

DISABILITY SERVICES AMENDMENT BILL 2014

Second Reading

Resumed from 13 March.

DR A.D. BUTI (Armadale) [10.55 am]: I rise to lead the debate from the opposition on the Disability Services Amendment Bill 2014. This is a rather brief bill, the main purpose of which is to make certain changes to the Disability Services Act to allow for the commencement of the My Way trials for the National Disability Insurance Scheme, which are to commence on 1 July 2014. I will comment on the provisions of the bill when we move into consideration in detail, but they are not overly complicated or complex.

The Western Australian government agreed to conduct a trial of the NDIS in Western Australia. That is slightly different from the position that has been taken by other states, which are incorporating the NDIS as it has been proposed by the federal Parliament. The Western Australian government wishes to have the NDIS incorporated into its own disability services framework. I will commence by outlining some of the framework of the NDIS. I will then discuss why we need the NDIS and seek to counter some of the criticism of the NDIS, and look at some of the important social and economic issues that surround funding for disability services. The objective of the NDIS, which is now called DisabilityCare Australia, is to provide a national disability insurance scheme to support people with permanent disability and their families and carers. The scheme will give people with disability greater choice and control over their support needs. It will focus on early intervention, which hopefully will minimise the impact of the disability and thereby reduce the overall outlay of the state in supporting people with disabilities. It also seeks to provide assistance at the right time rather than once a person is in crisis. Under the current supported accommodation system in the Western Australian disability sector, people have to be in major crisis before they can be awarded accommodation funding. That system should not be continued, and if the NDIS can overcome that, that would be a major benefit of the scheme.

Under the NDIS, or DisabilityCare Australia, the definition of “disability” is any intellectual, cognitive, neurological, sensory or physical impairment, or a psychiatric condition. Therefore, under the NDIS there is a joining up of mental illness with the traditional view of disability as being an intellectual or physical disability. It is important that people understand that we may be only one car trip away from becoming disabled, one rugby tackle away from becoming disabled or one horseride away from becoming disabled. That is why the NDIS should not be seen as focusing on only a small section of the population of Australia, because we may all be affected by disability at some stage in our lives. It becomes particularly important in Western Australia because we do not have a no-fault injury compensation scheme. If a person in Western Australia has a horrific motor vehicle accident that incapacitates them and if that person was at fault, they will not receive any funding. A no-fault insurance scheme would, of course, allow that person to receive funding. The National Disability Insurance Scheme is not an insurance scheme for acquired injuries in the sense that the New South Wales scheme is, but it will provide a level of support for all those who are disabled. Eligibility for the NDIS is that a person is disabled—they must comply with the various definitions of what disabled is—and also that the person is under 65 years of age when they first participate in the scheme. There has been some criticism of that and that it should be open to people over 65. Of course, the cost aspect of that would be quite enormous. What must be made clear is not that a person will no longer be funded once they hit 65, but that a person must be under the age of 65 when they first participate in the scheme. When a person is over 65, there will be interplay with the aged-care support system as well. It is assumed that the outcome of this scheme will be that it will give every Australian the certainty of knowing that if they or a family member has a permanent significant disability, they will get the support they need. Also, people with disability will be better supported to achieve their goals and will receive individual support, which hopefully will give them greater choice and control as to how they receive and utilise that support. It is hard to know how many people will be covered by the scheme, but it has been estimated that it will be up to 460 000 Australians; I am sure it will be a lot more than that.

I will move on to look at the debate that has centred on this scheme. Of course, the big debate is about whether it is going to cost too much. What has to be remembered with the issue of cost is that there is a long history behind this scheme. The NDIS has come about after many, many years of debate and a number of reports. One report was by the Productivity Commission, which is not known as being a radical, left-wing think tank. Overall, the Productivity Commission is considered to have an economic rationalist perspective, so it is interesting that the final impetus for the previous federal Labor government, when Bill Shorten was Parliamentary Secretary for Disabilities and Children’s Services, to put up the NDIS was based largely on the Productivity Commission report of 2011. Since the change of government in Canberra there has been an increase in noise by government members about the cost of this insurance scheme, with comments that it may be unaffordable. A number of comments have been made and articles written by Bruce Bonyhady, AM, the chair of the National Disability Insurance Agency. There was an opinion piece from him in *The West Australian* last Tuesday, but I will quote from an opinion piece from 26 March on the ABC Ramp Up website, which covers disability issues. Mr

Bonyhady stated in the article that the NDIS is necessary for economic reasons, in addition, of course, to social reasons. He stated that the Productivity Commission was in many respects the impetus for this scheme to be put in place. He writes that an NDIS is necessary because if we do not have it, the cost to Australia, and to Western Australia, will be greater than the cost of having an NDIS. He referred to the 1 400-page Productivity Commission report, which —

... labelled the existing disability support systems unfair, fragmented, underfunded and inefficient.

The report clearly stated “from an economic perspective, the benefits of the NDIS will exceed the costs”. An NDIS will support people with disability and their families to enter the workforce for the first time or return to work. It will also create tens of thousands of new local jobs, directly and indirectly.

Furthermore, it found the NDIS will ultimately add one per cent to the country’s gross domestic product—a significant boost to Australia’s economy.

The people who are criticising the NDIS fail to consider the economic benefits that it will bring; that is, if the NDIS supports people with disabilities, it may actually allow them to return to and become productive elements in the workforce and to pay taxes. Also, their carers can go back to work. That needs to be considered. A report was also undertaken by PricewaterhouseCoopers in November 2011 called “Disability expectations: Investing in a better life, a stronger Australia”. According to Mr Bonyhady, that report —

... went further than Productivity Commission. It argued that an NDIS would pay for itself.

PwC also examined the budgetary impact. It ... found that by 2035, the cost to governments of disability support, without reform, would be two to three times the cost of an NDIS.

It also found that within 10 years, by around 2025, the costs of doing nothing would exceed the cost of the NDIS.

The sector cannot overemphasise these points—not having an NDIS will cost Australian taxpayers more and won’t deliver any of the social or economic benefits.

Basically, there is no alternative to the NDIS—that is the argument put by Bruce Bonyhady, chairman of the National Disability Insurance Agency. He stated —

There is no alternative to an NDIS, no Plan B. The status quo is not an option because it is economically, and socially, unaffordable.

As I stated, some disquiet has appeared since the change of government in Canberra. That is very disconcerting for the many people who are hoping to benefit from the NDIS. If the analysis by the Productivity Commission and PricewaterhouseCoopers is correct, we will all benefit. An interesting article was written by John Walsh and Sarah Johnson from PricewaterhouseCoopers called “Development and Principles of the National Disability Insurance Scheme”. It is quite an interesting article and states —

The National Disability Insurance Scheme (NDIS) has been called ‘the most fundamental social policy reform since the introduction of Medicare’.

We all remember how, for a long time, the conservatives rallied against Medicare. The current Prime Minister believes that he is the best friend of Medicare, so let us hope that the federal government can become the best friend of the NDIS.

It has been a long journey to get to this stage. Back in the 1960s, studies were done in New Zealand on developing a long-term insurance policy for personal injuries. A report was written by Sir Owen Woodhouse and a number of principles were developed, which really can apply to the NDIS. The Woodhouse principles basically are community responsibility, comprehensive entitlement, complete rehabilitation, real compensation and administrative efficiency.

