REPORT OF PROCEEDINGS BEFORE

GENERAL PURPOSE STANDING COMMITTEE No. 2

INQUIRY INTO POST SCHOOL DISABILITY PROGRAMS

At Sydney on Wednesday 11 May 2005

The Committee met at 10.00 a.m.

PRESENT

The Hon. P. Forsythe (Chair)

The Hon. A. Catanzariti
The Hon. Dr A. Chesterfield-Evans
The Hon. J. Jenkins
The Hon. J. F. Ryan
The Hon. C. M. Robertson
The Hon. H. S. Tsang

CHAIR: I welcome everyone to the second public hearing of the General Purpose Standing Committee No. 2 inquiry into changes to post-school programs for young adults with a disability. Before we commence, I would like to make some comments about the organisation of today's hearing. In relation to accessibility, Parliament House is an accessible building. A hearing loop is installed in the Jubilee Room and accessible toilets are located off the main lobby. Parking is available upon request to people with mobility restrictions. The attendants are available to provide assistance during today's hearing.

In relation to broadcasting guidelines, the Committee has previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of the guidelines governing broadcasting of the proceedings are available from the table by the door. In accordance with the Legislative Council guidelines for the broadcasting of proceedings, a member of the Committee and witnesses may be filmed or recorded but people in the Public Gallery should not be the primary focus of any filming or photographs. In reporting the proceedings of this Committee, the media must take responsibility for what they publish or for the interpretation that is placed on anything that is said before the Committee. In relation to the delivery of messages and documents tendered to the Committee, witnesses, members and their staff are advised that any messages should be delivered through the attendants or the Committee clerks.

I also advise that under the Standing Orders of the Legislative Council, any documents presented to the Committee that have not yet been tabled in Parliament may not, except with the permission of the Committee, be disclosed or published by any member of such Committee or by any other person. In relation to in camera deliberations, the Committee prefers to conduct its hearings in public. However, the Committee may decide to hear certain evidence in private. If there is a need to do so, if such a case arises, I will ask the public and the media to leave the room for a short period. Finally, could everyone please turn off their mobile phones for the duration of the hearing. That does not mean putting them on silent mode; it does mean turning them off. I now welcome our first witnesses, Mr Brendan O'Reilly, Ms Carol Mills and Ms Alison Wannan from the Department of Ageing, Disability and Home Care. I thank them for being with us today and for their submission.

BRENDAN MICHAEL O'REILLY, Director-General, Department of Ageing, Disability and Home Care, Level 5, 83 Clarence Street, Sydney, sworn and examined:

CAROL MILLS, Deputy Director-General, Department of Ageing, Disability and Home Care, Level 5, 83 Clarence Street, Sydney, and

ALISON DIANE WANNAN, Director—Community Access, Department of Ageing, Disability and Home Care, Level 4, 83 Clarence Street, Sydney, affirmed and examined:

CHAIR: Mr O'Reilly, are you conversant with the terms of reference for this inquiry?

Mr O'REILLY: Yes, I am.

CHAIR: If you consider at any stage that certain evidence you wish to give or documents you may wish to tender should be heard or seen only by the Committee, please indicate that fact and the Committee will consider your request.

Mr O'REILLY: Thank you.

CHAIR: After I have sworn in the other witnesses, will you be wishing to make an opening statement?

Mr O'REILLY: Yes, thank you.

CHAIR: Ms Mills, are you conversant with the terms of reference for this inquiry?

Ms MILLS: Yes, I am.

CHAIR: Should you consider any evidence that you would like to give should be heard in private, we will consider that.

Ms MILLS: Thank you.

CHAIR: Will you wish to make an opening statement?

Ms MILLS: No, thank you.

CHAIR: Ms Wannan, are you conversant with the terms of reference of the inquiry?

Ms WANNAN: Yes.

CHAIR: Should you consider at any stage that evidence should be heard in confidence, we will consider your request. Mr O'Reilly, will you make your opening statement?

Mr O'REILLY: Thank you. The supports that are offered to people who have a disability when they leave school have been the subject of almost constant reform and review by all Australian States over the past few years. In the Australian Capital Territory, this year there is a joint review with the Commonwealth Department of Employment and Workplace Relations about flexibility between post school and employment. In the Northern Territory the program has been recently reviewed and new guidelines are to be developed this year. In Victoria a ministerial advisory group has been established this year to focus on employment outcomes for 2004 school leavers, and in Western Australia, a policy framework for alternatives to employment was developed last year. The Australian Government has also been involved in a reform process of the introduction in January this year of the Case Funding Program.

The sector, which consists of clients, parents, providers and State government departments, does not always share the same views. As can be seen from the submissions provided to this inquiry, there are different views between providers and between providers and advocacy groups as to the merits or otherwise of block funding, what a program should consist of and the costs of delivery.

There are differing views also as to the type of program that should be available, and as to how clients are assessed. The issues are complex. However, as many of the submissions to this inquiry acknowledge, there was, and continues to exist, a need for reform. When the Government announced the reforms to the Adult Training, Learning and Support Program [ATLAS] and the introduction of the Transition to Work and the Community Participation Program, my department went about implementing that decision. We embarked upon a communication and consultation program which involved in excess of 150 meetings throughout the State with families, carers, providers and advocates as well as a range of public forums.

I clearly recognise, as do the staff of my department, that the reforms to the ATLAS program have caused anxiety and concern to parents and clients alike. I genuinely regret this. However, as a result of these consultations, a number of outcomes were achieved which included the grandfathering of the clients attending the original Post School Options Program, the increased funding level of $13,500 per annum for the community participation program and the establishment of the Very High Needs Pool. It must be said that the current reforms have assisted the department to collect data which it previously did not have access to. There is a wide variation as to the cost and the number of program hours available to clients. In a number of instances there have been unexplained rises in costs between the time the reforms were announced and the submission of checklists.

With respect to the Transition to Work Program, the program and hours on offer range from less than 8 hours per week to more than 28 hours per week with hourly costs ranging from $10.46 per hour to $43.20 per hour. In the Community Participation Program, again hours range from less than 8 hours per week to more than 28 hours per week, with hourly costs ranging from $9.28 per hour to $40.79 per hour. When you drill down further into the data submitted by providers, there are other major variations. In the Transition to Work Program, recognising that direct costs—and by that I mean salaries and their related on-costs—represent the most significant cost to the conduct of a program, again there are significant variations ranging between 43 per cent and 95 per cent. There is wide variation between providers in relation to the allocation of direct staffing and the number of hours of service. Similar variations exist when you unpack indirect, accommodation and travel costs.

When you look at the Community Participation Program, the direct costs vary widely within an average range of $6,750 to $11,645. There is wide variation between the community participation providers in relation to the allocation of direct staffing. It varies between 33 per cent and 87 per cent of total costs. Again, there are significant variations when you look at indirect, accommodation and travel costs. It was thought that by going to a checklist approach for the Community Participation Program, it would minimise disruption to parents and clients and providers. The evidence to hand now indicates that it was unsuccessful for all concerned. As the information from parents, providers and advocacy groups has come to hand, together with the diverse range of information contained in the data received to date, we have been briefing our Minister. He is aware of the issues confronting a number of parents and clients and the divergence of opinion within and across the disability sector, and has reaffirmed the Government's stance that the reforms are not about reducing hours. He has taken a personal interest in the ATLAS reforms and is committed to having a transparent and easily navigated service system for school leavers who have a disability.

It has become very obvious that with respect to the Community Participation Program, the department needs to clearly specify the components of the program, to model the costs of delivering a program to clients who have a range of needs, and then to go to tender. The checklists have revealed that there is such a variation among providers that without this work clients and their families are not in a position to make informed choices. There are examples where hourly costs of delivery have increased by percentages that are far and away above the Consumer Price Index [CPI]. In a number of cases, these increases have been well over 30 per cent which, as far as we can ascertain, is completely outside the reform process. Obviously, before the department can be in a position to go to tender, this will require our working with clients, parents, advocacy groups and providers. We now have a great deal of information. With the aim of having minimal disruption to the 2005 school leavers and current service users, we aim to have this work completed this year.

CHAIR: Mr O'Reilly, yesterday we heard criticism of the assessment tool that was used.

The Hon. JOHN RYAN: Madam Chair, can I make a request? Mr O'Reilly was reading a written document. It would be helpful if the members of the Committee could have a copy of the document. Is there any possibility of Mr O'Reilly making it available?

CHAIR: Are you happy to table that document?

Mr O'REILLY: Yes.

Document tabled.

CHAIR: Yesterday we heard criticism of the assessment tool that was used to, if you like, categorise, to use that terrible term, young people into whichever program might be appropriate. Can you tell me a little bit about how that assessment tool was developed, who was consulted, and what has been the response of the department to the criticism that it has actually forced to some people into programs that that there may be some concern about in terms of appropriateness?

Mr O'REILLY: The purpose of the New South Wales tool is to screen school leavers into the most appropriate post school service based on an assessment of their broad support needs. It is a screening tool, rather than a comprehensive individual assessment. A 2002 study by the University of Wollongong found the functional screen to be a useful and accurate assessment tool for screening people into State or Commonwealth programs. The assessment tool does not determine eligibility for the program, as this was identified by the program guidelines, but it assists in identifying which program best addresses the school leaver's needs. The assessment tool will be reviewed and any changes will be in place for 2006 school leavers.

There is no single assessment tool used by a majority of Australian jurisdictions to screen and assist people in post school programs. A person can appeal his or her program allocation, and the department will monitor the outcomes of the appeals process. The department will also monitor debates in other disability agencies about client assessment methodologies, and host a roundtable with peak organisations and New South Wales government agencies.

With respect to your information regarding the appeals to change program allocation, DADHC has approved all appeals submitted. There were 172 in total, 80 relating to 2004 school leavers, which represents 11.8 per cent of school leavers, and 92 ex-ATLAS school leavers, representing 6.3 per cent. There were delays in approving the appeals submitted prior to young people being matched with service providers. With regard to approval of appeals, 49 per cent were approved before being allocated a post school program place and 51 per cent were approved after being allocated a post school program place. Of these, 30 moved from Transition to Work to Community Participation programs, and 58 moved from Community Participation to the Transition to Work Program.

CHAIR: We also received criticisms about the effect of block funding and the issue of flexibility or portability. In essence, questions were raised about people's ability to move from one area to another, or whether they simply have to stay with the service provider to which they have been allocated.

Mr O'REILLY: Block funding can provide improved service provider viability, particularly in rural areas, and assist with infrastructure costs. The department's post school programs comprise a hybrid funding model: predominantly block grant funding but with some aspects of individual funding. In the past, once the individual had determined their service provider, the department forwarded the funding directly to that provider. The issue, as I understand it from the clients' or parents' perspective, is that in the past the client, if they changed service provider, took the funds with them. Under the current arrangements, the client can still move to another provider if there is a vacancy with that provider.

Representations were made to the department by some service providers about the need to address perceived impacts on service provider viability associated with individual funding arrangements. The department acknowledges that over the last five years some State and Territory governments, including Victoria, the ACT and Queensland, have moved to replace block grant funding with individualised funding arrangements for post school programs. We will monitor the extent to which the block funding for the 2005 post school programs achieves the intended outcomes in terms of improved service quality and viability. In assessing these, the department will need to take into account the experiences of people with a disability, and their families or carers, as well as feedback from peak advocacy and service organisations.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Who initiated the changes to the ATLAS post school options program? Did DADHC initiate them, or were they in response to Treasury pressure?

Mr O'REILLY: It was before my time, but I am assuming that what would have happened is that the department, after a range of discussions, meetings and so forth, recognised the need for change. The department would have discussed that proposal with the Minister, and on to Treasury because of any funding implications, and once that was determined the reforms were announced.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Are you saying you do not know?

Mr O'REILLY: I honestly cannot say. It would have come from the department initially.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You cannot say, or you do not know?

Mr O'REILLY: I can say it would have come from the department initially as an issue that has come up because there was a need for reform.

The Hon. JOHN RYAN: Mr O'Reilly, let us be real. Every single submission to this Committee has raised the issue that this is a cost-driven reform, not an outcomes-driven reform. I cannot believe that the director-general of DADHC is not aware whether this was initiated by Treasury or whether this was something that was being driven by outcomes reform. It certainly looks like it has been driven by cost.

Mr O'REILLY: All I can say is that there has been no cut in funding to the ATLAS—

The Hon. JOHN RYAN: Can we stop the spin now, Mr O'Reilly? There has been a cut in funding on a per capita basis—

The Hon. HENRY TSANG: Point of order: The director-general has given an answer. If the Hon. John Ryan is not happy with it—

CHAIR: What is your point of order?

The Hon. HENRY TSANG: The Committee needs to have a rule with regard to working with people who have been invited to address the Committee. The way the Hon. John Ryan is dealing with this is rude.

The Hon. JOHN RYAN: Can I answer the point of order, Madam Chair?

CHAIR: No. I rule that there is no point of order. However, I ask all members of the Committee to allow witnesses to complete their answers. There is ample opportunity for everyone to have a go. There is no point of order, but I ask the witness to complete his answer.

The Hon. JOHN RYAN: Madam Chair, I would like to reply to the point of order.

CHAIR: No. Mr O'Reilly may complete his answer, and I will allow you an opportunity to us him further questions.

The Hon. JOHN RYAN: It is just that we have very limited time. If we are to make comments that there has been no cut to funding, we will not make progress. Clearly there have been cuts to funding. There are more people using the program, with a slight increase in its budget.

CHAIR: That is a good point. However, I will allow Mr O'Reilly to complete his answer.

Mr O'REILLY: The facts are that in the 2003-04 financial year the budget for the programs, Post School Options and ATLAS, Community Participation and Transition to Work, with the changes, was $57,369,000. In 2004-05 the budget is $62 million.

The Hon. JOHN RYAN: There is no reason for anyone to be upset, is there?

Mr O'REILLY: I did not say that.

The Hon. JOHN RYAN: The per capita funding for this program has been cut, has it not?

Mr O'REILLY: If you work on the basis that there has been no change to the programs, that is right. But—

The Hon. JOHN RYAN: We are talking about the funding—

Mr O'REILLY: The announcement was that there are two new programs, Transition to Work and Community Participation.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: May I come back to my question. Who initiated the changes between ATLAS and Post School Options—Treasury or DADHC? You said it was before your time, but it is difficult to believe that a man in your position would not know the answer to such a critical question.

Mr O'REILLY: I am saying that there was recognition by the department that reforms were needed in the programs. Those reforms would have been worked out as a working document for discussion with Treasury, and of course with the Minister. Once the reforms were agreed, that there would be two new programs, the funding was allocated to those programs.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Was that because DADHC recognised that it could not fund the programs and therefore it had to look at alternatives—in other words, the pressure was on, that it knew it could not fund the standard it was delivering to the numbers that it had to deliver it to?

Mr O'REILLY: I would say that, given the numbers of people entering the system, and the fact that people were in the system a lot longer because of ageing arrangements and their needs and support, there was a need for review and a need to look at two different programs, and that is what would have led it.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: When you say "would", you are putting it on a hypothetical basis. Are you saying that you do not know that this is the case?

Mr O'REILLY: No. I am saying that that is what would have happened. I was not there, but I am saying that that is what would have happened.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You must have read the documents; you must have talk to the people involved in such critical negotiations relatively soon after you took over? You were a deputy within the department; you were not far from the top of this tree?

Mr O'REILLY: No. I was not in the department.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You were in DOCS, were you?

Mr O'REILLY: No, I was in the Premier's Department.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You would have known what was going on. Relatively soon after you took over, you would have been able to access the key documents and the key people who had been involved in those negotiations, would you not?

Mr O'REILLY: The first part, definitely. The second part was not possible because those people were no longer there.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But the documents were. Did you go through them?

Mr O'REILLY: We went through the documents, and we ascertained that the approach taken was that there was a need to reform the process, and that there needed to be two different programs, the first of them being Transition to Work, because the people moving from the program to work was a very poor percentage. From memory, around 6 per cent were moving through the system to work. It was recognised that there needed to be two different programs, one for people who could transition to work given supports over a two-year period and it was locked in for two years. There was another group of people who would not be able to be skilled up to be able to go into the world to work within that period of time, hence the Community Participation Program.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Are you suggesting that the reason these changes were made was the poor success of the Transition to Work Program, with only six people getting across, and that is why it was suggested?

Mr O'REILLY: It was around 6 per cent. No; it was part of the reason. The other part of the reason was, definitely, given the numbers coming into the program, how many people were requiring those supports, whether they were transition to work people, whether they were community participation people. Coming into one single system called ATLAS did not differentiate that, and that is what would have driven the approach in the first place.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Are you saying that you were not trying to cut the cost per person of the program?

Mr O'REILLY: I do not believe there was a— I was not there. But, obviously, when you negotiate your funding arrangements with Treasury, there is a limit to how much money you can get out of Treasury at any given point of time. The figures that were struck with Treasury initially, being the $9,000 or whatever, had to be renegotiated because once we had the discussions with the advocacy groups and the parents, and we got the information from providers as well, we recognised that the initial figure was just not possible; they could not provide those services for that. We then struck a rate, in discussions with the providers through the peak organisations, that $13,500, based on the available evidence at that time, appeared to be reasonable. We then went back to Treasury and said we needed extra money for these reforms to work. Treasury gave us that extra money.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So you went from $57 million to $62 million?

Mr O'REILLY: $57 million was for 2003-04; 2004-05 was $62 million.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You went a bit above the consumer price index, but not much?

Mr O'REILLY: From the initial figure, which was struck with Treasury, which was $9,500 to $13,500, or whatever, we moved from that to a single base of $13,500.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So you cut the pattern to fit the clock? You did not have the money after you had been to Treasury, and therefore you changed the way the programs were delivered, is that right?

Mr O'REILLY: No. Once the reforms were announced, we had funding from Treasury for the reforms based on that original costing. Through our consultations and discussions with the parents and the providers, we realised that was not enough money. We went back to Treasury and said we needed to raise the amount from the $9,500 minimal level to a flat rate of $13,500 per client per year, and that was agreed to by Treasury. We received supplementation for that.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So you got some improvement, but it was still a lot less than you had per capita?

Mr O'REILLY: Yes, it was less.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So it was driven by the fact that you did not have enough money?

Mr O'REILLY: No.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The fact was, you got a budget from Treasury, but it was not enough?

Proper Mr O'REILLY: That is right.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You renegotiated with the peak providers, and got a figure which was less than they were getting but you thought it might be okay. You went back to Treasury and got that amount, and you considered you had done quite well under the circumstances. Is that what you have just told me?

Mr O'REILLY: I think any time we get money out of Treasury we have done well.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But it was less per capita for the people you had than it had been before and you had had no choice about that?

Mr O'REILLY: Based on the old ATLAS program, yes. Based on the new programs it was what we negotiated with the peaks, being representatives of the providers, to go back to Treasury saying this is the amount of money that is needed.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So you are saying that peaks accepted that drop and the change to the programs that changed the ATLAS program and incorporated that drop, is that what you are saying?

Mr O'REILLY: No. I cannot say the peaks accepted the drop. The peaks will always argue for more resources to meet the needs of clients. What we did do was negotiate that moving from 9,500 to 13,500, based on the evidence we had at that time, would appear to meet the needs of the two new programs.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: In the discussion I had with you on 17 September, which was about some pilot transition programs you may recall, during the budget estimates last year, there were tenders for transition to work programs?

Mr O'REILLY: Yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You gave us later—you took it on notice, I think—six transition to work programs and I asked you if the changes to transition to work programs were based on the results of that pilot and you said, in effect, that you had not quite got the results in yet but you were going ahead anyway and the preliminary results were sorted in that direction. Can you give us the final assessments of the transition to work program pilots?

