

## **Joint Standing Committee on the NDIS**

**Hearing: Perth 17 April 2017**

**10.15am to 11.00am**

**Duxton Hotel**

**Professor David Gilchrist and Penny Knight**

### **Running sheet**

**DJG:** Thank you for opportunity to be here.

We would like to submit the following reports relating to research we have undertaken as evidence. They are provided as examples of evidence upon which we base our comments. These reports also provide the Committee with an understanding of the primary issues related to sustainability of disability service delivery:

- Gilchrist, D. J. & P. A. Knight, (2017), Australia's Disability Services Sector 2017: Report 2 – Financial Performance, Report for National Disability Services Ltd, Canberra.
- Gilchrist, D. J., and P. A. Knight, (2017), The 2012 Equal Remuneration Order: Sustainability Impacts on Human Services Delivery in Western Australia. A Report to the Western Australian Council of Social Service, Perth, Australia.
- National Disability Services Ltd, (2017), State of the Disability Sector Report 2017, A report to which D. J. Gilchrist and P. A. Knight contributed the research component.

Further reports are also available and we would be pleased to provide these to the Committee.

For almost ten years we have been examining the sustainability of the disability services sector in WA and, for over five years, at a national level.

The NDIS is an important, and in many ways critical, addition to the disability services system in Australia. Our work has been very

much focused on supporting the roll-out and ongoing successful operation of the whole system, including the NDIS, for the benefit of People Living with Disability.

The establishment of the NDIS is also a high-risk venture, with limited information available regarding the comprehensive cost of service delivery, the significant challenges inherent in joining the NDIS with the remainder of the disabilities services system, and the complexity of disability services themselves.

Because People Living with Disability are the shock absorbers for the risks associated with the roll out of the NDIS and ongoing service delivery, our focus has been on the sustainability of service delivery by fit-for-purpose organisations, within an efficient funding framework.

Sustainability equates to the reliable and timely delivery of clinically appropriate services to those people who rely on these services and supports in order to live their daily lives.

Our research has shown that there are significant risks associated with the roll out and ongoing operation of the NDIS that will pointedly impact People with Disability and will inevitably cost governments more. These include:

- Lack of a clear plan for industry adjustment ensuring ongoing uncertainty, significant uncreative destruction and increasing conservatism amongst service providers;
- Lack of capacity within the services sector to invest to change operations and capacities from organisations' currently fit-for-purpose structures under previous government policy to become fit-for-purpose under new government policy;
- Lack of experience and capacity within the NDIS with respect to planning and service delivery impacting service users negatively and increasing the cost of doing business with the NDIS significantly; and
- An inadequate pricing structure—both in terms of quantum and specificity—increasing the risk faced by People Living with Disability.

**PAK:** The roll out of the NDIS is one of the largest and most complex change management processes seen in this country. While many commentators equate the size of the challenge with the roll out of Medicare in the first half of the 1970s, in point of fact, the addition of the NDIS to the disability services system is much more complex and much higher risk.

In undertaking a change management process, clarity of objective—not just a rhetorical description of what the system ought to be like—combined with the application of resources necessary to support change are absolutely necessary. These resources include know how, a clear plan, certainty and financial resources.

Our research shows clearly that the lack of clarity is impacting service provider readiness, that these organisations lack know-how and financial resources, and that the roll-out of the one-size-fits-all framework of the NDIS is a destructive process. This destructive process will result on significantly higher costs to governments.

A realistic industry adjustment plan combined with adequate resources and appropriate timing would go a considerable way toward ensuring the NDIS adds positively to the Australian disability system rather than detracts.

We are delighted to take questions or respond to comments.