Debate then occurred in a number of states. New Zealand has a no-fault insurance scheme, which of course is much more preferable to the common law tort system. Debate occurred in a number of Australian jurisdictions about having reform in compensation for people who have disabilities. Mainly, though, the focus has been in workers’ compensation and motor vehicle insurance. New South Wales, Victoria, Tasmania and the Northern Territory have schemes that focus on long-term outcomes for people who have sustained severe injuries. The New South Wales lifetime care and support scheme came about after the so-called Ipp review. Justice Ipp was originally from Western Australia before he transferred over to New South Wales. Members may remember the time in the 1990s when there was a concern about what happens when people have severe accidents for which they were at fault and how they would be covered and be insured. Issues also arose about medical negligence, particularly about obstetricians withdrawing their services given their concerns about being vulnerable to a legal

action. That led to the whole issue of whether doctors should have medical indemnity insurance and whether that would be a form of compensation for people who were victims of medical negligence or an accident.

We have seen a number of cases in Australia that I think most people find worrying—the so-called wrongful birth cases. Parents of a child with a genetic disability have taken a case against the medical profession because the genetic disorder was not diagnosed in screening before birth. Even though the parents have a child, they argue that the child should not have been born because of the costs. A lot of criticism is made of these parents, but people have to understand that to raise a child with a disability, particularly a severe disability, is incredibly expensive. As we do not have an insurance scheme in place for that, often parents feel they have no other avenue but to seek compensation. I think people need to be careful not to be too critical about such claims for compensation, as often these cases are taken because the parents do love their children and are just seeking some financial assistance to raise their children.

The New South Wales model of the lifetime care and support scheme held many of the precursors as the conceptual model of the National Disability Insurance Scheme; namely, it was trying to seek —

... a balance between providing people with choice and control over their future supports, while at the same time recognising the need to achieve macro-control over the total cost of the system and retain sustainability and political support.

What are the features generally of insurance models? A number of features are contained in most insurance models, and the NDIS seeks to comply with these features. Hopefully, when it is up and running properly, it will comply with a number of the features of insurance models. Much of the speculation about the meaning of “insurance” in the NDIS relates to the fact that no-one allegedly pays premiums—that is, we are not paying a premium—but, of course, we are paying a premium in the sense that it is taxpayers’ money, and if there is a Medicare levy, that would be part of the premium. The NDIS complies with one of the insurance concepts. One concept of insurance is risk pooling, whereby rare and expensive liability unaffordable to the individual is met through pool resources. That is the whole issue of the NDIS: each individual cannot meet the cost of the care and support, but by everyone in Australia paying into that insurance scheme, there is risk pooling. Another feature of insurance that differentiates itself from the traditional social welfare notion is the issue of aggregated expected cost of claims. In other words, given a defined level of coverage or benefits on the occurrence of a rare and uncertain event, how much in total needs to be set aside to meet the commitment across the insured population? An estimation is made on the quantum required. The quantum demand is worked out, and from that we try to work out the quantum of that cost in complying with those claims.

A third concept of insurance that the NDIS seeks to comply with is reasonable and necessary entitlement, which complies with or is similar to the Woodhouse principle of real compensation. The implied intention from this principle is that we should achieve an optimum cost benefit, with benefit measured in a broader economic sense, including wellbeing outcomes. For instance, one of the criticisms made of insurance schemes such as the NDIS is when looking at the initial costs involved in financing a claim without looking at the long-term cost or the long-term benefit. For example, an outlay of \$20 000 on an equipment item or therapy program may achieve a functional improvement that both improves a person’s quality of life and also reduces the need for the person’s support. Therefore, the reduction of one hour per day of personal care, which may be as little as a five per cent reduction for many people, will repay an investment in just one year. A \$20 000 outlay could be repaid in one year by reducing the amount of support needed. These are important matters that need to be looked at.

One of the other areas that seems to be of particular concern is the heightened risk to the scheme or the system, but this is where we need to very carefully look at the expected long-term cost and the expected long-term benefits. There is a problem or a fear that if we have this insurance scheme, there will be an unleashing of a latent demand out there waiting to be let loose by this insurance scheme. This is what the NDIS is programed to do, and hopefully this trial period in Western Australia can iron out some of the problems. We need to make sure that we have a strong and objective process of scheme entry and an assessment of entitlements at individual level. We must be very clear about who is eligible for the scheme and the objectives of the scheme. They are very important issues.

It is also important of course to have a proper governance of the insurance scheme. If we want the money to go where it should go—to the individual person who has a disability and of course their carers—we must ensure proper governance and that a cycle of governance is in place.

We have to ensure that there is a properly planned individual support structure to ensure that the money is properly spent. What we do not often have in an insurance scheme is a focus on the individual. For instance, health and disability funding in Australia is always talked about as being client or individual focused, but in many respects it is not focused on the individual; it is focused on the system. The National Disability Insurance Scheme seeks to ensure that the system put in place is focused on the individual, which is where the focus should be.

The article titled “Development and Principles of the National Disability Insurance Scheme” by John Walsh and Sarah Johnson that appeared in *The Australian Economic Review* refers to the insurance schemes that the NDIS seeks to replicate in many respects, and on page 332 it states —

Considered over the whole period, the schemes have significantly reduced in cost in real terms, particularly the motor injury schemes. This is in contrast to the health and disability systems, which have both escalated considerably in real cost, with no real prospect of rationalisation. Of course, the demand pressures on these schemes are different, but we would argue no more significant, particularly in comparison with workers compensation.

Hence, we have a rich history of trial and operational evaluation of the insurance model—and learning by hard trial and error with 18 schemes being constantly monitored and adjusted over the past 25–30 years. The science of scheme design to stay sustainable in the face of demand pressures is constantly evolving, particularly in the critical areas of assessment of scheme eligibility and entitlement, the focus on measurable outcomes and the value of early intervention and predictive modelling of claimant pathways—all equally relevant to the NDIS environment.

While we are having this trial period in Western Australia, we should not be under the illusion that we do not already have a strong history of evaluation of insurance schemes that the NDIS in many respects is replicating. The authors of the article also looked at the disability insurance model. The article continues —

However, one critical component lacking in the disability and other human services systems is the longitudinal data—the raw materials—to undertake these processes of continuous evaluation and monitoring. A great deal of emphasis is placed on the notions of ‘person-centred support’ in disability systems and ‘patient-centred care’ in health systems. But in neither of these systems is the ‘person’ at the centre of data collection; rather, the large administrative datasets in health and disability systems focus on services and episodes of care. Only in the long-term insurance-based compensation systems do we actually follow the coordinated activity and outcomes of people while they are clients of the system.

The article goes on to discuss how in the 1990s we had not an explosion, but a keen interest in disability service provisions and the rights of people with a disability. There was an increase in rights-based rhetoric, and we had the enactment of the commonwealth Disability Services Act 1986 and various commonwealth, state and territory disability agreements that sought to deinstitutionalise people with disabilities. But there was still a massive problem because people with disabilities were not receiving the support that they required. In New South Wales, where a lot of work has been done over the years on providing proper insurance for people with disabilities, the “Stronger Together” report was produced, and the Disability Investment Group was established by Bill Shorten when he was Parliamentary Secretary for Disabilities and Children’s Services. Out of that came the Productivity Commission investigation that I referred to previously. I think it is important to look at that Productivity Commission report more closely. The Productivity Commission investigated the concept of a national disability insurance scheme from a number of angles, and it was overwhelmed by the social and economic disadvantage that was manifested in people with disabilities and their families, and also—something that I think is critical—the inability of the current disability systems throughout Australia to cope with that manifest disadvantage. There were two fundamental findings in the “Disability Care and Support: Productivity Commission Inquiry Report: No 54, 31 July 2011”. The first finding states —

- Most families and individuals cannot adequately prepare for the risk and financial impact of significant disability. The costs of lifetime care can be so substantial that the risks and costs need to be pooled.