Ms WANNAN: What we are organising is a meeting with the pilot organisations on 24 May—I think that is the date—and the purpose of that meeting is to look at the experiences that the providers got and incorporate the experiences that the providers had in those pilots into the guidelines that we are developing the moment.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Why is that happening now when the whole program has been changed and you were almost ready with these pilots, or you were getting the preliminary reports of these pilots, on 17 September last year?

Mr O'REILLY: The transition to work funding for that program did not change.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But you have said that the failure of the transition to work program and the need to get new programs was the basis for the negotiations you were having with the peaks, which ended up in the cuts to the ATLAS program.

Mr O'REILLY: What happened was originally there was one program called ATLAS. In that were clients who were going to transition to work and also staying in the program. The big problem was that there was no difference between the programs at all. We said as part of the reform we needed one program for those clients that have been screened as being capable, if a two-year funding arrangement with no change in funding, to be able to move to work after that two years. The other group of people it was recognised that, despite the best efforts of providers, would not be able to move into work. That became a new program for community participation.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes, I understand that the programs have changed—

The Hon. JOHN RYAN: The names.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The names have changed, and the money has changed, but are you saying that the failure of the transition to work is the driving force of that change and are you saying that you still have not got the results of the transition to work pilots?

Mr O'REILLY: No. I think the drive to change was recognising that putting all people into the one single program actually did not allow you to measure whether or not there was any real success based on the percentage of people moving out of that program into work because it was one large group of people undertaking one program—ATLAS. This split the people to be able to say we have people who, after the screening and assessment, were assigned to the transition to work program or to the community participation program, and I think we will be able to measure the success of the new program because the cohort is different; there are people who have been screened to say yes, we have transitioned to work; given two years supports you will be able to move to work.

So rather than us having a figure, which was being questioned everywhere, about a lower percentage of people moving from the ATLAS program to the world of work, we will be able to measure whether or not the number of people moving through the transition to work program is indicative of a good program: it actually leads to work.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is this not just an elite program that you either work or you do not work? Surely, in this area you have graded work and some people can do a certain amount of hours and certain amounts of added value, if you want to look at it in economic terms? So how can you talk about success or failure based on a success rate of 6 per cent in the program or 6 per cent of people transitioning to work? How would you define "work"? Surely it is more subtle than that?

Mr O'REILLY: If I use this as an example: say there were 3,000 people in the ATLAS program and you only had a success rate of 6 per cent moving from that program into work, the figure looks very, very low. However, if you have a transition to work program and, let us say, there are 1,500 people in that program—

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: That is 12 per cent.

Mr O'REILLY: But it may not be. It may be a lot higher than that.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Because you are putting more resources into those people and presumably less into the ones who did not make the cut?

Mr O'REILLY: Based on the screening of the clients through Wollongong Uni, we are saying that there are some people who, despite all the supports, will not be able to move to employment in two years. Those people require a program to assist them with living skills and that will be community participation. If you are saying is there less money in the community participation program than transition to work, that is the case.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: We had evidence yesterday that the screening tool, which was based on, I think, nine questions done by the transition teacher, was then sent to Wollongong for an objective analysis and the people were classified and a woman entering the Honours program at Newcastle University was assessed as being suitable for a literacy program, which would suggest that her abilities were pretty grossly underestimated by the snap system or the nine questions, however that is termed. I understand you have to have a universal screening tool, but do you think it is adequate, the nine questions?

Mr O'REILLY: No, I do not.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So you think that there has been a failure in the screening tool?

Mr O'REILLY: I think there needs to be a reassessment of that screening tool. But can I just say that the people who then appealed about a wrong outcome as a result of that screening were actually moved. The appeal was upheld and they moved into the program of their choice—and that is 100 per cent.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: It obviously pays to appeal.

Mr O'REILLY: One hundred per cent, but of a very small number. When you look at the numbers in the program compared with the numbers who have appealed, it is a small percentage; it is under 10 per cent. But what we have also allowed is for people who believe that they are in the wrong program after they have been in there, to move between the programs, because in some cases it could be that a person who was initially put into the transition to work program—it could be 12 months later—it is recognised that that two-year block is not going to be able to move them to work; they can move across to the community participation program.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: If the screening programme is so universally regarded as not adequate, you have done remarkably well to only get 10 per cent appeals, have you not?

Mr O'REILLY: If the tool that was tested, as I gave in my earlier answer—

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes, we had some propaganda about that a couple of estimates ago.

The Hon. CHRISTINE ROBERTSON: I think we had some yesterday too.

CHAIR: I think we should allow Mr O'Reilly to finish.

Mr O'REILLY: The tool was not developed by the department, it was used through the home and community care assessment process; it was tested and validated that it was a reasonable screening tool, and that is what is being used to date. It is not being used in every State; a number of State have different tools as well. Last night the Commonwealth mentioned in the budget speech that they were looking at a different range of assessment arrangements for people with disabilities. Obviously we want more detail about that as well because I believe if we had a national tool that was practice and applied by all the States, it would make it far more easy for our clients.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: In workplace rehabilitation where people are injured there is a very thorough industry in rehabilitation and the assessment for rehabilitation, and there are courts that adjudicate whether employers should offer people a job based on the skills that have been identified by the rehabilitation providers and assessors. Why would you not offer something like that when someone's whole life is ahead of them?

Ms MILLS: I think we also need to differentiate between the screening tool, which places people into a program, and then the individual plans, which are done between the service provider, the service participant and also their parents, to ensure that they have a very detailed plan, much more along the lines about which you are speaking. The purpose for which we use the tool is simply to screen people into one of the two programs. It gives broad indicators of the type of functional capacity an individual will have. We recognise there is no one universal tool and it is very important therefore to have appeals processes and to allow people to not only appeal themselves but also for service providers to give us advice after a period of time whether in fact the initial indicator brought about by that assessment is correct.

The individual plan is required, and has been required for many years, for each participant whether it be in the transition to work or community participation program. And that individual plan is a much more detailed assessment of somebody's goals, their objectives, the skills which they currently hold and which they may wish to further develop, and so on. Our tool is not designed for the intensive level of assessment that you are speaking about at the moment.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You are saying there are only two programs, which is either transition to work or community participation. At one level you are saying there is a whole range of things that a person requires for the life plan for an individual and on another you are saying at the end of the day there are only two options. Is that not a rather jarring contrast?

Ms MILLS: If you remember what we have said, there was a single option previously—the ATLAS program. After extensive consideration about that, not only its outcomes but feedback from service providers, parents and others, there was a decision that a more screened option that gave a wider range of choice between two programs and which gave certainty of funding for, particularly, people requiring long-term support from the department would be introduced. The purpose of the screening tool is to place people in those. That does not mean that their choices are options in the sense that people can move between the programs. So that if somebody when they first leave school is not assessed as being ready to move into employment within two years, that does not prevent them in the future moving into the transition to work program.

As the director-general indicated, if after some period of time somebody in a transition to work program is assessed or considered by the service provider as actually not being suitable or not able in that short term period to move, then they also move back into community participation. I think I would also like to make the comment that we do not see these as better or lesser programs, they are programs tailored to individual needs; they are programs that are designed to give the best possible outcome and to give certainty for those people who require certainty of support over a long period of time. We certainly in the department do not see them as a good or a bad program; in fact, we have designed them and are very keen to send the message that they are about the appropriateness for individuals, not about standards of outcomes being better or worse for our agency.

CHAIR: Ms Mills, in your previous answer to Dr Chesterfield-Evans you referred to appeals processes. What actually is the appeal process? How do people find out about it? Is it simply a case of someone writing a letter?

Ms MILLS: At the moment the appeal process is, I suppose one might call, interim. People are informed about the process in our communication. When people are informed about their placement they are also advised that they are able to appeal and the appeals are done at the local level through our regional offices. We have also made an undertaking previously that there will be a formal and specific appeals process for these two programs developed in the course of this year. But no one, to date, has been prohibited from appealing and, as we have said, everybody who has appealed has had their appeal upheld.

The Hon. TONY CATANZARITI: Mr O'Reilly, can you expand on what is happening in other States?

Mr O'REILLY: I refer to the Australian Capital Territory's Post School Options Advancing Competency Through Experience in 2005—a joint review with the Commonwealth Department of Employment and Workplace Relations about flexibility between post-school employment. In the Northern Territory the Post Schools Option Program was recently reviewed and new guidelines are to be developed this year. In South Australia, under the Moving On Program, a working party on the report of the Moving On program was established in October 2004. In Tasmania, under the Supporting Individuals Pathways Program, there was a parliamentary review in 2000 into the Post School Options Program.

In Victoria, under "The Futures for Young Adults" a review was undertaken by Deakin University in 2000, a ministerial advisory group was established in 2005 and there is a greater focus on employment outcomes for 2004 school leavers. In Western Australia there is Alternatives to Employment under the Post School Options Program and a two-year pilot Learning to Work program to be implemented for some 2004 school leavers who will receive non-recurrent funding for 12 months to support the development of skills to transition to work. There is a policy framework for Alternatives to Employment for 2004.

The Hon. CHRISTINE ROBERTSON: Does the Commonwealth fund similar programs to the two that we are discussing today? What is its rate of funding? Is it different in other States?

Mr O'REILLY: Ms Mills will cover the Commonwealth side of things, as the Commonwealth has been involved in those discussions. I refer to funding levels for post-school programs in other jurisdictions and in Victoria. The average for all levels is $13,619. In Queensland for moderate support it is $12,500, moving to high support of $16,500. For South Australia, which is a pilot program, moderate support is $12,000, high support $15,000, and very high support $17,500. There is a time limit of one year on the program. Western Australia ranges from $1,500 to a high support of $21,050. In the Australian Capital Territory the average for all levels is $15,000 with a three-year time limit.

Ms MILLS: Referring to the programs offered by the Commonwealth, our focus in New South Wales in the Department of Ageing, Disability and Home Care is on what we call pre-vocational training programs. The Commonwealth funds vocational training and vocational placements in the supported and open employment options. I noticed in the budget last night that the Federal Government also announced increased funding for vocational training, but we do not yet have details of that. The pathway-type arrangement that would happen for somebody moving from our programs to the Commonwealth is funded at approximately $9,000 per annum.

The Hon. CHRISTINE ROBERTSON: Has it made very much difference to disabled people who are employed in business services? Do they have to have a higher output? These days, business services are expected to come on line. They are expected either to make a profit or to come on line. Has that made a lot of difference to the requirement for State services?

Ms MILLS: One of the issues for New South Wales has been that we have proportionately received fewer places per capita than we should have on the national distribution. We have had two issues to deal with in New South Wales—changes to the Commonwealth program around expectations, and also the number of places available. As part of the current Commonwealth-State-Territories disability agreement in our New South Wales bilateral agreement we placed a priority on working with the Commonwealth on improving access for residents to those programs. Both a senior officers group and a working party are working towards getting equal access in the number of places.

They are also working to introduce those places into locations where we have transition-to-work programs. The change late last year for the responsibility for those programs from the Department of Family and Community Services to the Department of Employment and Workplace Relations had an impact on our capacity to conduct those negotiations and to improve access in the way you have spoken about. Those negotiations are now continuing and there is now tripartite discussion around those directions.

The Hon. CHRISTINE ROBERTSON: How many people have been excluded from work? Perhaps business services have shut down because their outputs are not high enough. Do you know anything about that?

Mr O'REILLY: No, I do not, but I understand that one of the organisations to give evidence today is the Australian Council for Rehabilitation of the Disabled [ACROD]. It might have further information on that for you.

The Hon. CHRISTINE ROBERTSON: We heard evidence yesterday that there was no appeals process or, if there was, it was most ineffective. Are you planning any processes, or have you given any thought to educating people in relation to the assessment appeals process? Many of the people who gave evidence yesterday were quite adamant that there was no such thing as an appeals process. We were given an example of a good appeals process, but the information we received yesterday was that no such appeals process was in existence.

Ms MILLS: As part of our moving forward we are keen to substantially document and explain the appeals process and ensure that parents and service providers are fully aware of it, yes.

The Hon. JON JENKINS: I wish to ask you about the research that was done by the University of Wollongong. I understand that it has never been released. Is that an accurate statement?

Ms MILLS: If you are speaking about the Wollongong cost and classification study, it is not yet complete.

The Hon. JON JENKINS: It is not yet complete?

Ms MILLS: That is correct.

The Hon. JON JENKINS: But you have used this study as the basis for your assessment, classification and funding models?

Mr O'REILLY: They are two different things. Wollongong University has been used for the assessment side, the screening side. The one you are talking about is the cost and classification study at Wollongong University. That is a separate project.

The Hon. JON JENKINS: Which one of these is not complete?

Mr O'REILLY: The cost and classification study.

The Hon. JON JENKINS: Was the cost and classification study not used as the basis for this current system?

Mr O'REILLY: No, it was not.

The Hon. JON JENKINS: What is the basis for the current classification system that you are using?

Mr O'REILLY: Do you mean with respect to costing?

The Hon. JON JENKINS: Yes.

Mr O'REILLY: Basically, as I mentioned before, we looked at the figures that were available for the programs in other States. We compared them to the figures we were providing. We came up with a figure that proved to be incorrect. We then discussed that using information that we were receiving during the introduction of the reforms. Those figures had to change; they had to move up. So the figure moved from $9,500 to a flat rate of $13,500 with community participation. When we compare that to the other States it is close.

The Hon. JON JENKINS: Are you going to review that figure depending upon the results of the Wollongong study, when they come in?

Mr O'REILLY: Yes, we will.

The Hon. JON JENKINS: One of the things that came out of the hearing—it has also come through very strongly in the submissions that we have received—is that people will receive an effective reduction of hours when putting their children in care. We were told yesterday about cases where people have simply said, "Okay, I am going to put my child into full-time care." A number of people said that that would be their only option. What is the cost of full-time care for a child with disabilities?

Mr O'REILLY: I will just use a broad figure if I can. The broad figure for a person in a group home would be about $100,000 per client, per annum.

The Hon. JON JENKINS: I do not know what percentage of people would have to put their children into full-time care, but the trade-off will be very small. If it affects a small number of people and they are forced into full-time care the gains that you will achieve as a result will be lost, will they not?

Mr O'REILLY: Yes, you are absolutely right.

The Hon. JON JENKINS: Do you agree that you have to be extraordinarily careful about how this program affects people and their ability to utilise care?

Mr O'REILLY: Very much so. There is evidence that shows that the figures that were initially put out relating to how much it would cost to provide the programs were wrong. The evidence we received and the representations from providers, advocates and parents showed that we had to raise those amounts, which we have done. As we are getting this data in now, as it is coming through, variations are occurring between providers and the number of hours available. What we really need to do again is determine the true cost of providing a service. You are absolutely right. If we do not do that body of work and get that right we run the risk of parents being put into such a position that they are forced to move their children into full-time care.

The Hon. JON JENKINS: And it would end up costing you a lot more?

Mr O'REILLY: Absolutely.

The Hon. JON JENKINS: Why not wait until all the research is out? Why move now? Obviously there is a problem with the transition-to-work program. Yesterday we were told that the success rate was 3 per cent. Why move now? Why not wait until the research from Wollongong is in? I think you mentioned that other States are still undergoing their own research work in this area. Why not wait a little while, allow the existing program to continue until all the research is in, and say "Right. Now we have this body of research which supports us we will put a program on top of that body of research"?

Mr O'REILLY: I think the Wollongong work will be only one factor. A lot of information is coming through now from service users and providers that we have to take into account. We have a high needs pool that we are working through now for people who have those sorts of supports. They need extra care, which in turn affects the cost to providers. But we really need to recognise—I will just pick a figure—that there may be five levels where we have people coming into our system. So what is the cost of providing the right care for a person at, say, level one as against level five? We must also allow people to transition—as people get older their needs change—and to move through those levels as well.

We have information available as a result of these reforms—we did not have this information before—that the disparate number of hours provided for one community participation program compared to another community participation program is quite marked. There may be reasons for that. It could be that the parents say, "No, I only want 10 hours because I want it done in a different way from a person who wants 20 hours." So those are the things we have to work through. That is what is coming through a result of the data and the information. We have worked through a number of these arrangements with the Minister. We have explained exactly your point: that if we do not get this part right we run the risk of causing problems for families, and moving into the high support end of the accommodation.

The Hon. JON JENKINS: I imagine that it would cause a problem for Treasury. Just following up on that point of flexibility, one of the issues that was brought up in almost every submission is that parents and carers wish to have a more flexible approach. The vast majority of these parents are divorced. Parents who are living separately would like to be able to have more choice in the flexibility of programs. That is a valid criticism. In reality, parents and carers are the best possible judges of how successful these programs are, yet they seem to be being prevented by his highly structured program of making a choice about where their children go and how successful that program is. Is that a reasonable statement?

Ms MILLS: All participants and/or their families were able to select and give a preference for a provider. Well over 90 per cent of people were allocated a place with their first preferred provider. As I mentioned earlier, once they are with a provider an individualised plan is developed for each participant in partnership between the service user, the provider and the parents. It is in that plan that the flexibility of arrangements is introduced—a purpose-built plan for tasks, skill building, domestic skills, or whatever else it might be in the course of 12 months. Those plans are regularly reviewed.

Yesterday one of the parents spoke about the ability to use that money to buy from a range of different service providers. That is something that we would certainly not want to preclude in the future. We also have to manage a base system with financially viable providers. We have a base security of funding that allows those services to be there at all. It is getting a balance between an overarching system that has financial stability and security in it for service providers with the ability to have flexibility for parents. As an agency we constantly have to juggle those two objectives in order to get the best possible outcomes.

The Hon. JON JENKINS: So you are not precluding some sort of voucher system, or the ability of parents and carers to move in a way that is beneficial for their children? Is that reasonable?

Ms MILLS: I think within the boundaries that I have just spoken about, flexibility is possible, but we have to have that base boundary. There has to be a service model actually willing and able to be provided and that requires service providers having a certain level of security about their financial security.

The Hon. JON JENKINS: I have more questions but I will have to defer to someone else.

The Hon. JOHN RYAN: The Committee has received evidence from at least two people who made submissions that they have relinquished family members to full-time care as a result of the hours being cut in ATLAS and by moving to community participation. I imagine countless other families have also made requests for additional respite and so on. What information are you able to give the Committee as to how many other people have requested higher levels of service from other parts of the disability services sector as a result of these changes, to date?

Mr O'REILLY: I have not got actual figures for you, Mr Ryan, but there has been an increase in requests for use of respite. There have been the two cases you mentioned.

The Hon. JOHN RYAN: Are there any more than those two?

CHAIR: Would you take the question on notice?

Mr O'REILLY: If I could, I will take it on notice for you.

CHAIR: With actual figures?

Mr O'REILLY: Yes.

The Hon. JOHN RYAN: I would be happy for you to continue the answer you were giving?

Mr O'REILLY: I will get those figures for you. I think it gets back to the earlier point. There are other factors that also impinge on the cases that you mentioned. There is other information we can provide for those cases as well with regards to what alternatives were offered to assist those parents and their children.

The Hon. JOHN RYAN: All I am interested in is: Is your department monitoring the impact of these changes on other parts of the service sector?

Mr O'REILLY: Yes, we are.

The Hon. JOHN RYAN: And are you able to give us accurate information as to what the changes have meant in terms of what other people are requesting?

Mr O'REILLY: I will get that information for you.

The Hon. JOHN RYAN: Why is it that after the high needs pool funding is allocated, New South Wales will have one of the lowest levels of funding available per capita for people, even at its highest level of need? So much has been made of comparisons between other States. I simply quote the evidence you gave to an estimates committee at the end of last year where you indicated to us that the highest level of funding in Victoria is $21,695; in Queensland it is $18,000 and in Western Australia the maximum funding is $20,500. If, as appears to be that case, 400 high needs users are allocated flat rate funding from the $1.4 million available, the highest level of funding available for a client with high support needs in New South Wales under these arrangements will be $17,000. How is it that New South Wales is able to do something which, I would suggest, seems to be miraculous, in providing a community participation service at least $3,000 less than Western Australia, $2,000 less than Queensland and about $3,000 less than Victoria?

