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Chair Chat

with Prof. David Gilchrist



A New Era for Disabilities Services: One Year On

It is reporting season for companies and governments alike and I wanted to update you on how the WA Government perceived disability services over the past year. On 1 July 2017, the Disability Services Commission merged into the larger Department of Communities when it amalgamated with the Departments of Housing, Child Protection and Family Services, Local Government and Communities. The first Annual Report 2017-18 for the new entity is currently available for review on the Department of Communities website. The amount of information provided for Disability Service is significantly less than in previous annual reports, though I will highlight some key issues here.

Customer Number and Characteristics

The annual report states there are a total of 27,390 service users, an increase from 26,090 since June 2017, or an additional 1,300 people living with disabilities (or 4.98%).

The three most common disability types reported by services users are intellectual disability (31%), autism spectrum disorder (25%) and physical disability (24%) (see page 22, Department of Communities, Annual Report 2017/18). This profile is consistent with Nulsen's major target groups.

Customer Outcomes

A framework for the assessment of customer outcomes is outlined in three key areas:

- People with disabilities have choice and control to determine the services that meet individual needs.
- The quality of life for people with disabilities is enhanced.
- People with disabilities have the opportunity to participate in community life.

The overall performance of the Department of

Key Points

- **Services are growing: in the number of customers and the number of service providers.**
- **Unspent cash needs to be reinvested into the participants and the disability sector to support the challenging transition process.**
- **The Premier provided assurances; consumer outcomes are the best judge of attainment.**

Disability Services was in accordance with the moderate targets set for the year.

The Non-government Sector in WA

The total expenditure in disability services during 2017-18 was \$1,029.9 million, a 10 per cent increase from the previous financial year. This increase is mainly attributable to the increase in Federal funding for the transition of the National Disability Insurance Scheme (NDIS) in Western Australia. Of this amount, \$788.7 million was allocated to disability sector organisations and \$241.1 million to the operations and services of Disability Services (Annual Report 2017/18, page 9).

Growth and Range of Service Providers in the Non-government Sector in the Past Two Financial Years

Funding Amount	2016 - 2017	2017-2018
< \$1 million	91	133
\$1,000,001 - \$5m	39	42
\$5,000,001 - \$20m	23	24
> \$20 million	8	11
Total	161	210

[Disability Services Annual Report 2017-18, page 10](#)

As outlined, during 2017/18 \$788.7 million was allocated for services provided by non-government service providers (or an increase of 13.1%) for the

provision of services to people living with disability. The increase in the number of service providers contracted for under \$1.0 million (an increase of 46%) is mainly due to the number of new therapy and equipment providers registered with Disability Services during the course of the financial year. This is consistent with the growth in the number of service providers in the NDIS sites across the rest of Australia.

Disability Services Government Employees

Expense on employees was less than budget by \$43.5 million (21.2%) primarily due to the decision by the State Government to transition to a nationally delivered scheme in Western Australia. As a result, additional Local Area Coordinators (LAC) were not recruited by Disability Services and a number of local coordinators were transferred to the national agency (see page 50).

Under the State Government Voluntary Targeted Separation Scheme for Public Sector Renewal (2017), the number of accepted voluntary severances from the Disability Service equalled 114.4 full-time employees. The total cost of termination benefits was \$10.7 million following costs of \$12.2 million the previous financial year (Note 6, page 32).

Summary and Conclusion

Due to the issues involving the implementation of the NDIS, the ceasing or transfer of LAC staff and a

reduction in the state government expenditure on the non-government sector, there was a significant amount of cash in the system during 2017/18. I would anticipate that the same situation will occur in this financial year and in future years during the transition and implementation of the NDIS. The State Labor Government is prioritising the spending of cash on its financial needs such termination payments, rather than the needs of people living with disabilities and the disability sector on which they rely for their ongoing supports.

We need to ensure that unspent cash originally allocated to people with disabilities is reinvested into the participants and the disability sector to support the transition process and stimulate targeted development within the state. The continuing development of a skilled and well compensated workforce is a particular area that requires an immediate, comprehensive response and positive financial stimulus.

During the past 18 months, the Premier assured us on many occasions that the major change imposed on the disability sector will not negatively influence the outcomes for people with disabilities, their families and carers. You are the best judge as to whether this promise is being fulfilled. You are the best advocate to positively influence the future on behalf of your family member.



Professor David Gilchrist BA BBus PhD FCA FAIC is a chartered accountant and a historian. He holds a PhD in economics from the University of Notre Dame Australia and is currently a Professor at the University of Western Australia as well as the Public Sector Accounting and Disclosure Research Cluster. Over his 25-year career, David has held many senior roles in the not-for-profit, commercial and public sectors. He has taught at several universities across the globe, sits as Chairman on multiple boards and has published several key national reports. Achievements include: working as the Assistant Auditor General WA, the Associate Dean of the School of Business, University of Notre Dame Australia, Chairman to Nulsen Disability Services, and the Kimberley Individual and Family Support Association. David produced the “Australian Charities 2013” and the “Australian National Costing and Pricing Framework” issued jointly with National Disability Services. He is widely published as an academic and a journalist. [See David’s full profile here.](#)