That is the whole idea of this scheme. The second finding states —

- The current disability support system is underfunded, unfair, fragmented, and inefficient, and gives people with a disability little choice and no certainty of access to appropriate supports. The stresses on the system are growing, with rising costs for all governments.

The Productivity Commission’s recommendations are on page 2 of the report, and I quote —

... a new national scheme—the National Disability Insurance Scheme (NDIS)—that provides insurance cover for all Australians in the event of significant disability. Funding of the scheme should be a core function of government (just like Medicare).

Of course, in the end we always have to look at the costs and the benefits of any new scheme. The article “Development and Principles of the National Disability Insurance Scheme” deals with that in some detail. It refers to the Productivity Commission’s report and states —

... that the NDIS will generate substantial economic benefits, arising from many sources: ‘... wellbeing gains to people with disabilities and informal carers; efficiency gains in the disability sector; savings to other government services; increased participation, and the resulting fiscal gains’.

The PC found that, viewed from a *broad economic* perspective, the net cost of the NDIS was in fact the *distortionary* impact of raising the revenue, which it estimated to be a fraction of the net budgetary cost ...

In other words, the article claims that the revenue raised by the NDIS will eventually offset the cost of such a program. It is important to quickly go through some of the major points of this cost–benefit analysis. The article goes on to state —

This economic net cost is easily exceeded by the estimated economic benefits from the following sources:

- estimated fiscal gains from reductions in Disability Support Pension (DSP) beneficiaries and an increase in part-rate DSP payments, reaching the equivalent of a \$2.7 billion ... annuity over the long term;
- the welfare impacts for people with a disability and their carers—conservatively estimated at the value of implicit income transferred from the NDIS to people with a disability—around \$7.8 billion per annum;
- an improvement in employment ratios for people with disabilities to the average Organisation for Economic Co-operation and Development benchmark: employment of people with disabilities would rise by between 100,000 ... and 320,000 ... by 2050. The impact of this gain could amount to 1 per cent of GDP above the counterfactual or \$32 billion in additional GDP ...; and
- an improvement in employment ratios for carers of people with disabilities. The impact of this gain could amount to around \$1.5 billion in additional GDP ...

Moving slightly off track for a moment, the last point refers to “an improvement in employment ratios for carers of people with disabilities”. Often carers cannot go to work because they have to care for people with disabilities. This is why I think that Tony Abbott’s foolishly constructed paid parental leave scheme is economic vandalism and also incredibly discriminatory and unfair. Many parents with children who have disabilities are unable to work or re-enter the workforce, so they do not have any chance of benefiting from the very generous scheme that Tony Abbott has devised. Of course, we could talk about his motives for doing that at another time.

They are the economics of this matter and, yes, the National Disability Insurance Scheme is expensive, but we should not get caught up worrying about the initial expense. I know that the current federal government is concerned about the very tight budgetary situation in which it finds itself and the cost of the NDIS. Initial costs will be high, but as the “Disability Care and Support: Productivity Commission Inquiry Report” and the PricewaterhouseCoopers report tell us, and given the valuations of various insurance schemes around Australia, the economic benefits over the long term outweigh the costs of any such scheme. It is important to understand and recognise that.

They are the economics, but we must also consider the huge emotional, personal and social costs in the area of disability. In doing so, I refer to evidence given to the Community Development and Justice Standing Committee, which is currently inquiring into the accommodation and intensive family support funding for people with disabilities. It is a very interesting inquiry and some very interesting evidence has been presented to the committee, which is publicly available on the committee’s website. In particular I refer to evidence given to the committee on Wednesday, 19 March, by Sue Harris. Sue Harris was formerly heavily involved in the disability sector, but appeared before the committee as a concerned individual. I refer to her comments on the Combined Application Process system, the major accommodation funding system administered by the Disability Services Commission. She stated —

I guess that my submission clearly outlines that I have very serious concerns, and always have had, with CAP. I think that it has three key fatal flaws. The first is that it just does too much damage to people; it is negative, humiliating and degrading. The second is that, primarily through a lack of transparency, it puts the system and not the person at the centre of the process, leaving people powerless and at the mercy of the system. And the third is that it does not provide useful data—the sort of data that is essential for planning—rather it provides broad, general data that seems more designed to shine a light on the number of people being helped. I think DSC has been seduced by CAP—it looks good; it sounds good; it looks sophisticated; it is clean and tidy; it uses fancy rating scales and it does the job; it produces a clear list of who to fund and who not to fund. I worked for the commission and with the commission for nearly 40 years. I know it is full of extremely committed people, lots of noble principles and it does a lot of very good work, but I think they have got it wrong when it comes to CAP.

That was a very interesting statement by Sue Harris.

I refer to further evidence on 26 February 2014, by Carol Franklin, a co-founder of Committed About Securing Accommodation for People with Disabilities, a support organisation for people with disabilities, and a number of other people who also appeared that morning. In regard to the NDIS, Mrs Franklin said —

We are really in support of the NDIS. The main point I would like to make is that between now and when the NDIS eventually gets going, if it does—around 2020—we still have people in critical need. We seem to have taken our eye off the ball. We have all been working for the NDIS to get it up and going, but we seem to have just taken that bit of pressure off what is needed now. People cannot wait until 2020.

That concern was repeated by others: while they are very supportive of the NDIS, they are concerned about whether it means that the people who need assistance now are receiving the assistance that they should be receiving. I am trying to find the other transcripts that I wanted to mention but I cannot find them right now; I will come back to them when I do find them.

Some service providers in Western Australia have criticised the NDIS. I find that interesting. I am a patron of a service provider in Western Australia and I often wonder if that criticism is because they feel that they may lose some control and perhaps some funding that they now receive under the current disability funding when the NDIS is geared towards focussing on the individual, which is where it should be. Although many non-government organisations do fantastic work—and they are needed—what is most important in the end are the needs and supports that individuals with disabilities require.

I have now found the two documents I want to quote. I refer to a hearing of the committee on 12 March, in which a number of people appeared, including Susan Shapland, the general manager of member services at the Multiple Sclerosis Society of Western Australia; Ms Frances Buchanan, operations manager of National Disability Services Western Australia; Mr Terence Simpson, state manager of National Disability Services Western Australia; Mr David Granville, director of service development and strategic relations at The Centre for Cerebral Palsy; and Ms Norelle Morris, chief executive officer of Valued Independent People. In regard to the CAP process, Mr Simpson said —

... the key problem with the CAP process is that there are not enough funds to meet the needs, and that creates real issues for that process from the start. From our point of view, there is also a lack of information regarding the prioritisation of funding such as how those decisions are made, and around its capacity just to respond to critical and urgent need. Applicants virtually see themselves as having to prove that their situation is worse than others. This can be a hugely destructive process to people and to families to portray their situation as a failure to cope and often for family members to have to talk about the impact on them of supporting the person with disabilities. The process is hugely destructive on families.

That is the recurring evidence the committee has received—that the CAP process creates competition among people who only require accommodation for their loved ones. People have to be in absolute crisis to receive it and, therefore, in some cases people have to embellish the situation.

I now turn to evidence from Ms Buchanan, who stated —

And there is many a sad story like the one that Sue has shared with us.