Mr O'REILLY: There are two parts, if I can respond to that. The first one is: If it is shown that those amounts to provide that support is not enough, we will have the data to go back to make a funding request from Treasury. However, the figures that you are quoting also do not include our post-school options, which have been grandfathered, and in that program there are figures, I am assuming, that the range would be from $20,000 to $26,000 or $27,000, so it is a little bit difficult to compare apples to apples in this, but I do take your point, that if there is a claim that there is not enough funding for the high needs side of the coin, of which we are getting the information now, we will be making the representations back to Treasury to an address that issue.

The Hon. JOHN RYAN: It just is not possible. Why would New South Wales be able to do something, given that we have half the number of people in community access programs in this State than they have in other States—I think the national level of participation in programs of this nature is in the order of 7 per cent and we have half that rate? Why even bother trying to fund something $3,000 less than they are doing it in other States and yet you come to this Committee and you have given advice to the Minister that evidently we can take a base rate by comparison to other States, with no reference whatsoever to the fact that other States have higher levels of funding? With regards to post-school options, you and I both know that the only difference between the cohort of people involved in post-school options and ATLAS programs is their birthday. There is nothing special about those two groups of people that would indicate that their needs would be any different. So referring to post-schools option just does not cut it, frankly. Why are we going to be able to do this $3,000 or $4,000 cheaper than other States, at its highest rate?

Mr O'REILLY: When we looked at the numbers that we were anticipating who would need high support needs, we did not do that in isolation. We did that with advice from the peaks, and it was estimated that there would probably be round about one in three. Now if that figure is not correct and it is higher than that, we will be making representations back to Treasury to address that problem.

The Hon. JOHN RYAN: You referred to the number of people. I am referring to the cost. What evidence is there at all which indicates that New South Wales can perform this task $3,000 less than other States are doing it at its highest level. At their highest level of funding, a young person involved in our community participation programs will receive $17,000 at the moment. That is less than is available at the highest rate of funding for the same programs in any other State. Why is it even worth the trouble of trying that exercise when we all know, before we start, that it is going to fail?

Mr O'REILLY: First off, I am not convinced that you can say we run exactly the same programs as any other State or indeed any other State runs the same programs that we do. The figures I quoted that are offered from the other States were provided to us from those States and those figures are Victoria, $13,619 with a time limit of three years. Our community participation of $13,500 has no time limit. Queensland, between $12,500 for moderate; high support, $16,500, five-year time limit. South Australia, $12,000; high support $15,000; very high support, which is one year, $17,500.

The Hon. JOHN RYAN: I notice that you are now quoting figures that you provided in your written submission. Why are the figures in your written submission so very different from the figures you gave at the end of November last year?

Mr O'REILLY: It could be because of indexation or whatever happened in those States, where the figures have changed slightly, but we have attempted to give you the latest information in our submission, based on the advice from those States.

The Hon. JOHN RYAN: So are you giving evidence to the Committee now that the figures that you have used in your written submission have been reduced—

Mr O'REILLY: No.

The Hon. JOHN RYAN: Because the figure you used in your evidence to the Committee last November involved figures that were significantly higher?

Mr O'REILLY: The figures I gave you there at the estimates hearing were the figures given to us from the other States. These figures are the latest information we got that this inquiry's purposes.

The Hon. JOHN RYAN: Do you understand the rational illogicality of saying that at the base level we can compare ourselves to other States on programs with which we are not sure what is in them and whether they are comparable and we can strike a base rate of $13,500, after two goes at it, and yet at the highest level of support there is no reason to compare at all?

Mr O'REILLY: With the $13,500, as I said before, that was worked before with the peaks, with the providers based on information they had. That was thought to be a figure that would, in all reasonableness, address that issue. We made the representations back to Treasury to get back to that figure. With regards to the high needs pool, we are getting the information now from the providers and the clients as to how many are there, what are their needs, and Ms Mills will be able to explain that process to you but, sure, there is $1.4 million that had been allocated from Treasury for that pool. If we find that we cannot address the needs, we will have to get more funding for the high needs pool.

The Hon. JOHN RYAN: How will you know and what wreckage are you going to do between now and when you find out?

Ms MILLS: The process for allocating the high needs pool was negotiated closely with representatives of parent service providers and advocacy groups.

The Hon. JOHN RYAN: There is a bit of spin here and it is time we sort of this out too. Only one peak body has admitted to this Committee that they had anything to do with that figure, that is, AQROD—no other groups, People with Disability, no parent groups, disability service users. Are you telling us that the evidence that we have received at this Committee to the contrary—

Ms MILLS: Excuse me, I am answering a question regarding the high need group supplement only. That is the question that was asked.

The Hon. JOHN RYAN: Yes, I agree with you that there was negotiation about how that is to be allocated, but in terms of the amount of money that was to be allocated, that was a deal that was struck between the Government and ACROD only, was it not?

Ms MILLS: The $1.4 million was not negotiated; it was the funds that we determined, based on a survey that we conducted of service providers in late 2004 to give us an indication of the possible demand for supplementary funding and the $1.4 million was calculated on the basis of that survey. We have since then, in consultation with the other parties I just mentioned, conducted the development of guidelines and procedures for the application and allocation of those funds. Funding applications closed on 29 April and, indeed, there is a committee sitting today assessing those applications.

The Hon. JOHN RYAN: I move that the document tabled by Mr O'Reilly entitled "Post-school options", which comprised his early opening remarks, be made public—seconded, carried. Mr O'Reilly, you said in your opening remarks that "the department needs to clearly specify the components of the program to model the costs in delivering the program to clients who have a range of needs and then go to tender". I suggest that you said to us that there is probably a working paper which drove these reforms. How is it possible that we started these reforms without knowing what the components of the program were and the costs of delivery? Is that not just an admission that no work was done in terms of what this program would look like, particularly with regards to its components—how basic does it get—and its costs?

Mr O'REILLY: Mr Ryan, I am under oath, so what I tell you at this hearing you can take as fact. The first point I want to make is that when I made a comment about the working papers that worked out what amounts of money were there, were based on a range of figures that were taken from what was a fair and reasonable arrangement that occurs in other States. It was found to be wrong. We then made representations that those figures change. The Government supported those figures and I am saying now that, based on the evidence we are now finding, which we have never had in the department before, with respect to how many hours are being provided by providers for what dollar value, we need to do a great deal of work. Information has come through where some families have explained, very rightly, that they have had hours cut and have taken out a loan to be able to get back to that base, taking out a loan does not get them back to the base. Something has happened between the day the reforms were announced and the cost that that service provider had decided to charge.

Now, if we have got this divergence right across the system—and, as I have pointed out in that opening address, there is information we now have that the department did not have before because it was predominantly a grants model—the money went out and the arrangements were done through the acquittal process. We are now moving, in concert with the providers, parents and advocacy groups, to completely unpack this so that we are actually very, very clear about what is needed to provide a proper, viable service to people in need.

The Hon. JOHN RYAN: You told the committee earlier that there was a working document which outlined the reforms you needed to make to the program prior to going to Treasury. This would have been how this would have been initiated—

Mr O'REILLY: Without that new information.

The Hon. JOHN RYAN: Excuse me, I have not finished asking the question. You said that there was a working paper, which referred to reforms. I have asked you what possibly could those reforms have been if it did not specify the components of the program. You then went on to answer a question about a working document, which referred to figures and costs compared to other States. Now what was in that working paper? Outline to the Committee, as I do not think it has yet been outlined, what was the purpose of these reforms and what were the components of that working paper which said, "We need to achieve some reforms and these are what the reforms are", because, frankly, other than the costs of the programs and splitting the people into three groups—there is post-school options, transition to work, and everybody else—what did you initially intend to achieve in that working paper? What issues and problems were you seeking to address? Can you supply the details from that working paper to this Committee as to what was in it?

Mr O'REILLY: We were seeking to address the fact we had one program for clients who had different levels of ability to get to work or not get to work. We also needed to address the issue that there was no regard to any long-term supports for families. The ATLAS program was for two years. You are right when you say it kept getting rolled over. We wanted to bring some certainty to the sector and to the families so that we could move to transition to work as a streaming for people to move off to work, and then to community participation, which is long term.

The Hon. JOHN RYAN: So those were the only two objectives?

Mr O'REILLY: Those were the issues. Obviously, we have serious issues associated with people in the programs who have changing needs. They are ageing. People are in the programs a lot longer. We needed to address that issue as well. And we need to have some forward planning for the numbers coming into the system over the next 5 to 10 years.

The Hon. JOHN RYAN: Who will get the high support supplement? It is pretty obvious that a Down's syndrome client who is travel trained and can use the telephone and so on will not. Whilst I accept that the fine details will be worked out in terms of the assessment tool that is yet to be used, if I give the example of a young man who has intellectual disability and perhaps the odd continence issue but otherwise does not have behavioural problems and has complete mobility, have I painted a picture of a high support needs client, or will the high support supplement be limited to people who are perhaps ventilator-dependent and peg-fed in wheelchairs? Have we got some idea about what the high support needs pool will address?

Ms WANNAN: Yes, we have. The guidelines that we released in March very clearly define the needs of the people who will be assisted through the very high support needs fund, and that identifies the needs of people who require additional supports to enable them to participate in the program. One of the things we did—and it was very deliberately done—was not to depend upon just the assessments that had been done, saying: This person, through the Wollongong method, has been assessed to have X needs. We were actually going back and looking at each person individually, and asking the service provider and the family to submit information based on the actual situations of people. We were going to convene one of the panels that the director-general mentioned as occurring today. Those panels consist of people with technical expertise in behaviour support and personal care. So the emphasis there, in terms of very high support, is assisting people, and the guidelines are to do with managing behaviour, managing complex conditions and assisting people with personal care.

The Hon. JOHN RYAN: You would understand that people who are in the program today want to have a rough idea whether their son or daughter is likely to get assistance. For example, Mr Jim Murphy, who came to this Committee, would probably be interested to know whether he has a schmick of a chance of receiving any sort of high support needs assistance. By the sound of his description to the Committee of the condition of his son, I would be somewhat surprised if he came into the high support category, given that he has mobility and, with the except of the fact that he uses continence equipment in the form of nappies and so on, in every other respect he does not appear to have very high support needs at all. How high will high support needs be?

Ms WANNAN: It is very high. It is talking about people whose needs are very high and who need additional support.

The Hon. JOHN RYAN: How is the department going to achieve what I think was put to us by NCOSS as the miraculous outcome that, while at the moment we have 3 per cent of people making the successful transition to work, even with less money or no greater amount of money than you have previously had, you appear to be working towards a 60 per cent outcome almost within a year? How are you going to achieve that outcome?

Mr O'REILLY: It is a two-year program. Because everyone was listed in the ATLAS program, obviously the percentage of people moving into work would show as a smaller level than under a dedicated transition to work program where people have been screened into that program. With regard to whether it is 60 per cent, we do not know. What we do know is that it is far more focussed now on people who have a better chance of moving into work. As Alison mentioned, there are issues about the numbers of places available, be it in business services, but we are talking that through with the Commonwealth at the moment with a view to increasing our quota. There are issues around the number of people in business services at the moment, and I am sure other witnesses will be able to explain that far better than I can because they are running the services. But, if it does not get to 60 per cent, it does not get to 60 per cent.

The Hon. JOHN RYAN: With regard to research, could I asked some questions about access that the Committee may have do that research. First of all, since you have quoted extensively from the Elton report in your submission, can the whole of the report be made available to the Committee?

Mr O'REILLY: Yes. We actually hand-delivered that report to your office after the estimates hearing.

The Hon. JOHN RYAN: I am not sure that I have yet seen it. I think it might have gone to the secretariat, and I have yet to see it. Who is doing the research on the costing study, who is the person in charge of the research, and can the Committee speak with him or her?

Ms WANNAN: Professor Cathy Eagar from the University of Wollongong is the person that the University of Wollongong has identified as their lead person in the research.

The Hon. JOHN RYAN: Do you have any objection to the Committee interviewing that person and asking about the research and where it is leading?

Mr O'REILLY: I am sure the Committee can ask whom they like to ask.

The Hon. JOHN RYAN: If we ask them, they may tell us they have been gagged by your department, for example.

Mr O'REILLY: We would not do that. We are up to phase one of that project.

The Hon. JOHN RYAN: So we may interview them and we may ask them questions?

Mr O'REILLY: Yes, you certainly may, but up to phase one.

The Hon. JOHN RYAN: Is the employment focus group material available to the Committee?

Ms WANNAN: The employment focus group, as I understand, having recently started working at DADAHC, finalised its meetings about the middle of last year.

The Hon. JOHN RYAN: Can the information that you have been using from that group be made available to the Committee?

Ms WANNAN: Yes.

The Hon. JOHN RYAN: Finally, you conducted a helpline. Can the Committee have information about the nature and number of calls that came to the helpline?

Ms WANNAN: Yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: With regard to the transition program pilots, the Minister gave answers after the hearing on 17 September last year that Greenacres Association, Job Support - Metro South, On Q Human Resources - Northern Region, Sunnyfield - Metro North Region, Valmar Support Services - Western Region, and the Spastic Centre - Metro North Region were the organisations that had had transition to work program pilots. You said they are meeting on 24 May this year, is that correct?

Ms WANNAN: That is right.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Will all the results of those pilots be made public? If so, when?

Ms WANNAN: We see ourselves in a two-stage process at the moment. The first stage is to clarify with the organisations the amount of data that they can provide to the department. Then we would seek to be able to make that information available, to share broadly. A meeting of interest is to learn from the experiences of people in the pilot, to influence the information that is going into the program guidelines for transition to work. We have been approached by many of those providers, saying that the detail we have in the draft guidelines at the moment can be expanded upon by including their experiences. So that is what we are seeking to get are people's experiences about what worked and what did not work, and to include those in the program guidelines.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: When you gave them the money for the pilot program, surely there was a contract under which you said they would have this protocol, that they would follow it, and they will give you a proper evaluation. Is that not so?

Ms WANNAN: I have asked for exhaustive research to be undertaken to look at the agreements that were reached into the pilot programs at the time of their establishment, and through that documentary research I think it is fair enough to say that the arrangement that the department had with those pilot projects was very broad, and we did not make enough specification at that time about what we should have been negotiating between the pilot group and the department. That is what we are seeking to remedy now.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Are you saying that the agreements for these pilot programs were pretty woolly, that they did not have clear protocols and outcomes? If so, why on earth are you funding them?

Ms WANNAN: No. My understanding, from reading the documentation, is that we negotiated for variations to contract arrangements to allow increased flexibility in the funding for a two-year period. That two-year period was allowed to give the organisations the flexibility to test things and, I guess, to take risks that were not possible under the department's guidelines at that time, to see whether in taking those risks—and there I mean risks from a financial perspective, in that we were actually guaranteeing to provide the financial backing to their organisations—in assisting people to move into the work force we would have better outcomes than we would by not trialling that.

CHAIR: I am going to give everybody else a last round. My understanding is that the people from the department are coming back before the Committee.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Can I ask that those documents become public—the documents as to what was asked and what was expected and what the results are?

Ms WANNAN: Yes.

CHAIR: Does that mean that you wish to have taken on notice that they be published?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes.

The Hon. TONY CATANZARITI: Mr O'Reilly, is there a better funding model than block funding or individualised funding?

Mr O'REILLY: Individualised funding was used by the department for quite a few years. When we were working through the reforms there was strong representation that, in the interests of viability of organisations, so that they can plan their expenditure trends over the forward years, block funding was what was needed. We moved to the block funding arrangements. As we have always said with the reforms, it is all up for review. We have got to find where we are having problems. There are diverse opinions, even amongst some providers, with regard to whether block funding is better than individualised funding.

I honestly think some work will have to be done on the whole issue of funding, whether that is under a hybrid model that looks at organisations to make sure of their sustainability and to ensure that some sort of funding is allocated directly to an organisation for their establishments, and looking at the issue of flexibility, so that families will be able to move around the service system, and it does not impact on organisations to the extent that they have to shut their doors.

The Hon. JON JENKINS: I have many more questions, but I am mindful that we have been told we can put them on notice.

CHAIR: I would make it clear that people from the department are expected to return later in the hearing process. There is also an opportunity for members to put questions on notice, and we will ask the department to respond to them in a period of time.

The Hon. JON JENKINS: I would avail myself of that opportunity. Earlier you mentioned that over some period, which you did not specify, there was a 30 per cent increase in provider costs. Could I ask you a fairly blunt question, without putting too much spin on it? The first part of the question is: Do you believe there is some sort of campaign here to extract from the department more money than is required, and/or will some components required under the new programs cost more money, and therefore that needs to be taken into account?

Mr O'REILLY: As to the issue of funding for service providers, providers genuinely believe they need additional funds to provide the services that they want to provide. It is a question of whether there is the capacity to pay for that level of funding. That the ones I mentioned went up by more than 30 per cent, and one by more than 60 per cent overnight, causes us real concern. That is why I say we have to work through the issues with the providers to understand what caused the sudden change in a period of a week.

The Hon. JON JENKINS: Have you placed very large requirements for these programs? Have you specified new guidelines for the program? Are there a whole raft of new guidelines that they have to follow?

Mr O'REILLY: We have not placed any more onerous a work load on the providers with regards to this.

Ms MILLS: But I think it is fair to say that we have introduced for the first time quite rigorous performance indicators, and we will be setting up a process where providers will report quarterly and annually and we will be sharing that information back with the providers in an organised way. We have not done that historically. We see that as a way of working with the providers and also being able to have information for advocacy organisations to understand how the program operates and who is being assisted. We have negotiated those draft performance indicators with a range of organisations. We have also made it clear that what we will be doing is putting the first round of performance indicators out there, negotiating further to have what we will end up having as a comprehensive set of performance indicators by June-July this year.

Ms WANNAN: In response to your question, one of the challenges of interpreting is that it has been very difficult to discern a pattern in the charges from providers that we might consider in terms of their location and client group. We have significant variation in the prices that have been charged. We are yet to fully understand the reason behind that, given that we cannot see a discernible pattern.

Mr O'REILLY: I think it needs to be said also that the providers attempt to provide the best possible care for people that they are offering programs for. It is not about trying to say that the providers are having a lend of the whole system. That is not the issue.

The Hon. JON JENKINS: There is no accusation there of anything deliberate.

Mr O'REILLY: I am not making that accusation but let me say that in the past DADAHC as a department has not been very good at monitoring. We have done a great deal of work in the past 12 months on setting up proper monitoring systems. We still have a fair way to go. For instance, we have withheld indexation from a number of organisations that did not meet their requirement to provide us with the minimal data set of information under their funding agreement. That was the first time the department has drawn a line in the sand and said, "Part of the funding agreement was to provide us with this information because that helps to inform us of what is needed in the service system". We had an excellent response from them to that.

The Hon. JON JENKINS: Of course, you need a proper assessment tool.

The Hon. JOHN RYAN: Some of the submissions seem to give the Committee the impression that there will be another round of capital start-up funding associated. Is that correct, and how much will it be?

Ms MILLS: Yes. We released guidelines for the equipment and modifications fund. What is different about the guidelines is that they identify three areas that we are able to provide capital assistance for. The initial pool of money we had for capital equipment was about $645,000. We expect it to be about $1 million because what we have done this year is release the money to providers as people have started--this is the school leavers. Historically, what the organisation did was release the money and then we recouped that money back. What we have done is maximise the amount of money we have for equipment and modifications by putting whatever savings we have got into the pool for the equipment and modifications fund.

The Hon. JOHN RYAN: When the Minister announced this she referred to money for transitions. Is this that money?

Ms MILLS: That is right.

