

Submission  
No 9

## THE PROGRAM OF APPLIANCES FOR DISABLED PEOPLE (PADP)

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**Brief for  
The Hon. Don Page MP  
Member for Ballina**

## **NSW Area Health Centralisation Proposal**

### **Overview**

This paper summarises major concerns held by Industry Members in relation to the NSW Government's proposal to centralise the provision and distribution of rehabilitation equipment to the aged and those people with disabilities, including severe physical disabilities.

If this proposal was to succeed, the rehabilitation industry, comprising suppliers, therapists, other health professionals and carers would be decimated.

The intention of the proposal is to save money. The percentage of earnings before income tax for suppliers in our industry is in the low single figures. There are no savings to be made.

### **The Proposal in Review and Impact Statements**

At a DADHC conference held in Ballina on 30 July 2008, the local PADP representative announced that NSW Area Health was actioning a centralisation program for all services dealing with aged and disabled persons. In particular, NSW Area Health wants to distribute all equipment from a central store in Newcastle. The main points of the proposal are:

- PADP will end in the next 18 months – 3 years
- NSW Health Enable will take over the NSW region (a pilot started 6 months ago)
- Newcastle will be the central location
- NSW Health Enable will develop an equipment loan pool
- PADP will be told who the "one supplier" will be for commonly used equipment - commodes, basic wheelchairs etc as currently used by Enable.
- Enable will also be looking for a "one supplier" for complex mobility equipment to cover all of NSW. Majority of PADP funding is spent in this area - scripted wheelchairs, power chairs etc.
- A Parliamentary enquiry is in progress into how this will affect rural/outer areas
- PADP funding for 2007/2008 for equipment was \$20,000 month. This has just been increased for 2008/2009 to \$115,000 month, with more to come.

This proposal is a welcome move if the State Government wants to decimate the rehabilitation industry in NSW, increase unemployment significantly, lower morale of a dedicated and loyal portion of the population, increase stress levels and thereby have Work Cover claims increase dramatically, and ensure that those aged and disabled persons in NSW received third world country levels of service.

This move follows the attempt to centralise smaller issues of equipment like wheelchairs and

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rollators (in other words, equipment under \$1000) using Office Max. The bureaucrats clearly do not understand the immediate and longer term implications of their proposals.

This proposal lacks comprehension of the system at work now, it continues to treat suppliers as second-rate citizens, it is trying to destroy livelihoods and an industry as well as showing a callous disregard for the aged and disabled. If this scheme is implemented, it will result in complete chaos. My statement is predicated on the following anecdotes and industry experience.

Our recent experiences include:

- A 130 kg male wanting a mobility scooter for very hilly terrain. With our technical expertise, we know that we can provide this person with a scooter, but any warranty will be void because the required performance of the scooter will be outside the operating envelope as prescribed by the manufacturer. Any scooter in the situation described will have ongoing mechanical problems, and a very disgruntled client.
- A particular client who cannot speak or show any emotion required six months of trial work before we were able to supply him with suitable mobility equipment. A centralised system could not cope with this sort of situation without significant problems.
- The 'dump and run' mentality of Office Max, if used for all equipment, would be devastating for all concerned. The technical requirements in most complex cases are very significant. In a recent case, a client was provided with a power wheel chair from Sydney, and the seating came in boxes. It required over 20 work hours for two of our technical staff to bring the chair to operating standard.
- Palliative care clients would be without the resources they need. We have taken pressure care mattresses to clients on the eve of Good Friday to ensure that the client survived the long weekend. We have delivered beds at one hour's notice to people who wanted to die with dignity at home. In one poignant case, the client received his bed at 2 pm, and died early the next morning. The family was extremely grateful. Let's see the centralised system provide that level of service!

There is this continued perception that suppliers are money hungry, greedy and constantly wanting to 'rip off the system'. This could not be further from the truth. There is a significant lack-of-trust issue underlying all of this, which I do not understand. As suppliers to the rehabilitation industry, we do a great job. We are not in this for the money, although a fair day's pay would be nice. We are professional and we are dedicated. We are not 'country hicks', and that is the impression we are left with at times. The proof of these statements lies in the fact that we have never been consulted in the decision making process, even though we are a major stakeholder within the system.

In terms of any perceived savings, again, the Government seems to have very little idea. Our business averages a net profit before tax of about 4%. The year just passed returned a positive result, whereas the previous two years brought losses. Other businesses in the industry return similar figures. In other words, there is no 'cream' to skim off.

Centralisation would mean the mass closure of all regional rehabilitation supplier outlets for lack of viability. Therapists would lose an invaluable ally, and their jobs would be untenable. The suppliers, whose job it is to know intimately the equipment available, are an intrinsic and vital part of the whole procurement and supply system. They are a major stakeholder in the process, but they are treated with disdain.

Implementation of this proposal would see a huge reliance on therapists. There are not enough therapists now, and they rely on us as product specialists to help them decide which products are most suitable, best value for money and best fit for the client. Occupational Therapists (OTs) have different specialisations, and this proposal is asking them to become generalists. This is like

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asking brain surgeons, psychiatrists, ENT specialists, paediatric surgeons, oncologists and the whole gambit of medical specialists to return to general practitioner status.

Therapists have to specialise into geriatrics, paediatrics, brain injury, mental conditions and spinal injury to name a few. Very few have the time, expertise or know-how to delve into technical details of the vast array of equipment now available to clients. They generally cannot adjust seating, or program computerised controls or repair power drives.

There was discussion of a loan pool. One piece of equipment will not, in all probability, suit all complex quadriplegics, or someone else with complex disabilities. These cases of people with disabilities are individual, and must be treated on a case-by-case basis. We specialise in customising equipment, and we do not have time to make up stories, or deliberately make equipment more complex for the sake of profit or some other misconstrued allegation. The people we serve need their equipment; they depend on their equipment for their standard of living and their quality of life. It has to be right for them.

There was mention of longer trial periods. Trialling equipment, particularly complex equipment is essential to ensure that the client has the most appropriate, best fitting and most economic solution available, within certain constraints, such as environmental and monetary. However, this equipment is also very expensive. As a supplier, we are not prepared to loan a \$15,000 power wheel chair to a client for a week's trial, with the possibility that the equipment will return in a damaged condition, unless there is adequate insurance/compensatory cover. We already have equipment worth hundreds of thousands of dollars in our inventory now.

A centralised loan pool would mean that the prescriber has to be meticulous in detailing the trial equipment required. A small detail in error may mean a failed trial, a retrial, and copious volumes of rework. The equipment in question needs to be transported to and from Newcastle, and invariably there will be delays involved. Moreover, the storeman in Newcastle will need to understand precisely the needs of the prescribing therapist if any sort of trial equipment is to be sent out. In other words, the communication effort will have to be exactly right. More likely, it will devolve to a matter of chance, resulting in massive rework, gross frustration, high levels of anxiety and stress, and ultimately a complete breakdown of the process.

Once the system has broken down, suppliers have left their businesses, therapists have moved onto other vocations, and the aged and disabled are bereft of suitable (if any) equipment, the repair process will take years. Coca Cola took 18 months to recover from its mistake of ceasing advertising for a month. Operating PADP in the manner proposed is likely to be terminal, in more ways than one.

Imagine then if NSW Area Health decided to move their call centre to India.

We can only hope that the parliamentary inquiry has the wisdom to question all the stakeholders, and that they come to the conclusion that perhaps the system is not broken after all.

Yours faithfully,

**Ron van Setten**  
Managing Director

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