If I have time, I might go back to that —

An 18-year-old that an aide used to support had a very sad accident on holidays and went straight from hospital into nursing care. He was 21 when he moved into a nursing home. He could not do anything for himself. To say “yes”, he was able to open his mouth slightly to indicate a “yes”, and to say “no”, he would cry, and that was the only control he had over his body. Sadly, in the nursing home there are a number of other people very different to young Kell who needed support. A number of those people, sadly, had had a degree of dementia. One of the ladies with dementia developed a soft spot for this young man and felt that she could support care for him. With her condition, she did not understand that the young man could only swallow food that has been pureed to almost a thick liquid. He could not chew; he had no chewing muscles. So he existed on a diet of slop, basically. But, like all young men, the lady thought that young Kell would love chips from the canteen, so she would go and buy potato crisps and give them to him, and he cannot chew. So he was often getting pneumonia because the pieces of chip that she crushed up and put in his mouth will go straight to his lungs. The only way to keep him safe from a very well-meaning co-resident was to lock him in his bedroom. This guy, he cannot call out, he cannot unlock his bedroom, he cannot say, “Hey, I need the bathroom now” or “Hey, I’d like to watch telly” or “Can you change a channel” or “I have an itchy head”. So he would stay locked in his

bedroom between meals where someone will go in and give him his slops for his meal, and he really existed in his bedroom with the door locked. Sometimes someone would remember to put the telly on. I do not know whether he wanted to watch *The Morning Show* or not but that is what he would get. And that was his existence, because he did not have any alternatives for funding. There is many a sad story like that of younger people with disabilities living in aged-care facilities.

I am sure everyone finds that incredibly sad and something that we as a decent, civil society cannot accept. When we talk about the cost of the National Disability Insurance Scheme, let us not use it as an excuse to not engage in this once-in-a-lifetime social policy reform.

I turn to some more evidence given to the committee on 19 March by Ms Lee-Anne Brensell, chief executive officer of Headwest WA, which deals with people with an acquired brain injury. Her evidence was quite interesting and she talked about the issue of accommodation for people with ABI. She said —

There is a definite gap and an access issue for people 18 years and under. A person between the ages of 16 and 18 generally has nowhere to go. They cannot attend a Brightwater facility because they are under 18. They are working towards potentially having a facility where they can take those younger people of 16 to 18. I want to point out that the prevalence of ABI is in younger men or younger males aged between 15 and 24 years. That is the highest age bracket of people that we will see presenting with trauma from an ABI. There are still a lot of people 18 years and younger who need supports and services. Those people will generally be bed-blocking. They will be in Shenton or they will be discharged home to families that cannot cope or are dysfunctional and/or are fragmented and/or are in the central desert, in Darwin, in Esperance or wherever they may be, and they are sent home.

In relation to the delay of the start of the NDIS in Western Australia, she said —

It was one of the key instrumental issues that service providers were facing. There was the slow introduction of what is happening in the state with individualised services, self-directed services and My Way, but largely WA service providers, particularly the larger ones, are able to heavily influence what happens and they are able to maintain connections directly with the commission and directly with the minister. They have strong influence. There are probably a handful of the bigger players that are at the table every single time and they do have first and foremost their businesses as their primary concern.

Her evidence was that there are some larger providers that hold undue sway on the sector's relationship with the government and the Disability Services Commission, and that often their business is their primary concern rather than the individualised assistance they provide. That, of course, is her opinion, but when it was put to her whether there was such a thing as a "disability services club"—in other words, an inner circle that has undue influence—she said —

We could call it a purple circle, we could call it a circle of security—we could call it lot of things. I suggest it does exist.

She also related to the committee the case of a young man and said —

The young man was 16 when he was hit by a bus and received catastrophic injuries. He was deemed to be at fault. He has multiple disabilities. That happened January two years ago, so it is just two years post trauma. He spent a year in RPH at Shenton Park in the adult stream even though he was 16. He was ineligible for Brightwater services at that point in time because he was under age. He has had a CAP in for at least four rounds. The family were extremely concerned about where he would go and what he would do. His mum and dad separated during that time and were living in different locations. The dad gave up his professional business as an architect to stay home and be full-time carer. The mum is a senior public servant who now has to work reduced hours in a part-time capacity in a substantive role to also share care. There was nowhere for him to go. He was technically bed-locking—that is, medically able to leave. The family did not want him to go to a nursing home and the young man himself was fearful. He communicates through a communication aide. It is a device that talks for him. Whether or not it is because of his brain injury, manipulative behaviours became evident and quite strong, and he was very fearful. Given that he did not go into a facility, the dad agreed to take him home. Not only is dad and the family dealing with the grief and loss of a son, they are now his full-time carers. They have to maintain his therapy and drive him to Shenton Park every day where he is an outpatient. He has numerous medical operations that are ongoing. He needs intensive therapy.

We are talking about a two-year period here. Her evidence continued —

The dad is in rental accommodation on a carer's allowance. He used up all his savings. The mum is now part time but has to pay the mortgage on the house. We are talking about two years. This young person just turned 18 in September, and we are two years post trauma.

She went on to talk about the National Disability Insurance Scheme and said —

Our stance on the NDIS is that it is a once-in-a-lifetime opportunity, particularly for people with brain injuries, for two reasons. First, not only is the NDIS an insurance-based model, which obviously has significant business components attached to it—lifetime care, research and development and all those great things we hope to see—it is about an opportunity and a promise that every person who needs it will get it when they need it. But the NDIS has also promised us—I use the word “promise” loosely—is a national injury insurance scheme. Obviously that time line is still a big push for us, as it is, I think, for other peaks both in the state and nationally. I would be seriously concerned if the May state budget does not show any goodwill or commitment towards seeing at least the introduction of a no-fault motor vehicle insurance scheme.

She, of course, represents people with acquired brain injury, so a no-fault insurance scheme would be incredibly important for many of the people she deals with. She further said —

It is a win-win situation. The cost savings regardless of whether it is an NDIS or an NIIS across all elements of government would be massive—we are talking about employment, justice and education. It is a no-brainer.

Those are snippets of the evidence given to the committee. It is revealing that that evidence highlighted not only some incredibly sad stories, but also the funding crisis in accommodation for people with disabilities. The way the system is in Western Australia at the moment, people have to be in crisis to access the pool of funding. Under the NDIS, if someone is eligible they will receive funding. That is why, of course, it will be an expensive scheme in actual dollar terms. The accommodation scheme in Western Australia means people have to compete with other people with disabilities, which can lead to a “my crisis is worse than your crisis” scenario—something that none of us would wish to encourage as it can also impact on people's dignity.

What makes the National Disability Insurance Scheme or DisabilityCare Australia such a gem of a system is that if someone qualifies, they qualify. If someone has a disability, they are entitled to receive the funding, and the funding will be individualised. Of course, that will present its own problems because some people and some carers might not have the capacity to know how that funding should be utilised; there will still be the various agencies available that we have today, but some of those agencies might not necessarily be supportive if they feel that some of their control is lost. However, I have to say that most disability non-government organisations are incredibly helpful and supportive to their clients, so I really do not see the need for any great concern on the part of any of the stakeholders within the gamut of disability services.

We have before us a once-in-a-lifetime system, which is why we on this side of the house were concerned about whether Western Australia was going to come on board. We understand the Premier's position—that he believes the Western Australian system has features that make it superior to any of the other states' systems—but although the committee has received evidence that the Western Australian system does have some good features, it has not been held up as a Rolls-Royce system; in fact, the evidence we have received about accommodation funding proves that it is not a Rolls-Royce system.

However, the government has agreed to come on board with the National Disability Insurance Scheme on a trial basis through the My Way project, which will commence on 1 July in two locations. That was really the whole reason for the Disability Services Amendment Bill 2012, which was needed to make amendments to the Disability Services Act 1993 so that the trial period could take place. We have to move away from going on only about the cost factor; I have not heard that so much in Western Australia but I have at the federal level, which is where most of the funding will be coming from. Of course, costs are important, but analysis carried out by the Australian Productivity Commission and PricewaterhouseCoopers clearly reveals that, over the long term, the economic benefits outweigh the costs. That is quite clear, but there has to be a properly structured system, and maybe the trial period will help to further refine our system to ensure that the benefits will be even greater than they might otherwise have been. The social element is incredibly important. I do not think any of us would want to be part of a Western Australia that could allow someone like Kell, who is 21, to live in a nursing home. He is not the only person of his age with a disability who is living in a nursing home in this state.