The Hon. JOHN RYAN: I want to read you a paragraph from the NCOSS submission to the Committee. It states: "DADAHC reports that $50 million is currently spent on PSOP and ATLAS programs and that annual expenditure will rise to $54 million in four years. NCOSS estimates that the $54 million will be expected to provide for possibly twice as many participants"—and it makes that calculation apparently on the basis of figures that DADAHC gave to a briefing at a parent information night at Penrith in August 2004—"as in 2004. An additional $4 million per annum is being provided for possibly double the number of participants." Can you supply us with details as to the expected number of participants that the $54 million will provide for? Is there any truth to that?

Ms WANNAN: The funding arrangement for the programs is that we receive funding on a per capita basis, so the concern that NCOSS has that the funding would be capped and prevent people coming into the program—that is, school leavers; that is my interpretation of its submission—is actually not correct.

The Hon. JOHN RYAN: I think it's interpretation is that you will squeeze more people in and somehow or other the funding levels per capita will be squeezed, reduced or not indexed.

Ms WANNAN: Certainly our financial projections include indexation and estimated growth numbers from school leavers.

The Hon. JOHN RYAN: So if there are more people there will be more money.

Ms WANNAN: That is correct.

(The witnesses withdrew)

(Short adjournment)

FIONA GIVEN, 1/144 Camden Street, Newtown, 2042, affirmed and examined:

CHAIR: Ms Given, welcome, thank you for your submission, and thank you for joining us this morning. I indicate to Committee members that, to assist Ms Given, we have already dealt with preliminary issues and Ms Given has indicated that she will make an affirmation. I understand that Ms Given has an opening statement that she wishes to make.

Ms GIVEN: Yes.

CHAIR: Although we are a few members short at the moment, I will ask you to proceed.

Ms GIVEN: Yes. In recent times there has been an increase in people pursuing a university education because it is an essential requirement for many jobs. With the introduction of changes to the Adult Training, Learning and Support [ATLAS] Program, young people with disabilities are being steered away from pursuing a university education because they are unable to get the support they need. For many people with significant physical disabilities like myself, a university degree is essential in order to for them to gain open employment. I cannot do manual jobs. I need to rely on my intellectual abilities to earn a living. This is one of the reasons I chose to have a career in law.

I needed support to attend university. In addition to the academic support offered by the Commonwealth, I needed assistance with personal care. I needed ongoing therapy in order to maintain function. I still require these services in employment. People with my disabilities should not be considered rehabilitated once they enter open employment. It is not about simply teaching us a set of skills over a two-year period and then sending us off into open employment. Cerebral palsy is not a disability that people can be trained out of. We need ongoing services.

CHAIR: Thank you, Ms Given. In your submission to the Committee, you refer to the extra costs that cannot be funded by the Post School Options pilot scheme which is scheduled to cease in July.

Ms GIVEN: Yes.

CHAIR: I take it that means that you believe that some additional support for you will cease shortly.

Ms GIVEN: Yes.

CHAIR: Could you indicate what you will lose by that funding elimination?

Ms GIVEN: Yes. I will lose funding for massages and conductive education.

CHAIR: Can you indicate what you actually get? What are you able to use that funding for? At the moment you use it for massages.

Ms GIVEN: On conductive education and taxis when it is not feasible for me to get the bus, such as wet weather.

CHAIR: You refer to the fact that you used your Post School Options funding to pay for a range of facilities supports when you were at university and college.

Ms GIVEN: Yes.

CHAIR: Is there any other funding program that you would have been able to access if Post School Options was unavailable?

Ms GIVEN: Not that I am aware of.

The Hon. TONY CATANZARITI: Ms Given, what do you expect from a post school or day care program?

Ms GIVEN: A day care program is completely irrelevant for anyone in my situation.

The Hon. TONY CATANZARITI: How important is having certainty of funding?

Ms GIVEN: It is very important because of the additional cost of disability. If I did not have it, I would have to ask my parents for assistance.

The Hon. JON JENKINS: Fiona, thank you for coming today. I admire you, I would like to say straight up, because of the extra difficulties, obviously, you faced in graduating. Would you agree that, as you understand it, there is no alternative program for people who wish to go to university?

Ms GIVEN: Yes.

The Hon. JON JENKINS: In as short a time as you can, can you let us know what would be the effect on you if you had not gone to university, and if now you were in a day care program? How would you feel?

Ms GIVEN: What a question! In short, I would probably have mental health issues.

The Hon. JOHN RYAN: The Committee has received a submission from an organisation, Australian Council for Rehabilitation of the Disabled New South Wales [ACROD], which addresses itself specifically to the issue of community participation and transition to work funds for university purposes. I will just read your couple of lines and get you to respond to what ACROD has said in its submission:

> The exclusion of university students is a necessary if unfortunate requirement for the success of the new programs.

Essentially the organisation goes on to argue that the responsibility of providing the sorts of services that you are requesting is a responsibility of the Commonwealth Government which should be expanding the mobility allowance to include the sorts of things that you say are necessary to enable you to continue with a university course.

Ms GIVEN: However, therapy is clearly a State responsibility.

The Hon. JOHN RYAN: Have you any idea—and you may not be in a position to know this—how many other people in your situation have accessed these funds to do university studies?

Ms GIVEN: At least five others that I know of.

The Hon. JOHN RYAN: Could I ask you for some details about how you access the funds? Did you access these funds through an agency or direct through DADHC, and approximately how much funding was given to you for the purpose for which you used it?

Ms GIVEN: I used the Spastic Centre as a broker. And I was granted about $13,000 per annum.

The Hon. CHRISTINE ROBERTSON: I would like to ask you about the funding you are receiving at the moment to assist you to go to work. The State funding in relation to work programs in this area seems to be in relation to transitional proposals and support, whereas you have obviously earned the right to be a long-term employee. I wonder whether there are other angles on where funding should come from for your current support money—which I believe you should get.

Ms GIVEN: There is funding for family and community services, but I do not believe that funding addresses the needs which I have outlined to this inquiry.

The Hon. CHRISTINE ROBERTSON: The Federal workplace programs have been transferred to workplace and industrial relations. I wonder whether this issue is able to be resolved for the long term, because you have well and truly gone past any need for transitional support for your education and your job.

Ms GIVEN: I agree this is definitely something that either the State or the Commonwealth needs to address. The reason I think it is the State is because therapy is considered a health issue.

The Hon. CHRISTINE ROBERTSON: Do you consider it a health issue?

Ms GIVEN: Without therapy, my health does deteriorate quite considerably.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Did you have complete flexibility in choosing what you could do with your funding allocation?

Ms GIVEN: I would not say complete flexibility. In fact, one of the problems I encountered was that it was never clear. It varies from service to service.

The Hon. JOHN RYAN: It is not exactly our terms of reference but I think it is important for us to understand the circumstances of someone such as you. Who funds the piece of equipment you are using to speak to us today, your wheelchair, and so on? Are you expected to buy them yourself, or are they funded for you, and who helps you maintain them?

Ms GIVEN: Thank you very much for asking. My wheelchair is provided. The program is provided for disabled people, whereas my communications device is not. That is provided by my parents.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The flexibility for your $14,000 did not include the communications device, is that situation?

Ms GIVEN: No. And in any event, it would take up most of my allocation because it costs $12,000.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is most of your allocation spent on transport?

Ms GIVEN: Clearly.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Did you have to negotiate each portion of the allocation with a departmental officer?

Ms GIVEN: No.

The Hon. JOHN RYAN: Could you tell us something about the work you do now?

Ms GIVEN: I work as a paralegal with the Crown Solicitor's office. We do mostly children's matters. I assist the solicitors with drafting and research.

CHAIR: Ms Given, thank you very much for your submission and for appearing before us today. The Committee has a range of issues to deal with and a need to understand a range of disabilities, and I think you have given us a perspective that is very important to that understanding. Thank you very much.

Ms GIVEN: Thank you for the opportunity.

(The witness withdrew)

BELINDA RUTH EPSTEIN-FRISCH, Advocate, Family Advocacy, P.O. Box 502 Epping, affirmed and examined:

ANTHONY MORLEY WELLS, Committee Member, Family Advocacy, 1A Stockton Street, Morisset, and

PHILLIP ANTHONY MORATH, Director, Employment and Community Participation, Autism Spectrum Australia, P.O. Box 361 Forestville, sworn and examined:

CHAIR: Are you conversant with the terms of reference of this inquiry?

Ms EPSTEIN-FRISCH: I am.

CHAIR: If you should consider at any stage that certain evidence you wish to give or documents you may wish to tender should be heard or seen only by the committee, please indicate that fact and the committee will consider your request. Do any of you wish to make an opening statement?

Ms EPSTEIN-FRISCH: Yes, please. Family Advocacy has been one of the many voices calling for reform programs for school leavers and adults with a disability, but has been appalled at the way in which the process has been handled by DADAHC and is appalled at the reduction of the quality and quantity of service now provided to people with disability. Over the past 12 months Family Advocacy has promoted discussion about the elements of a reform system, which would be one program of support for school leavers and adults with disability, the use of a common assessment process to determine eligibility for the program and support needs for the individuals, the use of real person-centred planning to assist participants to develop options that meet their needs consistent with the objectives and policy principles of the program, the provision of a range of specialist programs that people with disability can purchase through either government or non-government services, and the capacity and authorisation of people with disability to purchase programs and supports in real activities.

Under this sort of model each eligible individual would be able to choose from a range of specialist agencies; they could split their funds through a number of different agencies, undertaking vocational training at one time, employment support at another; spending one year with one agency, another year with another. Unfortunately, Family Advocacy recognises that the Government has no one political will at this stage to undertake the reforms that could have been possible. The recommendations provided here are proposed as a way forward to salvage opportunities from a reform that has been taken off track.

The major messages that Family Advocacy wishes to provide to the committee today are that DADAHC must restructure the community participation program so that participants have real opportunities to implement goals and strategies that come from person-centred planning. This includes support in work or self-employment and to be enrolled or audit post-secondary and higher education and vocational training. This will require a return to individualised funding, an increase in funding per person to enable participants to undertake meaningful activities five days per week, the real implementation of person-centred planning, the authorisation and active encouragement of people with high support needs to be engaged in real activities in the community, and a systematic approach to improve the capacity of the specialist disability service system to deliver contemporary supports through the allocation of specific funding for service development capacity building and training, and the funding of a number of demonstration projects that provide real jobs for people with high support needs and enable people with high support needs, such as Ms Given, to be enrolled or audit post-secondary and higher education programs.

Tony Wells, who is a member of our management committee, is the parent of a young man who uses the Post School Options Program, a program that was not supposed to have been touched under this process, and he will tell you a little bit about what that means to his son and what the changes have been. Family Advocacy is asking the committee to recommend that the community participation program is opened up with real options. Phil Morath will tell the committee about his experience in getting real work for people with high support needs and providing guidance to the opportunities that need to be authorised under the community participation program. So if we could take another few minutes of the committee's time.

Mr WELLS: My son is a young man of 28. He is in receipt of post school options funding. My expectations were that with no reduction in PSO funding that there would be little change in the service provided by the day program. What I have found is that there has been significant deterioration in the quality of the service. My son is in a wheelchair. He has no verbal communication and no other means of communication. He is incontinent and requires personal care. He has swallowing difficulties and therefore needs assistance with meals and drinking.

What I have now found is that the service is unable to provide such services, so that my son is forced to sit in a wheelchair for up to eight hours a day without any relief, without change, if necessary. The service to provide for him has been forced to relocate on, I guess, financial grounds, to a remote rural area from the Gosford area to a house that is behind the Palmdale Cemetery, that has very little relationship to the community at large. He attends in a larger group than he did last year with less staff. His accessibility to the community is by bus. He is one of four people who attend that particular service in a wheelchair; the bus has provision for one wheelchair. He therefore spends all of his time at the remote house. The distance he travels each day to access the program is consuming 40 minutes, whereas last year it was 15 minutes into a centre-based service within the community close to shopping.

I guess that is the unexpected experience that I did not see coming. I do not believe the service saw it coming up until February or March this year.

Mr MORATH: I would like to spend a few moments talking about employment for people with very high support needs, people with severe disabilities, and in the context of that, of course, is the separation between transition to work and community participation. I would like to talk a little bit about the history and the actual examples as they occur now to illustrate that the separation between the community participation program and transition to work is not only arbitrary but also unnecessary.

For over 30 years now there has been a significant amount of work involved in providing training and support to people with very high support needs in the area of work. Initially they started in the 1970s in the United States—perhaps early in the 1960s—and it was rapidly transferred to Australia. In 1984 a number of companies were started around the Sydney area that took people with profound or severe intellectual disability at the time, but the disabilities also included major challenging behaviour and major physical disabilities. One of the criteria was that they were not accepted by any other service. A number of those people are still working in those companies. In this particular case they do electronics work; they require extensive training and support over long periods of time.

In addition, since that time there have been many other examples of people with high support needs working in other areas. In my current employment, for example, we have people with very challenging behaviour working in bush regeneration and contract labour, and people are earning substantial wages—substantial relative to what they had before, which was nothing—and they are based on productivity-based wages. Those examples raise three issues: the first is, what does it take to make that happen? There is a great deal of requirement in any service to make employment a reality for people with high support needs. Extensive skills are required by the staff, long-term planning and support is needed to provide the client full training, and there needs to be extensive work in maintaining the organisational structure in business for young people in order to keep them employed.

The field that we had prior to the changes to the ATLAS program was not highly skilled and it was not easy for organisations to provide that kind of employment support. Under the new arrangements we are effectively precluded from doing that because the transition to work requirements are so strict that they mean that people who need, for example, short bursts of time in work—for example, several hours a week to begin with, or perhaps a number of months or even years and gradually building that time—those sorts of needs are precluded under the transition to work program.

So in summary, there are already examples in Australia, and certainly extensively overseas, where people with high support needs can and do get into work; that work needs to be flexible and the systems in place need to be quite extensive.

CHAIR: Ms Epstein-Frisch, recommendation 6 of your submission calls for individualised funding packages, and indeed you have made reference to that today. We have heard evidence suggesting that to use that path exclusively makes it very difficult as a planning tool for service providers. Could you comment on that, because I note also in recommendation 6 you talk about core funding for non-government agencies for infrastructure costs. But I think the issue that was put to us was that it makes it very difficult in terms of staffing, not so much infrastructure, how you actually plan your staffing numbers if you have got people with a completely flexible capacity in terms of packages.

Ms EPSTEIN-FRISCH: Yes, I am very happy to talk about that. The issue about block funding, as it has been presented to the committee, is that individuals lose flexibility, they lose mobility, they lose the negotiating authority that comes with a package being owned by the person, and there are disincentives in terms of the service actually responding to people's needs. In the past where there has been the individual funding in the PSO and ATLAS there has not in fact been all that much mobility of participants around the program system. So we anticipate that services do have a core number of people that they can more or less guarantee that they will be providing support to and thereby provide that stability of staffing.

The individual packages, on the other hand, give that extra negotiating edge because ultimately we are talking about negotiating in a service system where the influence, the opportunity to decide what is valuable rests with the service rather than with the individual. In the Government's documentation they talk about person-centred planning. We, in our submission, as you will have seen, have critiqued that. I do not think they are talking about person-centred planning at all; they are talking about individual service planning where a participant and their family is able to choose from a limited menu of options. In fact, if they had person-centred planning, and a lot of the literature around person-centred planning actually focuses on systems change because that is really what ends up happening, when you really have the person in the centre of the planning process you look at what are their wishes and desires and how can you use the funding available to follow that.

In suggesting two types of funding—core funding as well as individualised funding—it is acknowledged that organisations have fixed costs. We must provide them with some basis for stability, but we must enable individuals to provide that. Phil Morath has been a service provider. He has not found that individual funding has precluded stability of staff and what have you. I do not know whether he wants to add anything to that.

Mr MORATH: I only reinforce that point.

The Hon. JOHN RYAN: I suppose that my question is not dissimilar from the question you were just asked. It is important for us to explore this issue. It has been said that, if we had individualised packages, service providers would not be viable. The evidence we had this morning was to the effect that service providers need a basic amount of funding in order to ensure the services they provide exist in the community. If they did not have a predictable level of funding they would not be able to employ staff for a continuous period. They do not know from year to year what they are going to do. The Australian Council for Rehabilitation of the Disabled [ACROD] argued that there are disincentives for it to be successful because it needs to keep its client base.

Ms EPSTEIN-FRISCH: In this area of services for school leavers and adults with disability there have been individual funding packages since 1994. We have not found any unviable organisations; they have continued to grow. Each year with new school leavers they have had new opportunities for growth and development. We cannot say that that was the issue. Family Advocacy was one of the many voices that called for reform of the system because it was not delivering what people with disabilities and families wanted. But I do not think it had anything to do with the stability of the financial base to non-government organisations.

The Hon. JOHN RYAN: How many people pursued this individualised funding? It is all very well having that as a possibility, but so few people use it. Ms Given is perhaps one of the few examples of people who take that path. How many people do it?

Ms EPSTEIN-FRISCH: Whilst not that many people use the opportunities that it might provide, that is because they are interfacing with a service system that is very rigid. One of the big features Family Advocacy believes is necessary is sector development so we can redemonstrate in New South Wales that we can use the same money—even though we might ask for more—in ways that produce better outcomes for people with disabilities. Individualised funding is absolutely essential when people move their families. After all, we are talking mainly about people with moderate to high support needs that are very dependent on family support.

Having block funding creates a real barrier to the family being able to take another job or to move to another location because the person with a disability will be reliant on vacancy management. That means you might move to a new area and find that there is not a vacancy, or the service that is available is of very poor quality. This morning Ms Mills and Mr O'Reilly talked about flexibility, choice and what have you. We believe that is a complete and absolute farce. First of all, the service outlets are providing more or less the same, so there is not a real choice in the types of activities in which a person might engage.

Secondly, families are the ones who are meeting the cost of transport. Ultimately, that will be a very big expense. We are in touch with a lot of families. As a result of these reforms their sons and daughters are having fewer hours of support and they are paying more. It is not uncommon for people, particularly outside the metropolitan area, to be paying well in excess of $100 a week on transport. So that kind of choice is really quite a farce. If we are talking about the costs of a taxi, whilst the Government provides a 50 per cent subsidy, that is only up to $25 for a taxi across a particular geographic area when it can cost $50 or $60 a journey.

While we are talking about costs, Ms Given was talking about her wheelchair, which would have cost between $16,000 and $17,000 being available through Program of Aids for Disabled People [PADP]. With new changes to PADP as result of insufficient funding, anyone who earns more than $34,000 a year does not get large item under PADP. Imagine being on a salary of $35,000 a year and trying to put sufficient money aside to purchase at least every 10 years—probably every six or seven would be more desirable—a new power wheelchair with that kind of money. The extra costs that families or a person with disabilities need are very high. That reduces their choice further.

The Hon. JOHN RYAN: I put three arguments used by ACROD to indicate that block funding is better. First, it states:

> Individualised funding provides fewer opportunities for organisational investment in infrastructure and equipment that will improve the quality of services provided.

It also states:

> There is no direct correlation between individualised funding and the quality of service in the previous ATLAS program.

Finally, in relation to the new arrangements that are in place under community participation, it states:

> The funding methodology captures a range of variables and allows decisions about individual service plans and components that constitute any individual service to be made at the interface between the client and support staff. Higher cost service delivery is then covered from the high support needs funding pool based on evidence provided to the service provider.

It goes on to state that, because it has a large range of clients, it can meet episodic needs. One client's needs, due to illness or some change in a program, might suddenly be higher and it can cross-subsidise.

