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Chair Chat

with Prof. David Gilchrist



The second quarterly report of the NDIS for 2017/18 states that by the end of December 2017, 132,743 participants plans have been approved nationally, together with an additional 9,523 children referred through Early Childhood Early Intervention (ECEI) approach. Therefore, over 142,000 people were actively participating with the NDIS. This figure represents approximately 31 percent of the final target number of 460,000 participants.

The total financial commitment is over \$10 billion with \$5 billion paid out by the end of December. The bulk of this funding assists participants with self-care skills, community participation, independence, health and wellbeing. Feedback from scheme participants is that 83 percent are satisfied with the current funding and mix of services.

The number of registered service providers is reported as 12,328, (three percent operate at a national level), with this number more than doubling over the twelve months (up from 5,110). The majority of service providers are small to medium size (less than \$5 million turnover) with 51 percent reported to be currently actively participating within the scheme. Sole traders represent 42 percent of the total number, these people being mainly providers of professional therapy and equipment supports. The report is generally optimistic and indicates that 82 percent of the bilateral targets are currently being met across the whole of Australia (Source: COAG Disability Reform Council Quarterly Report 2017/18, Quarter 2).

The level of demand within the NDIS is growing rapidly, at about four per cent per quarter. This is

not matched by the increase in supply of services or the availability of direct care staff, that is growing at about half that rate. The provision of supply is variable across locations with particular pressures evident in rural and remote locations.

The current environment in WA is particularly challenging and there are variations in responses apparent within the local disability sector. Some organisations appear to be thriving and some appear to be stressed. There is initial evidence of emerging financial concerns within the WA disability services sector.

It is evident that those service providers that:

- Have been directly responsive to the impact of the NDIA and WA-NDIS during 2016/17;
- Provide flexible and responsive community based services;
- Develop strategically well located service points;
- Provide therapy and professional services;
- Are diversified with multiple sources of funding
- Appear to generally coping well within the current growth environment.

In general terms, those organisations with a strong balance sheet combined with robust governance

and management practices demonstrate that they have managed best during the past financial year. Now that the State Labor Government has made the decision to transfer responsibility of the management of the scheme to the Commonwealth Government and the National Disability Insurance Agency, the crucial time for many local organisations will occur during the 2018/19 and 2019/20 financial years. This will be a testing time for many local service providers as they become fully exposed to the national funding and pricing framework, combined with the extensive bureaucratic financial processes entailed.

The Bilateral Agreement between the Commonwealth and Western Australian Governments on the National Disability Insurance Scheme, signed in December 2017 provides some additional interesting information, namely that the number of participants will increase from 39,097 (June 2020) to 47,941 by June 2023 (Source: Heads of Agreement between the Commonwealth and Western Australian Governments on the National Disability Insurance Scheme, December 2017). Therefore, we can continue to expect significant growth within the disability sector over the next five years. In the coming months I will outline Nulsen Disability Services considered responses to the growth environment.



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.](#)