Any one of us could find ourselves in need of this scheme one day. None of us knows what could happen as we drive home tonight; we are all just one car accident away from needing the support of such a scheme. We also need at some stage to look at a no-fault insurance scheme for Western Australia because it is incredibly unjust that a person who has acquired a major disability as a result of a car accident will receive nothing if they were at fault. If they were not at fault, they will receive something. One might say, “Well, if they're not at fault, they

should receive something, and if they are, they shouldn't." That might be okay at one level, but it is not okay, because they will still have an incredible disability for the rest of their life and that is not something that can be fixed with a bandage.

We really need to move away from a mindset in the area of disability in which we look only at the cost aspect. In any case, even if we do look only at the cost aspect of the NDIS, the economic benefits far outweigh the costs. The cost-benefit analyses, which economic rationalists always talk about, clearly show that, even from an economic rationalist point of view, the NDIS should be supported. I hope that that famous conservative think tank, the Institute of Public Affairs, will support the NDIS.

MR D.J. KELLY (Bassendean) [11.55 am]: I rise to speak on the Disability Services Amendment Bill 2014, which is, I understand, part of what the state government needs to do to play its part in implementing the National Disability Insurance Scheme. Before I comment on the bill specifically, I want to pay tribute to those members of my union, United Voice, who work in the disability services area. In my time working for that union, I considered it an absolute privilege to represent many of the front-line care staff who work in a disability services area in Western Australia, both in the public and private sectors. These include staff who work at the Disability Services Commission, Nulsen Haven, Activ, the Centre for Cerebral Palsy and any number of other not-for-profit organisations that provide direct care services to people in Western Australia. Those people were, and still are, incredible, in my view.

Often we hear people whinge about their lot in life. They say the job they do is hard and they do not get paid enough, et cetera. I say to those people, "Look at the work people do in the disability services area every day, and look at the pay they receive, and then compare that with what you do, and you may look differently at what you think of your lot in life." Disability service workers in the private sector are struggling to get \$18 or \$19 an hour and struggling to work 38 hours a week. They regularly work evenings, weekends and public holidays doing work that many of us would find incredibly confronting, including personal care work for people with profound disabilities.

They do not do it to make a lot of money, because they certainly do not. They are not there because there is a lot of prestige or kudos, because there is not. Quite often these people do this work and never get the credit they deserve. If we pick up *The West Australian*, we might see a West Coast or Dockers player featured on the front page; they are the people in this community who get the kudos. We might see a successful businessperson who has done X, Y or Z, but we never see a disability services worker being given credit for the work they do on an everyday basis. I think they are the people in our community who deserve the accolades, but they so rarely get them.

That is the background I come from, and I bring some of that experience to the debate on this bill. As I understand it, this bill is part of the preparation that the state government needs to undertake to participate in the National Disability Insurance Scheme. The National Disability Insurance Scheme is a fantastic idea; it is a product of the former federal Labor government and was a particular pet project, if you like, of the current federal leader of the Labor Party, Bill Shorten. The National Disability Insurance Scheme tries to address in a major way the crying need in our community for proper funding for people with disabilities. I fully support us as a community supporting the NDIS. Its time is well due; we should do everything we can to support it. However, I want to raise a number of concerns about the way this government is implementing it.

The NDIS is a good idea but it is a shame that, in my view, this government, and in particular the minister responsible, has played a bit of politics with the idea. Why do I say that the current minister, Hon Helen Morton, has played politics with this idea? At the same time as we are preparing to introduce the NDIS in this state, the minister and this government have made a decision to outsource the residential accommodation for people with disabilities provided by the Disability Services Commission. That decision has caused great concern and disquiet among residents—people with disabilities—and their families and carers. Why is the government privatising residential accommodation run by the Disability Services Commission? A number of questions have been raised about the wisdom of that decision, and what has the Minister for Disability Services, Hon Helen Morton, said about it? She has been quoted in the press on a number of occasions as saying that the decision to privatise Disability Services Commission accommodation is part of preparing for the introduction of the NDIS. I cannot for the life of me see how the introduction of the NDIS requires the privatisation of DSC's residential accommodation for people with disabilities. I cannot see how the two are linked, but when the minister has been reported in the press, she has said in a number of comments that the two are linked. I refer to an article that appeared on 11 February this year in the *Eastern Suburbs Reporter* in which the parents of residents in DSC accommodation complain about the change. The article reads —

Disability Services Minister Helen Morton said the change was in line with the principles of the National Disability Insurance Scheme.

In *The West Australian* of 5 December 2013, an article headed “Workers protest disability changes” reads —

Disability Services Minister Helen Morton said the restructure would give people more choice when selecting accommodation, putting WA in line with the principles of the National Disability Insurance Scheme.

The acting Minister for Disability Services, Joe Francis, who I am sure would have got his lines from the minister, is quoted in the *Fremantle Herald* of 25 January 2014 as follows —

The transition aims to offer people with disabilities who live in commission accommodation more choice and control over the supports and services they receive, and aligns with the principles of the National Disability Insurance Scheme to provide more individualised supports and services.

We have concern in the community about this government’s decision to privatise disability residential accommodation, and what is the government’s answer to it? It is to throw up what I believe is a bogus claim that privatisation of accommodation is somehow required by this scheme we all love, the National Disability Insurance Scheme. I have looked through the bill, parliamentary secretary, and I cannot see anything in the bill that links the privatisation of accommodation services by DSC to what is required to implement the NDIS. I think it is quite shameful of this government to try to respond to the concerns raised by parents and carers of people in DSC residential accommodation by saying it is because we need to implement the NDIS. Why does the minister not answer people’s concerns directly rather than put up this bogus smokescreen?

I will read a letter signed by about 20 family members of residents in DSC accommodation, addressed to the minister, Helen Morton, which states —

Dear Minister Morton,

We are mothers and fathers, sisters and brothers, guardians and advocates of individuals who live in Disability Services Commission group homes. We write to express our concern at the decision by the WA state government to outsource the accommodation supports for our family member and friend.

Our family members and loved ones have been in the care of Disability Services Commission staff for, in some cases, up to 30 years and more. From the outset, we were led to believe that this was their home for life; that this meant stability, expert care and support in a framework of accountability.

Up till now we have been happy with the supports delivered to our loved ones. We have seen them safe, happy, engaged in community activity and well supported by skilled DSC staff. Up till now, we have felt that we can go to our graves with the comfort of knowing that our loved ones will continue with the support to which they have become accustomed and with the staff that, in many cases, they have come to think of as members of their own family.

We should have no need to tell you that our loved ones have many foibles; that continuity and a working knowledge of their likes and dislikes and the triggers for their individual behavioural traits are essential in making sure that they live lives that are happy and contented.

You are now proposing to tear their lives apart. In doing so, you are tearing our lives apart. You propose to outsource their care to non-government organisations. You say this is all about choice, about being closer to community, about achieving greater flexibility. However, in reality we know this is nothing more than an ideological commitment which promotes privatisation whether or not it benefits the community. In this case, your decision will only hurt our loved ones.