Mr MORATH: The issues that you raised are all very accurate, but the solution is not right. The infrastructure is a question of the scale of the organisation. So the fact that it is block funded or individually funded does not really matter. If you have a number of clients, or only a few clients and somebody leaves, it creates a difficulty. If you have a large enough organisation and somebody leaves it is no longer an issue whether they are block funded or individually funded. I refer to the correlation with outcomes. That is true. Under the old system, where there was individual funding, there was no correlation with outcomes. That was not the problem with individualised funding; it was a problem with the service system. The introduction of block funding brings in rigidities that have already been referred to that were not there in the past. So it makes a difficult or poorly performing system even worse. Frankly, I do not understand the third point that it made at all.

The Hon. JON JENKINS: Mr Wells referred earlier to the facility to which his child goes now. He mentioned that he had to change location and he referred to the perception that the service had declined. Mr Wells, has it said to you that this is due to a lack of funds and a change in the funding arrangements?

Mr WELLS: No. No statement as such has been made to me.

The Hon. JON JENKINS: So you believe that because of your observations?

Mr WELLS: My observations. I am closely monitoring the service delivery, so I am fairly close to the organisation.

The Hon. JON JENKINS: Is there any reason why there cannot exist—I can think of several models, but I will ask one of you to comment on it—a system of individually funded facilities and vacancy managed facilities? Is there any reason why they cannot co-exist? If they can co-exist, is there any problem that you know of with assessment and monitoring of individually funded facilities?

Mr WELLS: There is some experience in New South Wales that I know of, of certain brokerages that allow you to choose from services and that you do not involve yourself directly with one service. I do not believe that one service can necessarily deliver all the requirements that individual funding may develop. I think that flexibility has, to some extent, been destroyed by the changes through a vacancy management system that is impossible to move. They are just not there. They are either full or the staffing levels are such that they cannot take any more people.

The Hon. JON JENKINS: Is there any reason why the two cannot co-exist? Can you think of any logistical or other reason why the two cannot co-exist?

Mr MORATH: It depends on the definition of "vacancy management". My understanding of vacancy management is that it is something that is arranged to slot into it. However, I think a far more innovative and potentially system-changing idea would be a vacancy matching system. If you had individualised funding, one of the problems that we have is that families or decision-makers frequently do not know what the services offer or what they could offer. So if there were a vacancy matching service, such as some departmental or other system, families would be informed about what services were on offer.

The Hon. JON JENKINS: You are referring, for instance, to a specialised service where specialised facilities may be offered for people with cerebral palsy or different behavioural problems?

Mr MORATH: It could be that. Also there is the distinct possibility—it did occur under individualised funding in the past—that some services will do new things that they are not currently doing now. They will do new things because somebody comes along and asks them for that. I think that is also negotiated, suggested, supported and so forth. So some kind of vacancy introduction service such as the one I described could work quite well with individualised funding. But traditional vacancy management would seem, on the surface, to be in opposition to individualised funding.

The Hon. JON JENKINS: The second part of the question was about assessment monitoring. This morning the director-general placed considerable weight on the ability to assess outcomes. Although he did not state it directly, I perceived that there was an indication that maybe it would be more difficult with individually funded organisations because of a lack of control. Would you like to add something to that? How do you see the monitoring taking place? There is some problem with outcomes at the moment; there is no dispute about that. How do you see individually funded facilities being monitored and assessed, or is there a problem with monitoring and assessment of individually funded facilities?

Ms EPSTEIN-FRISCH: Family Advocacy is very concerned about the whole monitoring of the specialist disability service system. Whilst a lot of work has been put into upgrading that, ultimately you would be able to tick off effective monitoring by the existence of an individual service plan. That will give confidence to the Department of Ageing, Disability and Home Care [DADHC] that something is happening that is beneficial for the individual. The Auditor-General has prepared reports and recently the Ombudsman's Office did a report into individual planning. They found that the quality of plans are extremely variable, some of which are extraordinarily poor, in accommodation. An annual plan has been prepared which indicates that people are able to learn to clean their teeth. They have had the same plan for the past five years. We continue to have significant concerns about monitoring. We do not think that block funding will in any way enhance or enable better monitoring. In fact, we think it will reduce the quality of planning.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I want to lay to rest the block funding issue. From memory, some years ago a woman from British Columbia gave evidence to one of the committees and said that the entire system had been on individual funding for some years. Is that correct?

Ms EPSTEIN-FRISCH: That is correct, yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is that world's best practice?

Ms EPSTEIN-FRISCH: I am not sure whether it is world's best practice. In all our experience individual funding promotes the opportunity for the most effective use of resources for that individual because there is a greater incentive to tailor the supports to make a difference to that person's circumstances. But, yes, there are other jurisdictions that use it. As the director-general pointed out, and as DADHC's submission states, most other jurisdictions are moving to individual funding and away from block funding.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: One of the arguments advanced for block funding was that it provided security of funding. Surely in an expanding sector—even with this niggardly Government it is an expanding sector—a provider who was unable to get sufficient individuals to subscribe would go broke like anybody else who provides a service that nobody wants?

Ms EPSTEIN-FRISCH: We would agree.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you think that is reasonable, Mr Morath?

Mr MORATH: Certainly. There are start-up stages in certain organisations when they might be doing something very interesting and innovative and what people want. However, they still take time to grow. Apart from that, if you are talking about established organisations, people should be free to choose which ones they want.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Presumably, if someone has an innovation, one would not simply put all the money into it and stick the sign on the door and say, "Come". They would check with people who might come to the service, and test the market before they did that?

Mr MORATH: They could do that, however, this is not a very commercially oriented field, as you probably alluded to in your comments, and I think there are many occasions when people will not test the market first.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: If it is not individualised funding they would not, would they?

Mr MORATH: No, and that was why I said earlier that I jumped at the opportunity for some matching.

Ms EPSTEIN-FRISCH: Could I add a comment that builds on Mr Jenkins' point about specialised services? Whilst you provided examples around people with particular profiles, one of the options that family advocacy envisaged is that, yes, there would definitely be agencies that develop specialisations. There might be an agency that helps people to use their money to develop home-based businesses, and there are a number of examples given in our submission where they are not high-income producing businesses but they are valued activities around a person with a disability that is engaging in real work with the real community.

There might be another agency that supports training in a particularly targeted way. Another agency might focus on the arts, and what have you, so there would be a real choice between the services. If individuals were funded for their support needs, with a common assessment process identifying support needs, you give the resources to the individual that are commensurate with their support needs. They then have the capacity to say, "I would really like to try some time at a home-based business or an arts and crafts kind of activity and I might do two years in that and think that I have developed my skills in that. What other things are available that will broaden my life and help me to participate in the community?"

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Can I ask about the assessment process? There has been a good bit of criticism about the nine questions done by the transition provider. I am not sure who answered the nine questions.

Mr MORATH: Usually families provide the information to those questions, yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: That goes off to the University of Wollongong and people are either allocated to transition to work or community participation, which sounded a bit like you got the highest listing or you did not, in a way, is that how you understood it? Am I oversimplifying the matter here?

Mr MORATH: I think you use an interesting analogy, but it is an analogy. The simple fact is that people are streamed and there does not seem to be any good reason for that streaming, for the examples that I previously given, and they would appear to work against the best interests of both the clients and the department.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Presumably, the transition to work gets more resources put into that person in the hope that by putting the money in, you get years of work later?

Mr MORATH: They get a small amount of money for a couple of years and it is time-limited.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Yes, but they at least get that couple of years, whereas the others do not?

Mr MORATH: Correct.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: It would seem that people have a vast range of different disabilities and, therefore, they have a vast range of different possibilities that they could either achieve or not achieve, depending on how much resource is put into them and how much flexibility there is in the workplace.

Mr MORATH: If I may just comment? Is the question finished?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I would like you to accept or reject that proposition.

Mr MORATH: No, I agree. I was going to expand on it.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Please do.

Mr MORATH: And an initial assessment is actually very unpredictive. When one looks at the research that looks at initial predictions based on whatever method and tries to see how it correlates with outcomes some years down the track, those predictions are usually very inaccurate, frequently they are not even as good as chance. In addition, outcomes are frequently determined not by where you start but by other things that happen as you go along.

For example, family members in my experience—and I am not just picking on them but many family members have concerns about employment so they have chosen not to allow their son or daughter to get involved in that area because of uncertainty. They are interested in predictability. Now, if you assess that person at the beginning, at some time, that assessment may or may not be accurate—it is less than chance—but in the end what happens in terms of that person's outcome will be more greatly affected by the resources that are provided and the family's willingness.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is it then the case that assessment needs to be done frequently?

Mr MORATH: Yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Or less regularly?

Mr MORATH: Yes, if you assess on the outcomes more than you assess on the predictions, then I think you are spending your money well.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: This happens on everyone's curriculum vitae. As we go through life applying for jobs the market assesses us and gives us a job or does not, every few years.

Mr MORATH: Yes, but if you carry that analogy further you know that many people who are predicted to work well in a job do not, and receive appropriate counselling or lose their position, the point being that prediction is not very accurate.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: And people who do not get jobs in the public service go to a tribunal and say that they should have got the job but there was discrimination, so there is an appeals process?

Mr MORATH: Certainly.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The assessment process was criticised, in the sense that it was nine questions going to the University of Wollongong and then going into two possibilities, so there was a problem with the assessment and a problem with the outcomes. It seems that we need a better assessment process and a defined appeals process as well. Would you accept that?

Mr MORATH: Again, you are implying that the initial assessment is accurate over the longer term and my point has been that it is not accurate; that that test, or indeed any other test that they might come up with that is reasonably practicable, is unlikely to be accurately predicted. People will go more suitable for work than people will go into community participation. I am sorry, that did not come out very clearly. The point being that it is simply not accurate; not predictive. To try and clarify it, there are many people who will be classified to go into community participation who, if given more time, willingness and resources, would be more than successful in employment.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You are looking at the paradigms of getting into a transition-to-work program and work or not, at a point of time, are you not?

Mr MORATH: And that is what the assessment process does that you are referring to. It makes that prediction: this person is capable or this person is not capable.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But, work is not one place, is it?

Mr MORATH: Absolutely.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Work can be a lot of different levels of functioning which, in each increment, have a benefit?

Mr MORATH: That is correct.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Either to the individual, their family or economically to the world in general?

Mr MORATH: In my earlier statement I referred to the flexibility that was needed to make it work and that is what I was alluding to. Some people need some work for just a short amount of time to begin with and then progressively longer, and the reverse can be true at different stages in people's lives, yes, and different jobs.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So what we have is a limited assessment program, a somewhat arbitrary appeals program, leading to two options and what we actually need is a very flexible assessment program, a more independent appeals program and a lot more options to end up with, is that the paradigms shift we need?

Mr MORATH: Broadly, yes.

The Hon. CHRISTINE ROBERTSON: The Hon. Tony Catanzariti and I are both from the country and your arguments for individualised funding sound very exciting. Does it apply to rural and remote areas where some people have to move to many towns to get to service providers?

Ms EPSTEIN-FRISCH: Absolutely. What we would be proposing is that if it is individualised funding that a person owns, they do not necessarily have to purchase that service through a specialist disability service agency. This might be money that they use for support and they might negotiate with the local council or the local fruit shop that they will actually be engaged in doing something at that fruit shop or for the local council. The money that comes from what is currently the community participation program will fund the support.

If it was genuinely individualised, such as in Western Australia where they have real issues of rural and remote, the person and their family can be involved in helping to recruit staff from their own local community. Taking the experience from Western Australia, for example, we believe that it gives that extra edge, particularly in rural and remote areas

The Hon. CHRISTINE ROBERTSON: In some of these places there are not many people but there are persons with high dependency needs who have the same requirement for services. What happens when the competition has moved the funds away to maintain a service?

Ms EPSTEIN-FRISCH: May I give an example of how things happen in Western Australia where they have individualised funding. People can decide what they want to do within the parameters of a post-school, employment, training, vocational program and they can be helped by a particular type of service or a worker to put that in place, so it is very much more localised and responsive to their particular situation.

The Hon. CHRISTINE ROBERTSON: Changes to the sheltered workshop system have meant that there is a requirement for a higher level of expertise for employment because those places now have to either make a profit or come out even. Had that made a lot of difference to placement of people?

Mr MORATH: Yes, that is a very good question. Basically it comes back to the issue of the expertise of the service that I was referring to earlier. Clearly, if you are going to work with people with very high support needs, you do need to have a degree of expertise that is not commonly available. If you do not have that expertise—for example, I can talk generally about challenging behaviour, but in practice every piece of challenging behaviour is very individualised so you work with a person to deal with whatever their particular issues are and then one has to provide the training to teach the person because there are frequently generalised difficulties in learning.

The Hon. CHRISTINE ROBERTSON: Including business services, are fewer people interested in taking on more difficult, high-dependent people?

Mr MORATH: Yes, by and large, although I will say, through all of the last 40 years, that working with people with very high-support needs has required a degree of interest and commitment to be successful.

The Hon. CHRISTINE ROBERTSON: I understand, Mr Wells, that your problem is quite bad. If your son was receiving the individualised funding through the post-school options program, why has the provider actually changed the service? Is there any chance that you could actually change the service provider or are there not enough services there?

Mr WELLS: I believe the service has changed its programs because of financial pressures, obviously, because of the number of increases in clients and decreases in staff, and there has been some effect on the number of hours offered in a week. I find it difficult to be able to find other services as alternatives. There are a number of services, some of which are located in industrial areas, which are not suitable for someone with high support. I spent a number of days two years ago searching out services throughout the Central Coast of New South Wales and I could only find one that would provide support for someone with high-support needs such as my son. I guess that is the difficulty that I am faced with at the moment.

The Hon. CHRISTINE ROBERTSON: Are there a lot of high-support people with your son?

Mr WELLS: There are five others in wheelchairs at the service he attends, so there are six in total. There are some people with challenging behaviour, there are some people who are mobile and can communicate, so it is a mixture of people.

The Hon. TONY CATANZARITI: Did the ATLAS program need changing at all?

Ms EPSTEIN-FRISCH: Yes, we definitely think that the ATLAS program needed changing and we were calling for reform. Whilst it did have individualised funding, it did not deliver the individualised outcomes that people were needing.

Family Advocacy was involved in one of the reference groups, particularly regarding people with high support needs, and was looking to bring some expertise into the sector. As Phil Morath has been saying, working with people with high support needs is a skilled area. With the crisis in the sector over the past decade, people in this area who did have knowledge and expertise have left. Family Advocacy believes that, whilst there was absolutely need for reform, and whilst there were preliminary discussions, some of the more contentious issues were never dealt with in the initial discussion and reform phase.

The Hon. TONY CATANZARITI: Has the consultation improved since these reforms were introduced?

Ms EPSTEIN-FRISCH: It is a question of what you regard as consultation. The department, we heard this morning, has been out to 150 or so meetings. There is a lot of information giving, but there is not consultation. There is not an opportunity for the department to genuinely listen to the voice of people with disability, families and non-government agencies, and actually make adjustments to its previous thinking in relation to the information that departmental officers may hear. There are many forums in which information is provided. Similarly, the department has formed a group made up of some of the peak organisations, together with ACROD, and that is looking at some issues, such as guidelines, high need support, and so on. This has been about providing feedback and making minor adjustments within a framework that is already set. These are not opportunities for consultation.

The Hon. JON JENKINS: I am interested in the suggestion about taking individual packages with you and obtaining specialist services, for instance, the young lady who was here early and had the speech device. Do you see a situation where a person with disabilities might, for instance, spend one day a week learning how to use such a very expensive device?

Ms EPSTEIN-FRISCH: Yes.

The Hon. JON JENKINS: They would take one day's funding for that particular purpose, and the next day they might do office skills, or perhaps spend two or three days at a constant place?

Ms EPSTEIN-FRISCH: Absolutely.

The Hon. JON JENKINS: Do you see some advantages in that?

Ms EPSTEIN-FRISCH: It would be very beneficial to the individuals and their families. One of the key things to bear in mind is that although most people with very high support needs will not necessarily become financially independent et cetera, being out there in workplaces and training centres gives them the opportunity to form relationships. In the long run, those are safeguards that will assist a person with a disability to have a life that is valued in the community. The examples that you gave are excellent: an opportunity to learn to use some technology, to do office work, and have a varied life that builds relationships and real connections. People who are in groups of 10 and 12 do not have an opportunity to learn things individually, form relationships and be an individual in the community.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: There is no reason why an infinite number of individual packages should not be put together, is there?

Ms EPSTEIN-FRISCH: No.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: And there is no reason why individuals should not be providers. Providers tend to be seen as quasi institutions. Is there any reason why a single individual could not say, "I will give therapy at home," or, "I will take people for drives in my personalised bus that can take wheelchairs"? There is not reason why providers could not be individuals competing with doctors, physiotherapists or whatever, is there?

Ms EPSTEIN-FRISCH: I believe that there is a provision in the Disability Services Act 1993 that provides for such funding to be made to an individual.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: It is extraordinary that this has not been considered, given how obvious it is.

Ms EPSTEIN-FRISCH: Absolutely. It would be beneficial to explore the use of this more frequently, and more effectively.

Mr WELLS: I would like to comment on that matter. I believe outcomes from individualised funding are more likely to be measured accurately than block funding outcomes. You have feedback from individuals such as parents, and from the persons themselves about how they are living in their environment. I would think that the performance of individual packages is more likely to be measured accurately. The other benefit is a purely economic one: if you are not happy with the service, you should be able to walk away from it and say, "I'm not spending my money with you any more."

Ms EPSTEIN-FRISCH: I agree with that.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Obviously, to go down that path, you have to start in that direction.

The Hon. JOHN RYAN: I would put a question on notice. The argument about individualised funding is best either won or lost on case studies. Is there any possibility that you could put together some case studies—ideally local ones, but it may be necessary to go to Western Australia—of people who have put together individualised packages? Obviously, Ms Given was a wonderful example, but a special one. I think most people would say that few people would be in a situation where they would have the opportunity to go to university. Could you put together some case studies of how people could use the same amount of money, or even less money, and get better outcomes for their community participation or transition to work? If you could give the Committee some examples of those, I think that would help the Committee no end.

Ms EPSTEIN-FRISCH: We would be very happy to do that.

The Hon. JOHN RYAN: Some people would say: It is great having individualised packages, but I do not have the time, the expertise or the confidence to be going about and brokering these things for my son or daughter.

Ms EPSTEIN-FRISCH: You have brokerage agencies that would do that. So you would just go to a brokerage agency, which would help you put the package together. Western Australia has used local support co-ordinators, an infrastructure of community development types of workers across that State. Here in New South Wales, it is a beginning program, and 25 per cent of the State is covered by local support co-ordinators. Or you can have your general community participation agency, which is there to help you use the funds in a way that meets the needs of your family member more individually. Family Advocacy knows of many examples of people who are doing this who are not middle-class, knowledgeable, skilled people with a range of formal qualifications, but who are learning how to do that on behalf of the family member.

CHAIR: I want to conclude this part of the hearing. In relation to the question taken on notice, we will advise you of a timeframe for your response. You will have a few weeks to respond. If members have other questions that arise from what has been said and wish to put them on notice, I am sure we will be able to facilitate that. I thank you each for coming and for the extensive and comprehensive submission that was made on behalf of Family Advocacy.

(Luncheon adjournment)

PATRICK JOSEPH MAHER, Executive Officer, ACROD, New South Wales Division, Locked Bag 535, Kingsgrove, and

DAMIEN JOHN ANDERSON, Deputy Executive Officer, ACROD, New South Wales Division, Locked Bag 535, Kingsgrove, sworn and examined:

CHAIR: In what capacity are you appearing before the Committee—as an individual or as a representative of an organisation?

Mr MAHER: As a representative of an organisation.

Mr ANDERSON: A representative of an organisation.

CHAIR: Are you conversant with the terms of reference for this inquiry?

Mr MAHER: Yes, I am.

Mr ANDERSON: I am.

