheme has been cut from \$3.5 million in 2018–19 to \$2.1 million in 2021–22. I am interested in how that reduction will be achieved. Will that also cover water utility bills?

**Mr R.R. WHITBY:** That does not come under our area of remit this afternoon.

**Dr D.J. HONEY:** Which area does it come under? I was looking for that and I am happy to seek guidance.

**Mr R.R. WHITBY:** Although it is part of the Department of Communities, it is not this portfolio area. It is the Minister for Community Services' portfolio.

**The appropriation was recommended.**