Minister Morton, we know this is not about choice because the one choice we want to make is not currently available to us. We will not make a choice that will result in such heartache. We will not make a choice that will result in our family members’ homes being staffed by strangers who know nothing of their passions, interests and difficulties. Our choice is for our family members to remain in their existing home, with their existing house-mates and their existing staff in the employment of government. We will countenance nothing else.

We are happy with the way things are and this is the way things must stay. Please respect our wishes and give us the choice to stay with a DSC managed accommodation service.

Yours sincerely

It is signed by approximately 20 individuals.

Members opposite can dismiss that and say those people do not understand that what the government is doing for them is for their benefit, but I ask the parliamentary secretary and members opposite to listen to the concerns those people have raised about what the government is doing. The parliamentary secretary can say that those not-for-profit organisations will do just as good a job or a better job than the Disability Services Commission. I have

given members opposite my background. I have represented staff who work in direct care in many of those not-for-profit organisations, such as Nulsen Haven Association, which will take up some of this accommodation. I do not say that the staff in the private sector are not committed to their jobs; I do not say that they will not do their very best to provide the very best level of care they can, but that is not the point. As a government, members opposite have not made any case to warrant privatisation of that accommodation. Firstly, the process of change itself is causing great concern, as evidenced in the letter I have just read. Those parents and family members have great concern about what will happen to the care of their loved ones once that care transfers to the private sector. I acknowledge the hard work done by people in the private sector. I know the work they do and the reality of the difficulty that those private sector organisations have just to operate from day to day. I know this debate might be a bit tedious for the parliamentary secretary, but I know firsthand how difficult it is for organisations such as Nulsen Haven, the Centre for Cerebral Palsy and Activ to function from day to day. Many of those organisations, with the best will in the world, lurch from crisis to crisis. That was evident when this government, in its first term, gave \$600 million of taxpayers' funds to the private sector, much of which went to organisations in the disability sector because those organisations were unsustainable. They lurched from crisis to crisis. I have heard the Premier say a number of times that one of his greatest achievements in his first term as Premier was the \$600 million his government gave to organisations in the private sector. It was called sustainability funding. Activ, an organisation that everyone thinks will be there forever, was in real crisis. Money had to be pumped in. The one thing that families in residential care facilities currently run by Disability Services Commission know is that a DSC-run home will never close. It will never close because of poor resources, as the government will always be there to make sure it continues to operate. That is not the case with private sector organisations. They live in this community from year to year—from funding to funding. When accommodation is transferred into the private sector, it adds an element of uncertainty that does not need to be there.

[Member's time extended.]

Mr D.J. KELLY: I will read another article from the *Eastern Suburbs Reporter* of 11 February. It commences —

PARENTS unable to care for their son who has an intellectual disability are fearful of what the future holds.

I will not use the parents' names —

... 42-year-old son Edward has lived in Disability Service Commission (DSC) accommodation in Joondanna and Nollamara for 21 years.

However, under a State Government scheme to privatise accommodation, Mrs ... said DSC may no longer house or care for Edward.

The Government last year announced that in coming years private providers would run most DSC accommodation services across the state.

DSC provides 17 per cent of WA's accommodation services for people with disabilities, while 83 per cent is through non-government groups.

Mrs ... said she did not understand the reason behind privatising the services that had catered for Edward so well.

“My biggest fear is that they will transfer him to the private sector because I am 110 per cent certain it won't work,” she said.

“It might be fine for some people with disability but not for those with special needs.

“The slightest change triggers Edward and he can become volatile—he is used to the staff that care for him and the people who he lives with, they're like family.”

I could go on. There has been story after story about the impact that this will have.

The government has put up this smokescreen that it will implement the National Disability Insurance Scheme. I think the real reason the government is doing this is that it sees it as a cheaper option. Is that not a terrible thing? Direct-care staff employed by DSC are not hugely remunerated. I am told a DSC level 2 social trainer receives \$53 000 to \$63 000 a year. That is not big money at all, especially in a state like Western Australia. That can be up to 20 per cent more than people doing the same work in the private sector. I am led to the inescapable conclusion that one motivation for the government outsourcing this accommodation from DSC to the private sector is that it will be cheaper. It is cheaper because the wages paid to direct-care staff are significantly less than government staff. That is a terrible thing. How do we know that that is part of the motivation? The math speaks for itself. As I said, in my previous role at the union that represented those staff in the private sector, our constant

claim to this government was that it should fund private sector organisations so that the same rates of pay are paid to its staff as is paid to DSC staff if this matter is not about the government wanting the private sector to be a cheaper alternative. The private sector can only pay wages to the level that the government funds. Why does it not fund the private sector appropriately and require it to pay the same rates of pay? The government would not do it; it consistently rejected that claim.

When the Premier set up a group of stakeholders in the disability sector to prepare this sustainability funding model that I referred to earlier, he did two things. Firstly, he refused to let anyone from the union be part of that forum as he only wished to speak to the employers. Secondly, he said that one of the main components of that funding would be to raise wages, but he refused to give a commitment that wages would be up to the level of public sector workers, and he refused to require that the private sector spend any money that it received on wages—he refused to make the direct link. In the end, he gave the private sector \$600 million and said that that was to address the wage imbalance and the difficulties that employers were having in attracting staff into the sector in the first place, but he refused to make a direct link. The Premier said it was not up to him to tell these organisations how to spend their money. Even though he was giving them taxpayers' money, he just wished and hoped that the money would end up—or so he said—in the hands of direct-care staff. I understand from evidence given to a parliamentary committee that the best guess is that only 75 per cent of that \$600 million went into wages. Who knows how much of that money went to direct-care staff and who knows how much to managerial staff? We do not know. The net result is that there is still a significant wage differential between the public and private sectors.

When the parliamentary secretary speaks on this matter, I would like her to explain how the privatisation of accommodation services in the Disability Services Commission is in some way linked to the NDIS. I want her to answer the claim, which is what most people think, that the decision to privatise is about giving the government the ability to have these services delivered by staff who are paid lower wages.

I will also say something about the staff who are having their jobs outsourced. For a lot of those staff, it seems like a slap in the face. They were employed by DSC. Many of them have been at DSC for five, 10 or 20 years doing incredibly difficult work for salaries that are really quite meagre. Now they are told that the government no longer wants to employ them and that their jobs are going to be privatised or outsourced. The DSC can say to its staff, "Don't take this as an indication of how we feel about you and how much we value you. We think you are doing a great job. But we just don't want to employ you anymore." However, I can tell the parliamentary secretary that that is not how it comes across to those staff. As in most areas of employment, the staff employed by DCS have a great deal of loyalty to their employer and they get a degree of self-worth out of their employment. They feel very proud of the work that they do and being part of the team at DSC. However, when the government says to those employees that it does not need them anymore and it is going to privatise their jobs that is a kick in the guts for those staff. It does not matter that the organisation that they may end up working for—Nulsen Haven Association, or the Cerebral Palsy Association of Western Australia—is also a great organisation, putting aside the pay differential; the moment their employer says to them that it does not want them anymore, it is a kick in the guts. That is how those staff see it every day. I have seen this happen time and again when jobs are privatised or outsourced, either by a private company that brings in a private contractor to do the work, or by a government agency. When that happens, that is a kick in the guts for those people. This usually happens to people who are at the bottom of the salary range and who feel very proud of the work that they do.

During the election campaign, a constituent of mine told me a story about how she used to work as a security guard at the Art Gallery of Western Australia. She did not get paid very much, but she felt proud to be working for a prestigious organisation such as the Art Gallery of Western Australia and to be part of the team at the art gallery. However, when the Court government decided to privatise that work, she was told by her employer that she was not wanted anymore and she could go and work for a private security company—too bad. She said that the pay was less and the working hours were worse. What hurt her most was the disregard that her employer showed to her by making the decision that it did not want her anymore.