CHAIR: If you should consider at any stage that certain evidence you wish to give or documents you may wish to tender should be heard or seen only by the Committee, please indicate that fact and the Committee will consider your request. Do you wish to make an opening statement?

Mr MAHER: ACROD thanks the Committee for this opportunity to express a disability services industry perspective on the provision of post school programs for young people with a disability. ACROD's submission clearly demonstrates that the ATLAS program was irredeemably flawed. The program was originally intended to assist people with moderate disabilities enter the work force through the provision of short-term, pre-vocational skills training and support. Over a period of five or six years ATLAS assumed the role of catering for people with higher level needs, not because of a conscious decision by government but because there was no other gateway into the service system. This development altered the entire focus of service delivery under the program.

The program was littered with disincentives that actively discouraged service users from seeking participation in the paid work force. It actually made a decision to attempt employment irrational because failure in the first instance would rob the service user of any service at all. It also discouraged service organisations from seeking employment opportunities for service users because success would result in a loss of funding, followed by staff redundancy and eventual closure of the service. In fact, the service providers that developed successful transitions to paid employment for service users did so because of the skill with which they circumvented dysfunctional and contradictory program specs and achieved outcomes. Quite simply, the ATLAS program demonstrated nothing but failure to meet its stated program objectives.

This is not to suggest that people with a disability did not achieve some great things—many did. However, this occurred in spite of the ATLAS program structure, not because of it. There is no doubt ATLAS required major reform. It appears, however, that while these reforms may have been led by a desire to recast the original and still pressing ATLAS objectives into a suite of effective programs, they were not based on a reasoned and well-researched understanding of what works. Rather, they appear to have been driven at breakneck speed in response to external influences concerned simply with cost containment. The haste that has characterised the current reforms has resulted in a lack of consultation at the front end, which has had an abrasive effect on service providers, service users and their families alike.

It is clear that the Department of Ageing, Disability and Home Care had little choice but to have proceeded in this way and according to a timetable that was not of its choosing. In our view the current administration of the Department of Ageing, Disability and Home Care, having inherited a seriously flawed attempt at reform, has made valiant attempts to consult with the sector on the design and implementation of the new programs. We have no doubt about the department's desire to develop a system of services that will best answer the need for support from the wide range of people with a disability served by the programs within the scope of the existing and inadequate pool of resources dedicated to the task by the Government.

ACROD has remained engaged with the department to ensure that available resources are applied equitably across the sector, and we ask: Is that sufficient? The answer is clearly no, it is not. ACROD holds the position that these programs should be offered for five days per week and the department and the Government are well aware of our ambition to see this achieved over the longer term. We are also mindful that the previous Minister, speaking on behalf of the Government, said that the reforms should not result in a reduction of service hours for service users, and if they did result in a reduction the reforms would have to be looked at again. ACROD applauded this undertaking at the time and took a degree of comfort in it.

There is now ample evidence emerging from the field to allow us to conclusively assert that the reforms have resulted in reduced hours of service for many former ATLAS service users. Therefore, ACROD calls on the Government to look at the reforms again, as per the commitment of the previous Minister. Other emerging evidence suggests that the quality of services as indicated by ratios of staff to clients has also declined under the program. Although the new Community Participation Program has only been in operation for some five or six weeks, we are still accumulating information on the impact but it is not looking good.

Let us be clear: Despite the haste of the introduction and the concern around levels of funding, this reform is offering an uncapped, open-ended program that is not time limited, unlike the two-year then nowhere-to-go ATLAS program. We are concerned at the haste with which the reforms have been pressed on the sector and on the department, that this is eroding the prospect of developing programs with any real chance of delivering their objectives. We are concerned that the Community Participation Program and Transition to Work Program guidelines, currently in draft form, will reintroduce significant flaws of the ATLAS program, some of which we referred to earlier.

We are also concerned that the development of the new programs is occurring in isolation of substantial policy work on these issues that was carried out between 2002 and 2004. We are, however, hopeful that work currently being undertaken may start to address these issues. While we are now seeing some staff stability at the executive level of the department, a previous lack of staff continuity and the need for detailed knowledge of the programs have impeded the department's capacity to build on previous work. We are consequently concerned that transition to work pilot projects established in 2002 to identify what works were never evaluated and have not to date been revisited in an effort to determine what works instead of merely reinventing what does not.

ACROD believes that the only logical response in these circumstances is to step back from the current process and approach these necessary reforms in a timely and orderly manner. The reform process needs to be halted immediately. Community participation program funding needs to be restored to December 2004 levels pending the outcome of a comprehensive review of the reforms to date and that this should be done on the basis that hours being previously delivered by services be restored by those services. The department needs to consult broadly with the sector to develop program guidelines that reflect leading practice as well as a coherent set of program objectives across all social participation programs for people with a disability.

Delivery of high-quality programs is dependent on the development and implementation of a coherent purchasing framework which provides a reliable and predictable payment structure based on the outputs of support. Government spends about $1.4 billion in this portfolio. But does it know what outputs it is purchasing or is it simply making grants with little understanding of long-term results? Formulation of a purchasing framework of course needs to take dual account of the resources made available by government for these purposes. ACROD calls on the New South Wales Government to establish a comprehensive review and reform of the disability service system in consultation with the sector to achieve lasting beneficial change. This needs to be co-ordinated at a high level and over a sustained period to achieve lasting benefit. Finally, reform needs to take place in a manner which provides security and certainty for service users. The outcomes to be achieved as a result of participation in the program need to be debated in the context of available resources to ensure that expectations are managed sensibly and appropriately.

The Hon. JOHN RYAN: There has been some question of the level of consultation done by the Government with regard to its reforms. I will read from a submission we received from the group People with Disability, which is typical. It is not the only one; we could find similar comments from NCOSS and others. People with Disability said, "People with Disability participated in each of the three working groups and at no stage were any of the measures announced recommended by the working groups. Nor did DADAHC inform any working group of these proposals or seek working group advice in relation to them. Had advice been sought, we are confident the proposals would have been universally rejected. People with Disability and many other working group members formally disassociate themselves from these changes." What they are speaking about is when the changes were introduced on 8 July. Would it be a fair statement that basically the stuff that was announced on 8 July was a complete surprise to the sector?

Mr MAHER: That is a very fair statement, yes.

The Hon. JOHN RYAN: Notwithstanding the fact that the Government is now seeking what I would refer to as third party endorsement from the Australian Council for Rehabilitation of the Disabled New South Wales [ACROD] and that ACROD has been happy to give some qualified support to some of the changes, nevertheless to say that any organisation had been consulted at the initial stages of the arrangement would be erroneous?

Mr MAHER: We were not consulted about these changes prior to 8 July, absolutely. ACROD's position subsequent to that was that we were consulted on the basis of what changes were going to be made in our role purely as the peak body for disability service providers, which did cause some concern for some people who thought we should have been advocating on behalf of the whole sector. It is not our role, as much as we may have liked to have done that. We sought to get the most equitable deal for our members are to what was being offered, and what was being originally offered was absolutely unworkable. We do believe that we did make some advances but we are certainly not offering any endorsement for anything that happened prior to that time and we only offered endorsement beyond that time where it was clearly laid out what the parameters were within which any negotiations were going to be carried out. We believe we got a pretty good deal within those parameters. We still maintain that the program, the way it was launched and the way the reforms were launched, was absolutely flawed, yes.

The Hon. JOHN RYAN: In its submission to this Committee, the Government's submission through the Department of Ageing, Disability and Home Care [DADAHC] has identified a number of problems which emerged in a review of day programs. The report was apparently put together by Brian Elton and Associates. In what appears to be a consensus to this Committee, it makes critiques of the former Adult Training, Learning and Support [ATLAS] Program. Among those things that they suggested were that there were significant differences in the number of hours of support provided to different people. Some were getting 12, some were getting 5 days, some were getting 18 to 20 hours, some are getting 24 and so on, but the median unit cost for a day program varied widely from $500 to $34,000, and while there were many service users and families in day programs that were satisfied with the type and quality of activities, some people were concerned that activities were just about filling in time and were not addressing individual needs, and the services lacked flexibility in responding to individual needs. Would it be fair to say that the reforms as they have been implemented to date have had no impact on any of those issues?

Mr MAHER: As they have been implemented to date. Certainly in the guidelines that have been drawn up, there is an attempt to address some of those issues. But we still have the problem that the reforms are happening back to front. The Government has announced the reforms. They are going forward and then developing guidelines and so on as we progress. All of that work clearly should have been done before the reforms were launched. The answer to your question is, at this point, no I do not think that many of those issues are being addressed at all.

The Hon. JOHN RYAN: When we refer to them as reforms, is it fair to say that, with the exception of its now becoming a permanent program—which it was, in effect, prior to that, so it is largely a cosmetic change that satisfies the Treasury boffins—as far as the community was concerned, it was a program which the Government never would have had the political courage to terminate altogether, and it did not do a very good job of separating the transition to work for people who were involved in the program for community participation. Other than that, they really cannot be called reforms at all, can they?

Mr MAHER: I believe it is a reform, yes. The intention stated in the guidelines clearly states that we are looking for some very specific outcomes from these programs, particularly the Transition to Work. I think that the acknowledgement of the people who are going into ATLAS is that it did become a collection point for anybody who was coming out of school, whether they were work oriented or not. I think the change is positive change. That is not saying that it has been done right, nor that everything that should have been in place was in place. It was not.

The Hon. JOHN RYAN: In pretty significant evidence to this Committee, it is suggested that the assessment tool—for example, for sorting out who is going to do the Transition to Work and who is not and the content of the programs to date—is largely the same group of people who are doing the same things in many instances, and there is not a great deal of difference between those doing the Transition to Work and Community Participation, and it might indeed be that some of the wrong people are doing it for the wrong reasons. For example, there seems to be a lot of people who are doing Transition to Work because there is more money attached to it and therefore more hours than there is otherwise, and there is no chance of those reforms being implemented. The reform process has barely started. That is the case, is it not?

Mr MAHER: I think that is a very valid comment. It has barely started and there is a substantial body of work being done at the moment by the department and the peaks and a number of service providers in trying to build the guidelines and the programs, but it is being done back to front. As I said, this work should have been done prior to the reforms being put in place.

The Hon. JOHN RYAN: I know that ACROD has a very strong point of view with regard to the issue of block funding and it would be dishonest of us not to at least run through some of the issues that have been raised with this Committee with regard to block funding. I think one of the most substantial issues is that, to date, there does not appear to have been a system organised for allowing people—or no announced system has been created or announced for people to explain how people will transfer from one service to another when circumstances obviously require it, for example, when a person is completely out of the area, there are conflicts within the service or simply a person decides, "Look, I have really got as much out of the service as I can and I am just not going to go to craft and music any more. I want to do something else." They will all be valid reasons for changing the service but there is no announced provision as to how it will take place. The submissions made to this Committee are that block funding makes that transfer harder.

Mr MAHER: Your observation is correct and, again, this should have all been in place before the reforms were put in place. But ACROD is very supportive of old block funding on the basis again that we represent the interests of service providers and we are talking about capacity funding and capacity capability. I can understand the argument from other sectors who would say that they would rather have case-based funding and I am sure they can mount, and they do mount, some very strong arguments. But from our perspective, from the service provider's perspective, block funding is certainly more attractive.

The Hon. JOHN RYAN: There are two issues that I think need to be dealt with. In the Council of Social Service of New South Wales [NCOSS] submission, they quite rightly pointed out that because clients who have very high support needs have attached to them a significantly different funding scale from perhaps everybody else in the program, if you have a vacancy-managed position it will be incredibly difficult for a high support needs client to move from one service to another in that they will have to find a vacancy which exactly matches the vacancy that they are leaving, will they not?

Mr MAHER: No, that is not true. We have worked through with the department, and NCOSS and People with Disability [PWD] were at the table, when that very issue was raised and the department certainly gave an undertaking that when a person on a high support supplement was moving from one service to another, the high support supplement would go with them.

The Hon. JOHN RYAN: You would expect that to be at least portable.

Mr MAHER: Absolutely. That undertaking was given by the officer in the department.

The Hon. JOHN RYAN: The other issue that I think is a compelling argument in many respects is that New South Wales appears to be batting against the trend interstate; that is, most of the interstate programs are moving towards a more individualised program than a block funded program. What is the justification for New South Wales doing something so completely different given that, to date, a lot of the Government's argument as to why they are doing this is because a lot of what they say they are doing is being done this way in other States.

Mr MAHER: There is a combination of old block funding and individualised funding right around the country, as we heard the director-general talk about this morning. We have seen that also in a number of the submissions. But it is very difficult to compare apples with apples when you have some of the services that are being funded on the basis—or some individuals being funded on the basis of time limited programs. As I said, there are arguments for block funding and there are arguments for individualised funding. I would have thought that there are trends happening both ways but, again, speaking in support of my members, we would certainly support the concept of the block grant funding. I am sorry, I think my deputy may want to comment on that.

Mr ANDERSON: Yes. The issue in relation to block funding goes to the need for certainty to provide for infrastructure costs and other costs to ensure that the service provider actually has a service to choose. Under the ATLAS program, especially in relation to the Transition to Work aspects of ATLAS, if a service provider successfully transitioned ATLAS clients into the work force, it would only require two such successes and that would require a staff redundancy. That was an active disincentive in the program that really an individualised funding program cannot address. Secondly, block funding assists the development of a skilled work force within the sector, which is critical to the maintenance and enhancement of a quality services system. There is no way that service providers can provide certainty either in services to their staff or to clients of their services if they cannot guarantee—if they have to sign people up to 12 months contracts, which they had to do under the ATLAS program frequently. Finally, there is no intrinsic link between individualised funding and the quality of support delivered to individuals. Any assertion that there is such is simply a misnomer. These things are based on softer service quality issues that are related to the training of staff, to the attitudes of staff and organisations, and to the capacity with which those organisations can maintain the quality of service, and a strengths-based approach to their practice.

The Hon. JOHN RYAN: I think some of my colleagues will be wanting to ask you whether it has to be an all or nothing arrangement. I mean, the sensible arrangement as to why what would be sensible to a larger service provider that is well established would be to have a block funding arrangement whereas some of the smaller providers—one of the observations I would make is not necessarily associated with this Committee, but I have visited many ATLAS services over recent months and many of them look a bit like school, frankly. There is not a lot of wide diversity across the sector. I do not see these reforms producing something different. Almost all of them involve a craft, music and exercise. It is pretty much very similar to what I would see if I went to English Language and Literacy Assessment [ELLA] somewhere else within Sydney. A lot of them are similar. It seems to me that a very good argument could be advanced, if we would give some level of development, because sometimes the smallest services allow flexibility that is valuable. It seems hard to believe that for the services which have been established long term and have an established reputation in an environment in which there are more people coming in every year, you cannot have a balance by allowing a mix.

Mr ANDERSON: And I think that there is a mix in the funding arrangements. The high support needs pool is one such mix. The equipment and modifications fund is also directly related to the needs of individual service users. Apart from that, the flexibility required—I mean, one of the issues that you are talking about, about the diversity of services, and we agree that there needs to be a diversity of services—means that those services need to be appropriately targeted. They need to appropriately target themselves and their needs to be an explicit acknowledgement of their strengths. It is inappropriate for all services to be thought to be good at all things by simply making that assertion and not testing the assertion.

There needs to be organic linkages between good community participation services and good transition to work services to ensure that if someone feels confident enough to have a go at getting an employment outcome, they can do it on a risk-free basis in the knowledge that they will transfer to a service that is good at what it does and will give them the best possible opportunity. These programs will fail if people believe that they will be transferred to a service or if services are going to be funded on a basis that is otherwise to their performance. In other words, the funding needs to be performance based. I think the service description schedules in the contracts that have gone to service providers provide at least some basis for the quantification and demonstration of what these services have achieved. That allows, I think, a substantial basis for moving forward in the future.

The Hon. JOHN RYAN: One line in your submission says:

> Exclusion of university students is a necessary if unfortunate requirement for the success of the new programs.

I do not know whether you were here to see this but I know that Patrick Maher was present for some of it. We had what I think was an eloquent response to that given by a young client who gave evidence to us earlier, Ms Fiona Given, when she demonstrated the enormous value of using these funds to facilitate university studies. It would appear in the history of the program there have not been any of them and it seems hard to believe that the program's success depends on that whole category of services being excluded.

Mr ANDERSON: My recollection is that in 2003 there were three people enrolled in universities engaged with the ATLAS Program. My recollection is that at that time most of the program funds were expended on transporting people to and from the institutions and very little of that funding could be applied to the objectives of the program.

The point that is made in a submission is that it is legitimate for the New South Wales Government to put boundaries around the limits of its responsibilities in relation to these matters. It is an unfortunate and tragic circumstance that people cannot be afforded these opportunities under this program, but it cannot be, and never could be, the program's role to fill all the gaps in other service systems.

The Hon. JOHN RYAN: It is a pretty small inclusion, is it not? How is that a necessary requirement for the success of the new program, if a couple of kids are going to university? I do not see that the rest of the program does not stand or fall without any other change, if a couple of kids a year can be funded to go to university. Ms Given explained it was not just transport; she said she could get that through a mobility allowance, but that she had other therapy and personal care services provided to her to enable her to participate in the program, and that those services were certainly not funded by the university.

Mr ANDERSON: Agreed. One of the issues with the ATLAS Program is that it sits awkwardly between the responsibilities of several other State and Federal jurisdictions. The problem of program design goes directly to the intersection of those jurisdictional responsibilities under the CSTDA within the State between education and the responsibilities of DADHC, among other agencies, for example Health. That is a key factor, and it will remain a key factor, in attempting to define a service structure that actually fits and does not simply duplicate or top up other service systems.

The Hon. TONY CATANZARITI: Mr Maher, if, as you have called for, there is a restoration of previous funding levels, will service providers restore program hours to clients to their original levels?

Mr MAHER: I believe it would be an obligation on their part to do that. If the funding is restored, the service provider should restore the hours. That is not in isolation; that is proposed as part of an annual review of the entire service delivery system for social participation programs. But, yes, they should be expected to do so, and I would be saying that it would have to be a condition of anybody having that funding restored that they would restore the hours.

The Hon. TONY CATANZARITI: Is there a middle ground between block funding and individualised funding?

Mr MAHER: I am sure there is, and that discussion has been held for a number of years. As the Federal Government moved from block funding to individualised funding, the lack of certainty for services became very obvious, and that is an issue that is still being addressed by the Federal Government. Certainly in the area of open employment services, some viability funding has been made available to services as they move towards case-based funding. Again, I think it is something that is deserving of substantial investigation. Services, if they are going to have an infrastructure, like any business, must have some certainty about staffing levels, their capital costs, their real estate or lease obligations, and so on. So we need to be able to give them some certainty. We would be very receptive to participating in something that looked at whether there might be some middle ground.

The Hon. CHRISTINE ROBERTSON: I have asked this question of several people, and on each occasion I have been referred to ACROD. With regard to the recent increase in hourly costs by service providers, which seems to be across the board, we have heard that in rural areas the increase was quite high, which is of concern. It seems that the increase in the hourly cost is much more than the 20 per cent reduction in the basic funding. Do you know why the service providers decided to co-ordinate the issue, which meant a massive reduction in access hours?

Mr MAHER: There was no co-ordinated program suggesting to service providers that they should do that. We certainly were contacted by a number of members when they were facing the eligibility interview, as to whether they should become community participation providers. They said, "We are being offered this amount of money to deliver this amount of service." Our advice was always, "You have to cost your service realistically. It is pointless saying that you are going to deliver 30 hours of service when, clearly, the funding you are being offered to deliver that service will only cover 15 hours." At some point we have to bring reality into the sector. This is something, away from these reforms, that we have been talking about for some time. I have often used the analogy that when I go to the supermarket and buy a packet of Weet-Bix, I buy a packet of Weet-Bix; I do not make a contribution towards it. Is the Government buying from disability service providers a service, or is it making a contribution? It needs to decide which one it is doing. It cannot make a contribution and then demand what should be delivered. We have to move to a purchasing framework, so that people have a very clear understanding.

Yes, I believe we are always advising our service providers, our members, that they should adopt good governance practice. Good governance practice would require them to make sure that they are covering all their obligations. Clearly, many services had not been doing that and were subsidising the services they were providing. We have to bring reality into the sector.

The Hon. CHRISTINE ROBERTSON: So it was just coincidence that it happened together?

Mr MAHER: I would love to claim that we did it, but we did not. We certainly gave that advice, very openly: that you should cost your services properly. But we did not suggest that everybody should get together and make a push. I am certainly aware of some services who maintained their hourly rate, and they are continuing to subsidise the services they are providing.

The Hon. CHRISTINE ROBERTSON: And the increased costs have contributed to the hourly losses?

Mr MAHER: Absolutely, yes.

The Hon. CHRISTINE ROBERTSON: Another issue that may be outside your area but I am sure you have heard of is the necessity for business services to be profitable or come online, which in many cases has meant that the level of skill required for disabled people to work in the old sheltered workshop situation has increased. Does that place more emphasis on the need for the post school options programs?

Mr MAHER: The need for people's skills to increase—I do not believe has occurred. There is a matter before the Australian Industrial Relations Commission at the moment about inserting a wage assessment tool through the LHMU. ACROD and a number of other people are working with the LHMU and the Federal Government in appearing before the commission. We will be back there on 26 May with a proposal to insert a number of wage assessment tools. These tools are across the board; most of them are in use across Australia at this stage. They are delivering different levels of outcome, but they are not necessarily delivering a higher wage outcome. Some measure competencies at a much greater rate than others, whereas others measure productivity or output at a much greater rate than competency. I do not believe that that, in isolation, has put pressure on services, but there is certainly pressure on services, both State and federally funded, right across the board because of this need to meet quality assurance, as well as many other cost imposts. Occupational health and safety is a substantial one for us at the moment.

The Hon. CHRISTINE ROBERTSON: What do you think would happen to the current service providers in smaller communities if the funding became individualised funding?

Mr MAHER: History would suggest that there was not a massive transfer of people when it was individualised funding. It tended to be fairly stable. I do not have the numbers at my fingertips—

Mr ANDERSON: I do not have direct numbers, but there was not a great deal of transfer. I recall the figure of perhaps 8 per cent per year. This certainly was not a direct transfer. What it will provide, of course, is increased stability in the viability of services, and a reduced capacity to accommodate service users with an appropriately trained work force.

The Hon. CHRISTINE ROBERTSON: Within the industry, and particularly in country areas, do people come up with innovative programs?

Mr MAHER: Do you mean individualised programs?

The Hon. CHRISTINE ROBERTSON: Interesting programs that sell well?

Mr ANDERSON: Absolutely. There are many examples of people getting tremendous outcomes in smaller areas of the State. I could point you to very successful transition to work services producing good outcomes, perhaps by using the ATLAS guidelines creatively to get those outcomes, but good linkages with employment services, good linkages with the local community, and good support from the local community, but really engaged and organically connected with other elements of the service system in their communities.

The Hon. JON JENKINS: You have made the point that a proper review process should have taken place. I think it has been put forward that research, which should have formed the foundation for these reforms, appears to be lacking. From your estimates, if they stopped the program now and decided to complete the review process, how long would that take?

Mr MAHER: The best I can do is liken it to the Federal reforms for supported workplace for business services, and that took about five years from go to whoa. We are possibly a little further down the road than that, but not a lot. And I have to say that the State-funded services are much more complex than business services.

The Hon. JON JENKINS: In effect, you are saying that if the Government should follow your advice, it will be five years before these reforms are implemented.

Mr MAHER: I do not know that it is going to be five years before they are implemented. As was the case with the Federal Government, the decisions were made within about 18 months and then they were progressively rolled out, so that as at 31 December 2004 every business service in Australia was quality assured and was paying—

The Hon. JON JENKINS: Your preference would be to put everything on hold, go back to the old system, and maintain that system until a proper review process is carried out?

Mr MAHER: Absolutely. We need to know what we have got.

The Hon. JON JENKINS: I have asked about the mix of base funding and case funding. Is there a problem with having a mixed case and block funding arrangement?

Mr MAHER: There is no problem with it. We need to sit down and talk about it, and work through a process with all the stakeholders.

The Hon. JON JENKINS: It is a doable thing, is it not?

Mr MAHER: I would imagine it is, but it needs work.

Mr ANDERSON: One of the issues is that with regard to the elements of support that you would be seeking to fund on an individualised basis, there is no clear indication of what is the appropriate price for those services. That work needs to be done.

The Hon. JON JENKINS: And specialised services will obviously have a variable cost, depending upon that the service you provide?

Mr ANDERSON: And depending on the support needs you are trying to meet.

Mr MAHER: A huge body of work needs to be done in that area. The Wollongong study that was referred to this morning is but one of them.

The Hon. JON JENKINS: Are there discrepancies between block funding and case-based funding with regard to assessing outcomes and monitoring outputs?

Mr MAHER: I have managed a very large service that was dealing with both. No. If you are running your individual support plans properly, no.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you think that ACROD is accurately representing the views of its members in this debate?

Mr MAHER: I would love to say I am representing 100 per cent of my members, but I am sure I am not. However, I am certainly representing by far the majority of them. We held meetings right around the State; we had 300 service providers attend our meetings. We had one resignation from ACROD during the process of this, which concerns me dearly. I then spoke to those people, and in fact it was a decision by the board to cut back on certain areas. They subsequently rejoined ACROD about two months ago. I am not sure of the number but I think we had something like 15 new service providers who had not previously been our members signed up because of the position that we had taken.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You represent service providers, not clients?

Mr MAHER: We absolutely represent service providers.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you think you are representing their view in your position on this?

Mr MAHER: The majority of them, yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: The Minister seemed to suggest that you were important, shall we say, in going to a block funding model rather than an individual contracts model. Would that be a fair statement?

Mr MAHER: I would think it would be, yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So your position has been to go back to block funding?

Mr MAHER: Yes. We are looking for certainty for our members, yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Are you frightened of a market model?

Mr MAHER: I am not frightened of a market model.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Well, a block funding would seem to be the opposite of a market model where you fund the service providers and then they generously dole out the services to the people who gratefully come, as opposed to the people buying the service because it is popular and what they want?

Mr MAHER: I understand quite clearly what the difference between the two is, but if I am going to represent my members in isolation, which is what I am going to do, their preference is to have the stability of knowledge of the funding base that they have got to invest in real estate, to invest in staff, and so on. And that is what we sought on their behalf, and that is what we achieved.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Many businesses selling products or services in our society would not dream of anything other than a market model.

Mr MAHER: I would be delighted if we were in the business of selling our products and services. We are not, we are grant recipients from the government. If we were in a purchasing model I would probably have a totally different attitude.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But if the grants were going to the clients you would then be competing for the dollars that had come—perhaps they are still government dollars but in a sense they have been vetted by the clients to see that they are in the interests of the clients?

Mr MAHER: The clients have that option anyway, even under a block-funded service. As I have said earlier, the problem with this reform as it has been introduced, the vacancy management had not been put in place before the program was launched; it was done back to front.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But you want all these ISO quality guidelines and so on. Surely, if people do not buy the service that is a pretty good quality guideline, is it not? Before somebody goes out backwards, the client walking out the door says you should do this and they can either do it and save the client base or they can not do it and lose the client base?

Mr MAHER: Absolutely, but that is equally the case with block grant funding. People are not going to stay there if they do not like it.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But if they had nowhere else to go they would.

Mr ANDERSON: The same situation applies in terms of the market situation; it is a very thin market and not everywhere is like south-western Sydney where you might have a number of service providers to choose from. The fact of the matter is individualised or block, you are not going to have very many choices.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You would say that the sector as a whole is moving from a paternalistic market to an individual opportunity type of market where initially the family looked after people with disabilities or institutions did and now they say, " I want a life and I want to make choices in my life". Would you say the sector is moving in that direction?

Mr MAHER: I would say that my members absolutely apply themselves to ensuring that the people they support have individual choices and develop as individuals. That is the whole ethos of the sector in which we work.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Would you say you are facilitating that progress away from the paternalistic model by your support of block funding?

Mr MAHER: I do not believe that I am getting in the way of it, no.

Mr ANDERSON: It does not have an impact one way or another.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: You said that the ATLAS program was sitting awkwardly, I think was your comment. Do you think you have chucked the baby out with the bathwater here? You have said that ATLAS is failing, but what has replaced it does not seem at all popular.

Mr MAHER: I am not throwing the baby out with the bathwater. I have clearly said that ATLAS has failed and that the new reforms have not been properly implemented and we need to go back, start again and do it properly. I am not wanting to throw anything out.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But you have suggested that block funding is part of the baby going out?

Mr MAHER: You are picking one item.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: This inquiry is about ATLAS and PSO.

Mr MAHER: You are picking one aspect of it.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: This inquiry is about that aspect; it is about the change in programs.

Mr ANDERSON: No-one argues about block funding being applied in other areas. What essentially we are looking at is something that is similar to a case mix system that operates in a number of hospital systems. What we are talking about is the way in which individual needs can be met in a block grant system. No-one suggests that there is not a focus on, say, individual needs in schools and yet there is no serious proposals on the table to fund schools on an individualised voucher-based process. I do not see why this is terribly much different.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So because schools are block funded you think that that means that disability services should be block funded? Is that the analogy you are drawing here?

Mr MAHER: Mr Anderson was giving an example.

Mr ANDERSON: The issue whether the service is block funded or individually funded need not make intrinsically any difference to the quality of support that that service provides. The important thing is that performance measures are adequate and indicate substantial service quality and achievement of specific program objectives and the production of appropriate outputs and outcomes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Sure, but you are looking for a lot of work to get to some sort of ISO quality control systems. Surely the clients could make that decision fairly easily?

Mr ANDERSON: And they will.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: If they have the opportunity.

Mr ANDERSON: That is an opportunity I am certain they would have. Under the system there was not very much movement in the ATLAS system. For all the talk and all the smoke and dust about it, there was not very much movement.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: There may have been a shortage of options and a shortage of money too.

Mr ANDERSON: Perhaps.

The Hon. JOHN RYAN: Something we need to know is about ACROD itself. We speak about it as if everybody knows what it is. Can you explain what organisations are represented by ACROD and how many daily program service providers are members of ACROD?

Mr MAHER: I do not have those figures at my fingertips. ACROD has nationally just on 600 members; almost half of those are from New South Wales. No, I am sorry, I cannot give you the breakdown.

CHAIR: Could you take that question on notice and provide a written response? If you have any further information you think the committee should be made aware of I request that you provide it to us. If committee members have any more questions they can place them on notice and we will submit them. Thank you for the submission that you have provided and for appearing before us today

(The witnesses withdrew)

ROBERT WHITE, Chief Executive Officer, The Spastic Centre, 184 Allambie Road, Allambie Heights,

DEBORAH HOFFMAN, General Manager, Organisational Planning, The Spastic Centre, 184 Allambie Road, Allambie Heights, and

GEMMA MARIE McCARTHY, State Manager, Disability Support Services, Wesley Mission, P.O. Box 251, Enfield, sworn and examined:

CHAIR: If you consider at any stage that certain evidence you wish to give or documents you may wish to tender should be heard or seen only by the committee, please indicate that fact and the committee will consider your request. If I could ask each of you, do you wish to make a short opening statement?

Mr WHITE: A very short one.

Ms HOFFMAN: Yes.

Ms McCARTHY: Yes. Wesley Mission is one of a number of Uniting Church services that had input into the submission from Uniting Care New South Wales/ACT to the standing committee. Wesley Mission supports approximately 70 people with intellectual disabilities from their day programs and we support the commitment of the new policy principles to lifelong learning to full access and participation in the community and the commitment of the Government to ongoing funding for people with a disability. However, we believe that it will be quite difficult to achieve the objectives of the reforms and the stated outcomes because of the reduced funding available to assist individual clients, particularly those with significant support needs.

Wesley Mission is keen to see much greater flexibility built into the programs to allow for the range of needs of individual clients. We are currently working on the development of possible new models of service to achieve this and are looking forward to having a discussion with DADAHC regarding those options. Having implemented the recent reforms, Wesley has identified a number of issues of concern, which are adversely impacting on individual clients and families. Some examples of these are parents who have identified the need to give up work or reduce their hours of work to care for their child who can no longer access a day program five days a week.

One example is a single mum with a mortgage who needs to work full-time in order to maintain her home and a basic lifestyle for herself and her disabled daughter. The days of her service for her daughter could be reduced from five days to three days unless she is accepted for higher support needs funding. Wesley Mission at present is funding those additional days from its own resources, but unless this mum is able to continue to work for five days a week or secure permanent accommodation for her daughter she has clearly stated to us she will have no option but to fail to pick her child up from respite service one day.

Another impact is that our clients are now receiving reduced levels of intensive support or individualised attention as it has been necessary to do more group work with clients in order to maximise the number of days they attend the service. Wesley Mission believes it is important that we set our clients up for success and not for failure in their goals; that the number of goals that can be realistically implemented and achieved for clients within the new funding level has been reduced because programs can only be offered for a reduced number of hours. Wesley can only offer limited support to those people with higher support needs. The department has not yet informed us how the allocation of dollars for clients with high support needs is to be determined or allocated and at present Wesley Mission is trying to support these clients, but in doing so we are accruing deficits in our own operations. These deficits can only be sustained in the short term and do not provide a long-term solution to meeting the needs of high support needs clients.

Wesley Mission is very concerned about the possibility of existing post school options funding being reduced in line with community participation program funding. Although we are looking at creative ways to maintain our hours and quality of service, viability has been substantially reduced by funding changes. If PSO funding was reduced to the same level, we have estimated we would need to double the number of clients whilst maintaining the same number of staff to achieve viability. The viability of our services and of others under Uniting Care has been severely affected because the minimum numbers of clients that we need to operate has not been met. Information was provided in our tenders to DADAHC regarding the minimum numbers, and yet these have not been met, exacerbating the impact of the changes and resulting in the closure of some of our services.

Wesley Mission believes that in working towards a socially just and inclusive society we must be prepared to support those who are marginalised. We consider that the Government has a responsibility to ensure that structures are in place to build a decent life for people with disabilities, such as their right to participate fully in the life of our society. That must be supported and facilitated.

Mr WHITE: Our organisation, the Spastic Centre, supports about 3,500 clients a year. Within that group there are about 180 who are in our day program services. Just to give you some background, our organisation's primary target group is kids and adults with cerebral palsy. Every 18 hours in Australia a child is born with cerebral palsy [CP]. There is no way that it can be diagnosed and there is no known cure. Every year about 200 to 250 kids go out of school with CP. So the impact would be quite large. We support the reforms as required by the ATLAS program. Our major issue, like the Wesley Mission, is around funding for the CP program, as it does not reflect the true cost of providing these services.

In the past the funding was $16,500. To give you an example, to support a person in our program for five days it costs about $29,000 to $30,000. So $16,500 could give you about half a week in our services. Obviously, reduced funding would impact on the amount of days, something of which you would be well aware. The obvious impact of that is that the cost shift would go back to respite services, accommodation services and families, and increased accommodation needs. So our major concern is really about kids who come out of school in the future. We need to provide for their needs and for those who are already in the program.

The Hon. JOHN RYAN: We received a submission from UnitingCare. Is that the submission to which you have been speaking?

Ms McCARTHY: Yes, I am one of the participants in that submission.

The Hon. JOHN RYAN: One of the points in the submission of the Spastic Centre, which was not made in your oral statement, was that the Spastic Centre would support the maintenance of the use of the transition-to-work program or community participation services for post-secondary education. Would you like to explain why that would be a good thing?

Mr WHITE: We think that is really important. Earlier, when you were talking to representatives from the Australian Council for Rehabilitation of the Disabled [ACROD] you established that it was a small group. It is a group where there is a gap and they fall through the gap without that. Those people will go on to work in the footwork force. That client of ours that you had here this morning went on to become a solicitor. A very small investment of three or four years, the support that the program gave to her in the past, meant that she could go on to full-time employment, which is wonderful. We have quite a few clients who have gone on to do that. As you said, it is only a small number of people who are going through. In our case we are probably talking about 10 or 20 in total.

CHAIR: A total over what period?

Mr WHITE: Probably over the past four or five years. It is not a huge amount. It does not involve a lot of the clients we see.

The Hon. JOHN RYAN: Will that outcome be impossible under the new arrangements?

Ms HOFFMAN: Not given the current guidelines that involve excluding people at university. There is still some debate about the guidelines that involve supporting students at TAFE. It certainly has been made quite clear that the guidelines will exclude those who are enrolled in university.

The Hon. JOHN RYAN: Do you have current or new students who are likely to be or who are participating in education and will have to stop?

Ms HOFFMAN: We have some under the Post School Options [PSO] program who have been excluded from the reform. When the PSO program was under reform they would have been evicted.

The Hon. JOHN RYAN: What about under ATLAS?

Ms HOFFMAN: We have two under ATLAS who will now have to adjust.

The Hon. JOHN RYAN: So if this change does not occur two young people who are going to university will not be able to continue?

Ms HOFFMAN: Yes.

The Hon. JOHN RYAN: That will be sad. Many people have made submissions to us that indicate that the links between the transition-to-work and Commonwealth programs are not well defined. There are no specific outcomes for the transition-to-work program that match what the Commonwealth has. There is a worry that people who will be going through the transition-to-work program will not meet what the Commonwealth wants. There is another issue about the transition-to-work program. Some people say that having only two years for many clients is just too inflexible an arrangement. Some people are ripe for making the transition to work. The might stay that way for a while, but then they might get ill, bored or something of that nature and they could drop out of the program for a period and then re-enter it. Do you believe that having just a straight screening of one group in the transition-to-work program and one in community participation—one two-year shot at it—is the right model, or is some adjustment of that arrangement required?

Ms HOFFMAN: There needs to be some flexibility around that. We have a number of people who in two years will achieve an outcome, but from past experience we know that for some two years will not be enough. My understanding is there will be some flexibility, being able to move into community participation and then being able to transition from community participation back to work. I would hate to see that not becoming part of the guidelines. My understanding is that it is being considered. It is a very valid way of ensuring that people achieve an outcome.

The Hon. JOHN RYAN: This morning the director-general of the Department of Ageing, Disability and Home Care [DADHC] gave evidence and said:

> The department needs to clearly specify the components of the program—

he was referring to community participation—

> to model the costs of delivering the program to clients who have a range of needs, and then go to tender.

It struck me as a phenomenal admission that none of that had been done to date. It does not appear to me to be rocket science. The largest component that is being funded is staff. That would be determined on how many staff you had to so many clients. It appears to be a matter of simple arithmetic to work out what would be a reasonable price for the services that are required. Could the Spastic Centre provide this Committee with some information that would assist us in determining how it arrived at that costing of $29,000 per person? Could it give the Committee some justification for the staffing levels that it is using and explain why they would be important? Clearly, $29,000 is not even vaguely close to the proposal.

Mr WHITE: Our client group, which has high support needs, can often require one on one care. Sometimes it could take an hour to assist someone to eat his or her lunch. Obviously, it requires transport and it requires a lot of care around toileting and things like that. Sometimes we require two staff members to assist a person. So, yes, it is a very high cost support service. We can easily do that because we have been in the industry for a few years providing those services.

The Hon. JOHN RYAN: We know that the total cost of high support needs is estimated to be $1.4 million. It is estimated that that will be spread over 400 clients which, as a result of a survey, is estimated to be roughly one-third. It is thought that about one-third of clients would need it. If you are looking at one-third of your clients who would qualify are you concerned that the qualification for a high support supplement would be either too high or too low? Do you think it would be about right that one-third of your clients would require that supplementation? Is $3,500 enough to provide it?