We see this happen time and again, and this is what will now happen to the DSC staff who will be affected by the government's decision to privatise DSC accommodation support services. The government expects these people to continue to do the heartbreaking, emotionally draining and backbreaking work of caring for people with disabilities, and at the same time it wants them to suck up the fact that it does not want to employ them anymore. That is incredibly difficult for those people.

In the couple of minutes remaining to me, I want to raise a number of concerns about the National Disability Insurance Scheme. The NDIS is a fantastic idea. It is an idea that is well overdue. However, I have some concerns about the individualised nature of the service delivery under the NDIS. Do not get me wrong; I believe that providing services that are tailored to the needs of the individual client—the person with the disability—is

absolutely fantastic. However, we need to be careful about how that translates into the implementation of the scheme. Some people say that the best thing we can do is give the person with the disability a chunk of money to purchase the services that they need. However, many disabled people will find the responsibility of organising and employing their own staff a bit difficult. There will also be the risk that the people who work in the sector will be disadvantaged, because the nature of the employment will become increasingly fragmented and insecure. If a person is working for Activ Foundation and there is conflict with a particular client, or the client does not like them because they do not support the same football team, that is fine; they can be moved to another client and remain in employment. However, if the person's employment relationship is directly with the person with the disability, and they have a personal difference with that client, they will lose their job. That has the potential to discourage people from going into the disability services industry, because the people who work in that industry need to know that they can pay their bills, not only week to week, but also year to year. I therefore have a concern that the increasingly individualised nature of the service delivery may result in it becoming less attractive, rather than more attractive, for people to work in this industry. That is an issue that needs to be dealt with, because we need to ensure that we get good people into the industry and at the same time we get service delivery that caters for the needs of the individual clients.

MS L.L. BAKER (Maylands) [12.27 pm]: In talking about the Disability Services Amendment Bill 2014, I want to put on the public record some of the concerns that the community sector has relayed to me, in particular the mental health sector, about the transition to the new world of the National Disability Insurance Scheme. I will start by applauding this remarkable social movement. It is phenomenal, and I believe it will prove to be game-changing in the long term for people in our community who suffer from a range of disabilities. Nevertheless, there will be teething problems. The community sector—a sector that is near and dear to my heart and that is the backbone of this transition—is the sector that will probably feel the most difficult growing pains of this new world of disability support.

The aim of the National Disability Insurance Scheme is to support all Australians who have, or acquire, a significant disability. We know that in this country, the incidence of both acquired and developmental disability is increasing rapidly. We need to look only at the number of traffic accidents, sporting accidents and the accidents that happen when living in a metropolitan built-up area in a modern society to see why the incidence of acquired disability is continuing to increase. The incidence of developmental disability is also increasing as the population is increasing. Therefore, we need to have a NDIS, or something similar, to enable people who have previously fallen through the cracks to survive and hopefully prosper and make the most of themselves both socially and economically. We also need to take some of the pressure off carers into the future.

The NDIS is based on the principles of equality and need. That can be compared with the current system, which the Productivity Commission has found to be unfair, underfunded, fragmented and inefficient. The NDIS is intended to provide guaranteed access to lifelong supports for eligible people. The scheme is also intended to support the independence and social and economic participation of people with a disability. That is vital, because in a growing society we will have more people with a disability who will need some sort of support. However, people with a disability also have every right to be as self-sufficient and individual as possible as they go through their lives. The objects and principles of the scheme include providing eligible people with reasonable and necessary funded supports, choice and control, and access to lifelong supports and services, and to facilitate a nationally consistent approach to disabilities. These are very fine aims and remarkable advances in our society, and they are to be applauded, as I said at the start.

I want to start by talking about the community sector's readiness to take on the new challenges of the NDIS pilots and, eventually, the full model. There are many challenges for the community sector in moving to this model. Colleagues of mine have already spoken about the outsourcing arrangements. Non-government organisations currently provide about 83 per cent of accommodation services for people with a disability. The reform will mean that 60 per cent of clients currently housed through the Disability Services Commission will now be cared for by NGOs. How ready are those NGOs to take on this extra work? This has been on the horizon for many years. I remember having discussions with the major providers seven or eight years ago—Activ Foundation, Nulsen Haven Association, the Centre for Cerebral Palsy; all of them—about where the disability sector was likely to find its delivery for services into the future. They were preparing back then, but are they ready now? Bringing in this massive new reform means that the sector has to be able to register as providers for these services. There are challenges at the very beginning in terms of how to register to become a provider; what needs to be done; how an organisation should be structured; what the vision, mission, values and objectives of the organisation should be; how an organisation will develop to allow it to carry this extra workload; and what is going to be required of the community sector organisations that are going to be established or are going to take on this new model. Underneath the model is an assumption that bottom-up demand is the best way to go. I am not going to enter into that debate; I have personal views about whether bottom-up demand on its own is the way to go.

I think the real challenge for the community sector is, effectively, that it is being asked to completely accept a business model in its organisational structure. This is very challenging. We have seen it in the home and community care sector. I know, because I am patron of a big HACC service in my electorate that has really suffered from the transition to the individualised care model. It has not suffered in a direct way, as one would think, but in a very indirect and subtle way. The agencies that have the funding have simply not included the provider that I am a patron of as a good provider for the service, so it has missed out. That organisation has come close to the brink of collapse, not because it is a poor provider—it is a fantastic provider of this service—but because we are bringing a competitive environment and business model into this marketplace. That will, by its very definition, impact differently on different service providers. I refer to the marketing alone that will be required. When the NDIS model comes in, the challenge for the community sector will be in how to set up their organisations as preferred providers of the service so that they get the clients. For the first time, people will have individualised control over what they purchase and where they purchase it from. The challenge for the community sector will be in how to make sure that their organisations are front and centre. That is a great ideal, but it is very counterintuitive to the way in which the community sector inherently works. It means putting organisations in direct conflict with each other through competition, and that has its downsides. It is very good if the government wants to rationalise the market of NGOs, of course, because it works almost unquestionably to rationalise the sector as some agencies simply cannot compete. Personally, I have problems with that model. I think the competitive model, on its own, will serve to undermine a lot of really good community knowledge and organisations, and that grieves me. The model also will require unit pricing. When I was running the Western Australian Council of Social Service, that model was very near and dear to my heart because I truly felt that for the sector to be valued properly, we needed a model that applied a unit pricing concept to the services that we delivered because that was what government wanted. The government says that it needs to know what every single thing that an NGO does costs. Of course, the challenge when one tries to tie everything down to a unit pricing structure is that it means that some of the incredibly valuable but ethereal reasons that the government chooses to work with the community sector are no longer given a value. If they are not valued, they are not counted in an equation and are likely to go. That is the way the world is. Defining the organisational value proposition and ensuring organisational sustainability are going to be huge pressures on the community sector.

We heard about workforce issues from the member for Bassendean and I would like to touch on a few of those. My take on this is that the 500 workers who are going to leave the Disability Services Commission as this wonderful new innovation is rolled out are going to need jobs somewhere. Everyone in this chamber knows that to have a job in the disability area as a support worker is not to be able to go out to dinner every week or to treat oneself greatly; it is a very, very low paid job—high value, but low pay. That is what happens in our community. It is the way the social sector is treated; they are probably the highest valued workers, but receive the lowest pay. When these workers from the Disability Services Commission, who are currently protected by government awards and conditions, move to work for NGOs, they will not have that protection. Furthermore, they are likely to be paid 30 per cent less for the jobs they do with the NGOs. Do members know why that is? It is because when the Premier of the state gave the sector \$600 million to increase service delivery and to deliver services across Western Australia, he did not tie that to wages. I know for a fact that some NGOs, and in particular big disability NGOs, took their share of that money six years ago and paid out their mortgages. They did not increase staff salaries. That is criminal. Those organisations are likely to be those that line up for this new world of service delivery. The government cannot show me anything that will convince me otherwise than that those 500 workers will walk out of the Disability Services Commission, shut the door behind them and walk into the brave new world of the NDIS with 30 per cent less pay in a poorly protected, in many respects, casualised world of employment. Workforce issues like price pressures, changing revenue streams and increased competition will force an increasing casualisation of the workforce.

When we talk about the readiness of the NGO sector, one fundamental thing we have to remember is that the model is changing from services purchased to services having been provided. That is a huge challenge. At the moment there are two pilots in place—one in the state government system and one moving to the federal system. The state government gives NGOs the protection of giving them an amount of money to provide a service at the beginning of the contract. We are moving to a model with the NDIS that provides funding on receipts, so it is a fundamental difference in the way in which NGOs will be able to operate. If I am wrong, please let me know. That may not be the end of the world for a business that is set up to deliver like that, but it will certainly shut down a lot of NGOs because they simply do not carry the assets or the cash. They are not able to cashflow services.

I remember many years ago, when the federal government moved its employment schemes into what was called at the time the Employment Services Regulation Authority, and that was the same model. Instead of funding the Women's Economic Development Organisation, of which I happened to be the president, to enable it deliver services at the beginning of a contract, we did not get the money until we had delivered the services. So all of a

sudden my little non-government organisation was in a position of having to bankroll a whole truckload of services, and to have a cash flow resilient to withstand 12 months, because of course the federal government does not pay all that quickly. We do not get the receipts back as quickly as we think we will. NGOs need to be very strong operators, and they need very strong accounting systems. My understanding is that the not-for-profit and NGO sectors have not been able to effectively convince the government to standardise its charter of accounts. There will be a number of different reporting requirements, unless we can fix that problem, and it needs to be fixed. The impost on an NGO will be quite extraordinary.

I will now talk about the new competencies needed by people who deliver person-centred services—that is, choice and control, supported decision-making and the integration of what is called recovery principles. These are very new skill sets in some of the NGOs that might be lining up for this program. People who walk from one job to another will require an extra set of competencies and skills, but where is the money coming from to do that work? I know there are projects and research and work underway. I know this is not the first time that the parliamentary secretary will have heard these concerns raised. I know that work is underway but the money still has to come from somewhere; somebody has to bankroll this. Providers from other sectors, including the disability sector, will need to expand their target group to include participants with psychosocial disabilities. I will talk a bit more about the psychosocial disability issue because it is a challenging one—not least for the people involved in working with people suffering from such a disorder—but NGO people will now be faced with the challenge of incorporating a new group of people into their service base.

Under the National Disability Insurance Scheme legislation, in order to qualify for an individualised package of support, a person needs to have a permanent impairment. I am reading—not quoting but I am reading from a source that is the Mental Health Council of Australia’s “Mental Health and the National Disability Insurance Scheme” position paper from November last year. It is not hugely out of date; it is only a few months old. It states —

While permanency may be a meaningful concept for some kinds of disability, in the context of mental illness it is less clear. Most people with psychosocial disability have needs (and impairments) that fluctuate in severity and in nature over their lifetimes, and it is often difficult or impossible to predict which people will need long-term support and who will exit the ‘system’.

It is also impossible to predict when such people will exit the system, or when they will need to come back into the system. So the Mental Health Council of Australia is very concerned about the implications for a large number of people with a mental illness who will not be eligible for NDIS.

[Member’s time extended.]

Ms L.L. BAKER: This is because they are not deemed to have a permanent impairment or because their disabilities are not deemed sufficiently debilitating. The Mental Health Council of Australia doubts that the permanency principle currently embedded in the NDIS scheme can be reconciled with these realities. Feedback from the launch sites—the one in Western Australia that is operating at the moment—indicates that some of these requirements are already causing confusion. We are talking about just 6 000 people with psychosocial disabilities having a mental illness. The MHCA also believes that figure is a massive underestimation of what the demand will be from that group when we work out how to measure it. That will be a challenge in itself.

I want to digress very quickly to mention my concerns about the whole notion of Australian psychiatric assessments around mental illness. I have recently been involved in discussions with the Royal Society for the Prevention of Cruelty to Animals, as well as with others in my own community and local government about the condition called hoarding. I know we all have people in our electorates, let us face it, who suffer from a psychiatric condition called hoarding. Members will be surprised to know that in Western Australia—in fact, in Australia, hoarding is not considered a psychiatric condition. Therefore, the problem is that we cannot necessarily give that person treatment because it has to come through a diagnosis of obsessive compulsive disorder or a different condition. The condition of hoarding is having a severe impact on a very small number of individuals directly, but we would not want to live next to them. We would especially not want to live next door to a lady in my electorate who had been hoarding cats. The RSPCA removed 109 cats from her front room this time last year. Eight years ago, 78 cats had been removed from her residence. By removing the problem by taking the cats away, does it fix her? No; she just goes out and gets more cats. The same applies with someone who is hoarding cars or anything; it is a psychiatric condition. There are people like this in the community who need to be diagnosed and it needs to be recognised that they have a severe psychiatric condition. People need access to the kind of long-term support that the NDIS offers. I appreciate that means getting the Australian Psychiatric Association to redefine or to agree that hoarding is a psychiatric condition, and I will take that banner up in a different direction later. I wanted to mention it now because it is something that I know impacts many of us.

I have talked about the problems NGOs will be facing by being paid on receipt of their invoice, instead of being paid at the beginning of their work. There are also issues around having a consistent approach to eligibility for the NDIS. I know the work is being done around the identification of people who are eligible for NDIS, and that will take time, but again there is an expense involved in setting the staff up with the appropriate skills. There is a huge benefit in portability that the NDIS will offer to some people around Australia. There is also great hope in the level of quality assurance that the scheme offers to Western Australians and to Australians in general.

Talking a bit more about the assessment issue and, again, referring to the Mental Health Council, the NDIS legislation, while stipulating that someone has to have a permanent disability to be eligible for an individualised package of support, the mental health sector is still uncertain about what that means in practice. Almost uniquely among other kinds of disability, the psychosocial disability associated with mental illness is often episodic. With these challenges in mind, it is crucial that the assessment process incorporate three features if it is to adequately cater for people with psychosocial disability. I want to put this on the record because it is very important that we consider them in the rollout of the NDIS. The MHCA position paper states —

First, the process must involve carers, service providers and other support people to the maximum extent possible.

...

Second, any tools used to conduct assessments must be designed for people with psychosocial disability related to mental illness, rather than being adapted from tools used for other kinds of disability.

That might sound completely obvious, but we do not know that that is going to happen. We are certainly not confident that the current tools being used are appropriate in this regard. Finally, the paper states —

... NDIA staff conducting assessments must be trained and experienced in mental health issues. Understanding the needs of someone with psychosocial disability requires specialist skills and the ability to develop trust with consumers, carers and service providers.

What services will be available for people who do not meet the NDIS support? Will that be because they choose not to opt in? Some people may not want to opt in because of their illness and will not want to participate because they are distrustful, or for whatever reason, or they may not opt in because their disability is not deemed sufficiently significant or permanent. Although a guarantee of continuity of care is in place for current clients, no such guarantee exists for future clients, including clients of mental health programs that have a high turnover from year to year.

Debate interrupted, pursuant to standing orders.

[Continued on page 2128.]