Ms HOFFMAN: We put forward applications for very high support needs. For the eight people who are going to be in the program we put forward applications for seven of those eight. There was one client who we would not regard under the guidelines as requiring very high support needs. So it is not one-third; it is more like 99 per cent of our clients who are in the community participation program who would be eligible for high support needs in relation to staffing and their basic personal care needs.

The Hon. JOHN RYAN: How does $17,000 sound as a kick-off to fund that program?

Mr WHITE: That would give them about 2½ days with our program.

The Hon. JOHN RYAN: What about the transition-to-work program?

Ms HOFFMAN: No high support needs are eligible for transition to work.

The Hon. HENRY TSANG: I thank the Spastic Centre for providing a wheelchair for Fiona Given, an earlier witness, to enable her to go to school. I also thank the centre for motivating the community to work with it to raise funds. I work closely and enjoy working with your organisation. Earlier you referred to an increase in costs. The grant was for $6,000 and you referred to a figure of $20,000 or $30,000. What caused that increase in costs? What increase has there been in your charges?

Mr WHITE: We offer a user pays system to those people who would like to have extra days. Historically, going back to when the Commonwealth transferred funds to the State for those people who are in our workshop and who go to the day programs, those clients who moved to the day programs got a higher amount. Back then it would have been around $20,000. With indexation that figure has increased to about $29,000. So, primarily, it is made up of tender care, support and transport costs for the client. Does that answer your question?

The Hon. HENRY TSANG: No. An earlier witness said that while funding had been cut by 20 per cent or 30 per cent, some families were being charged a lot more.

Mr WHITE: We do not charge families at all unless they want extra time. If a family gets $16,500 we would provide them with about 2.5 days service. If they wanted—as some do—extra respite or whatever, they could get other forms of funding. In some cases they top up their days by paying for those days. We do not have a large number of people. Overall probably 10 days are bought by our organisation. It is not a huge amount in the scheme of things.

Ms HOFFMAN: So people who are in the system at the moment and who are being funded are not asked to be paying fees unless they want above and beyond what the Government funding can purchase.

The Hon. HENRY TSANG: Government funding has been cut. Some families are being forced to pay themselves. When they have had to pay themselves there has been an increase in charges.

Mr WHITE: In this case, if the seven people do not get the increased funding, our organisation, like the Wesley Mission, will fund those people's extra time out of our discretionary fund-raising. We have to fund-raise about 20 per cent of our all income. As an organisation we have to fund-raise $10 million a year. Obviously, we cannot continue to do that. We can do that only for those who are already in our programs. For new clients coming into our programs we could not offer that.

The Hon. HENRY TSANG: It has had an impact on families. We know how hard it is on families. You said that you hoped families would be able to change from the transition-to-work program to community participation and then back to the transition-to-work program. What is the difference in the activities that are provided? What is the difference between the community participation program and the transition-to-work program?

Ms HOFFMAN: The transition-to-work program has a vocational drive. In that program we have young people who are keen and motivated enough to find a job. So all the activities—it is mostly one on one with those young people—are around supporting them to gain skills about being attractive to an employer. So we are giving them pre-vocational skills and training. The community participation program is very much about the fact that some young people have aspirations to be in employment but because of their high support needs or a number of other disabilities that they may have they will never be able to be supported into employment.

So those activities in community participation are around being valued in the community and participating in the community. That could range from being valued and doing lifelong learning—that means going to TAFE, exercising the brain and learning some skills—to participating in and going on outings. These are the things that you and I would be doing that make us feel valued in the community. These are the things that we do every day that we take for granted and that make our life valuable, other than going to work, which is what community participation is about.

The Hon. HENRY TSANG: Is it possible to have individualised programs within the community participation program?

Ms HOFFMAN: If you cost it well. You can offer an individualised program if you can cost it well. Often it is not costed enough; in other words, it is not able to supply that one on one support.

The Hon. HENRY TSANG: Ms McCarthy, is your answer similar?

Ms McCARTHY: Very similar. In our transition-to-work program we are running an accredited employability certificate for people in that program and that is run over a two-year period. One of the concerns we have is that people learn at different rates and, therefore, somebody may be able to achieve an outcome to employment in less than two years but others may be just starting to get to that point at 1½ to 2 years and may need an additional year of transition to work without having to go back to community participation, apply and then come back into transition to work. That, in itself, would cause major delays and could cause some remission in learning for somebody if they had to jump to and fro.

With community participation, we have quite a high level of people with quite high physical support, and medical and behavioural support needs. A lot of those programs are aimed around that individual support and we are very concerned about the ability to sustain that long term, particularly with clients who have behavioural support needs and their social skills are such that they need one-on-one support in the community to be able to get value out of that interaction.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you see your submissions as being very similar to those of client advocacy groups?

Ms McCARTHY: I have not read all the other submissions that have been lodged so I cannot categorically say yes or no to that. Some of our client groups have said that they are concerned about the move to block funding as opposed to individual funding. It would be a difference for some, and the ability to transfer between services, but I think generally that the focus for service providers, service users and advocacy groups would be very much about meeting the individual needs of clients and being flexible in meeting that need, based on the varying levels of support that people with disability have.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Are you confident that you are meeting the individual needs of clients flexibly?

Ms McCARTHY: I am confident that is what we are trying our very best to do within the resources that we have.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Would the Spastic Centre say the same?

Mr WHITE: Yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Why would you then be threatened by an individual client model, where they could either say: Yes, we are getting a good deal so we will stay with your service mix" or "We will go and take our money somewhere else."

Mr WHITE: We are not really threatened by that. You can have a case for either and there are good points about either block or individual. If you have got scale and you are funded correctly, then your fixed costs are covered. You would understand that there are certain fixed costs to running a program and when you look at other States' funding where it is individualised funding, it tends to be a higher amount of funding so it is built in there in some way. If you are starting a program with two people and you do not have much fixed cost built in there—overhead costs and whatever—and if an organisation or program is of a significant scale, then I do not think they are threatened by it, and we certainly are not.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So are you in favour of block funding?

Mr WHITE: At the moment we do not really mind either way, individual or block. That would be correct, would it not?

Ms HOFFMAN: As long as it is funded correctly.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: What do you mean by "correctly"? Do you mean adequately?

Mr WHITE: High enough.

Ms HOFFMAN: Adequately to cover costs.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Did you support the ACROD submission, which seems to be to move towards block funding as security for providers?

Mr WHITE: ACROD has 300 members, of which we are one and an extremely active one, and we certainly support ACROD, but they have to represent a lot of very small organisations, especially organisations in rural New South Wales. If that is what they said, I respect that submission.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you think that if an organisation cannot keep a critical number of clients it should survive?

The Hon. CHRISTINE ROBERTSON: It would shut the town down.

Mr WHITE: I think we all believe that organisations should be well run and run as a business. I understand what you are saying, but you do need certain scale in order to have that and there must be other ways to assess whether organisations are running well and whatever. The fact is that you will not get new organisations or new programs starting up unless there is enough funding around the infrastructure costs to run any organisation or business.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: A dynamic individual could offer personal services to people who might buy them and an organisation is then abandoned by individuals who say, "I can get a personalised service from one or more individuals, and that is better for me."

Mr WHITE: We totally support that and if you can send me that name and that person, we would use them, but I agree with what you are saying.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I am talking about a market from the client's point of view. I am not saying that such exists.

Mr WHITE: There are some.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But personal care in a number of cases.

Mr WHITE: I agree with what you are saying there.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So in a sense you agree that a market for individual service is a reasonable discipline?

Mr WHITE: Yes.

The Hon. JON JENKINS: I am trying to get an estimate of staff to client ratio. From the figure you have quoted, you are running at about two to three to one?

Mr WHITE: When we started the programs off we were running them, and optimally how we would like to run them is one to two. An optimal program would be one to one because then you could be totally individual and flexible but when you have one staff to two clients, when you go out somewhere, you have to take two people rather than one. Therefore, if you want to have a cup of coffee on your own, that is hard. Obviously, if you program your program properly you can do that, so one to two is the staffing.

The Hon. JON JENKINS: Obviously, it will vary for different types of clients but for your clients is about one to two?

Ms HOFFMAN: Yes.

The Hon. JON JENKINS: I was trying to work out the costs. From what you know of your clients and their carers, can you estimate what percentage would resort to either withdrawing altogether from full-time employment or resort to full-time care? I am trying to get a feel for how much this will cost if these cuts go ahead, and they appear to be fairly certain. What other follow-on costs will the Government wear? Can you give me a rough estimate of what you think might happen?

Ms McCARTHY: In our interviews with our parents when we spoke to them about the reforms and the changes, I would estimate that about 80 per cent of our families said that they would need to start looking for permanent accommodation.

The Hon. JON JENKINS: Eighty per cent?

Ms McCARTHY: About 80 per cent of our families; of the people affected. We met with 25 families at that particular time and 80 per cent of them would have been saying, "We will need to seek permanent accommodation" and they asked us very clearly what were the processes in place within the State to find permanent accommodation placement for their adult son or daughter. We have a number of families who are ageing. We have grandparents who are the sole carers for their grandchild, single mums, single dads.

The Hon. JON JENKINS: As we have already heard, for the majority of these families the parents are actually divorced?

Ms McCARTHY: That is right. And for the majority of those families, without five days of support, they just cannot sustain their family at home. Parents are saying, "If I cannot pay my mortgage, we are homeless and if we are homeless I have no choice but to leave my child at respite and not pick them up" or "I have no choice but to try and seek an accommodation placement". But accommodation placements are scarce. You have to be virtually homeless or at an immediate risk of homelessness or at risk of abuse to get an accommodation placement. Our families are really quite desperate, which is why the mission has said that we will continue to fund that gap until the end of this financial year while we try to work through some of these issues with the department.

The Hon. JON JENKINS: So it is going to become critical?

Ms McCARTHY: It is going to become very critical, I believe.

Mr WHITE: As you would be aware, these families do it really tough anyway—really, really tough—and we have had families where the wife has said she will have to stop work and she is a single mother. You just cannot underestimate the impact and hence this is one more blow.

The Hon. JON JENKINS: I noticed you said that you were funding 4,000 people. Is that Australia-wide?

Mr WHITE: Just in the State. We see about 3,500 clients each year around State and the Australian Capital Territory.

The Hon. JON JENKINS: What are the total numbers because some of the submissions we had indicated—

Ms HOFFMAN: That is children and adults.

Mr WHITE: Sorry, that is across the State. I was just trying to give a snapshot of the organisation. Within the day program we see about 180; we would support about 180 within the adult day program. Our primary client group is kids under the age of 18 and we see about 2,000 to 2,500 of them.

The Hon. JON JENKINS: The numbers had me worried because I thought there was this huge underfunded group out there.

Mr WHITE: No, I just trying give you a snapshot.

The Hon. CHRISTINE ROBERTSON: I wish to follow up on your comment about speaking to parents when the changes were coming in. When you discussed issues with the parents, did you include—and I do not know if you have done this—an increase in the hourly rate that was going to be implemented at the same time?

Ms McCARTHY: An increase in the hourly rate of what?

The Hon. CHRISTINE ROBERTSON: We have seen the quite a few people's hours or days were cut back because, coincidentally, with losing the 20 per cent or whatever from the Government funding, the institutions that offer the assistance also increased their hourly rate and that meant that the numbers of hours that got knocked off were higher?

Ms McCARTHY: We said to families at the initial stages that we anticipated that we would need to reduce to two days a week of service delivery or approximately 12 hours a week of service delivery. We are actually still continuing to provide three days or 18 hours but we are subsidising that at this moment in time.

The Hon. CHRISTINE ROBERTSON: I acknowledge that you are giving charitable assistance but did you discuss with the parents also that your hourly rates would go up?

Ms McCARTHY: We talked about the overall cost but we did not get into actual specifics of the amount per hour.

The Hon. CHRISTINE ROBERTSON: If it was the Government or your organisation. Okay, thank you.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: We have heard that a nine-question questionnaire goes to Wollongong to determine what program they are in, whether they get into the transition to work program or at the community participation program. Do you have any comments about that process and the appeals thereof?

Ms HOFFMAN: The assessment process obviously needs some refinement. With all assessment processes, you have to start somewhere to give you an idea of planning. We have felt that some of our young students have been inappropriately assessed either for TTW or CP. So far the appeals process of being able to get that changed or discussed has been reasonable, although it could have been done better in terms of the timing. There was actually not a lot of time frame in getting back to people, but I think all assessment processes undergo a bit of an evolution and certainly there is more to be done with the assessment process, particularly the way it goes to the university.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Currently, it is up to the department at the end of the day. They get the recommendation and the department decides. Is that the bottom line?

Ms HOFFMAN: The department notifies us of the assessment, yes.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So it is paternalistic in that sense, it is not open?

Ms HOFFMAN: I am not sure what you mean by paternalistic.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Well, the department says you can have the money or you cannot.

Ms HOFFMAN: They approve or not, yes, I agree. They are in that position to approve or not.

The Hon. CHRISTINE ROBERTSON: How did you know about the review of the assessment process because many who have come here have told us that there was not one? How did the Spastic Centre know there was a review process?

Ms HOFFMAN: I keep in contact with ACROD and it was actually said, prior to the announcement, the fact that they were reviewing it. So there were some working parties prior to the announcement.

The Hon. CHRISTINE ROBERTSON: No, not the major review, the ability to put in a complaint to review a decision.

Ms HOFFMAN: DADHC always has an appeals process for whatever they have.

The Hon. JOHN RYAN: In the Uniting Care submission there is a reference to "DADHC failed to include one of our largest service providers in the information booklet for families so that a number of their service outlets received no inquiries from prospective clients. As a result, one of the service outlets has been closed." How large was that service provided and what was it? How large was that service provider, and what was it?

Ms McCARTHY: That was Wesley Mission.

The Hon. JOHN RYAN: How many clients did it have?

Ms McCARTHY: We provide in our day programs to approximately 70 people with a disability, across eight locations in Sydney. We submitted our information, and it was supposed to have been put in the booklet for all regions, and it was put in the booklet for one region only. When we raised concern about that, it was amended, but in fact our families received that booklet before we did. It was those families who advised us.

The Hon. JOHN RYAN: So much for stability of service!

Ms McCARTHY: We would normally have a reasonable intake of clients at the beginning of each calendar year, and that has been reduced by nearly 70 per cent of what it normally is.

The Hon. JOHN RYAN: What happened with your staff?

Ms McCARTHY: We have had to transfer them across to other parts of our organisation. We could have offered redundancies, but we did not need to because we had some vacancies. There is a fairly high turnover in this industry. We could not keep one of the services open; it was totally unviable. We managed to transfer some of those clients to some of our other service locations.

The Hon. JOHN RYAN: Is that the whole 70, or one of the regional centres?

Ms McCARTHY: Some of our 70 people are PSO funded, some our day program funded, and some are ATLAS funded. It is a mixed group. But, because there were so many ATLAS funded people within one of the services which had funding reduced, and there were no new intakes, the impact was incredibly severe, to the point that we could not viability operate that service, not even by reducing it to a three-day a week operation.

The Hon. JOHN RYAN: Where was that service?

Ms McCARTHY: At Belfield.

The Hon. JOHN RYAN: Belfield Wesley?

Ms McCARTHY: Yes.

CHAIR: I think it is time to call a halt. I thank Mr White, Ms Hoffman and Ms McCarthy for coming. If there is any additional information that you would like the Committee to be made aware of, could you please provide it to us over the coming weeks. I thank you for the contributions that you have made and for your submissions.

(The witnesses withdrew)

SUZANNE MARGARET BECKER, General Manager, Windgap Foundation Limited, Rosebery, and

MAREE ANN MULLINS, Chief Executive Officer, The Junction Works Inc., Austral, sworn and examined:

CHAIR: Ms Mullins, in what capacity are you appearing before the Committee, as an individual or as a representative of an organisation?

Ms MULLINS: As a representative of my organisation.

CHAIR: Are you conversant with the terms of reference for this inquiry?

Ms MULLINS: I am.

CHAIR: Ms Becker, in what capacity are you appearing before the Committee?

Ms BECKER: As a representative of my organisation.

CHAIR: Are you conversant with the terms of reference for the inquiry?

Ms BECKER: I am.

CHAIR: If either of you should consider at any stage that the evidence you wish to give or documents you wish to present should be heard or seen only by the Committee, please advise the Committee of that fact and the Committee will consider your request. Do either or both of you wish to make a short opening statement?

Ms MULLINS: I do. I would like to thank General Purpose Standing Committee No. 2 for the opportunity to give evidence today. The Junction Works has been providing disability services to the community since 1987 and commenced our first post-school options program in 1995. The new ATLAS framework has left this sector in a state of turmoil. We believe the framework has been poorly implemented and managed with little consultation with relevant stakeholders.

For 12 months prior to the announcement of reform of the ATLAS program I participated in the DADAHC working party for high support needs people. This was later termed community participation. Whilst the members of that group were active in assisting the department develop a framework, we were unaware of the financial implications this would have in the long term. Many times we asked would this affect funding arrangements and we were informed no. It is disappointing to be used as a form of community consultation when the consultation lacked transparency and honesty.

For many years service providers had informed DADAHC representatives that the funding levels were insufficient and needed restructuring. The sector's concerns have never been addressed. For many people who work in this sector, is it not just a job; it is a life-long commitment to people who have a disability. They do not get paid anywhere in the vicinity of government staff salaries. When we conduct staff appraisals we ask, "What do you like best about your job?" and they always respond with statements like, "Seeing our clients achieve their goals".

The department's rhetoric about only 3 per cent of clients obtaining work has indeed been detrimental to the project. Service providers have always stated that if the Commonwealth opened up employment places then access to employment would increase. The inference that service providers do not wish to assist their clients obtain employment is erroneous and destructive. The ATLAS program is a cost effective program for this Government and I am disheartened that it cannot see this. If families could not go to work and participate fully in their own lives, the long-term impact would be their children requiring accommodation and further intervention from the department and a service system that is already poorly under-resourced.

If we as Australians pride ourselves on helping a mate, helping the vulnerable and the disadvantaged and lending a hand to our fellow citizens, than I implore this Committee to make recommendations that will allow us all to stand on an equal footing and not increase the emotional and financial burden on families, carers and people with a disability. This Government has a social responsibility and I hope that it will recognise the value of persons with a disability and the contribution they make to our community.

CHAIR: Ms Becker, did you wish to make a short opening statement?

Ms BECKER: Yes, please. Windgap welcomes this opportunity to make a submission to the General Purpose Standing Committee No. 2 inquiry into changes to post-school programs for young adults with a disability. Windgap is a not-for-profit organisation based in the eastern suburbs and South Sydney area, and it has been in operation for more than 50 years. We run day programs, employment services, accommodation services and early intervention services. Windgap supports about 58 people in day programs, and approximately half this number have been participating in the ATLAS/PSO programs or current school leavers. Windgap is committed to meeting the shortfalls that have flown from the reform processes. I must point that out from the outset. We have not cut service hours, and we are trying to maintain service delivery. But that is not the long-term solution.

Over the past two days many people have recounted how last year's announcement of the changes to ATLAS programs by the then Minister, the Hon. Carmel Tebbutt, caused great disquiet in the community, particularly among people with a disability, their families, carers, advocates and service providers. People associated with Windgap have reported similar anxieties and distress. It was heartening that today the director-general actually admitted that the department recognises that the reform process has caused a great deal of anxiety within the community, especially in this sector.

In 2004 DADAHC described the changes as a sound policy reform initiative. The manner in which the whole reform and funding cut process has been managed has left much to be desired in terms of being viewed as sound. The reform process has been an extremely poor example of social policy change implementation. There has been a lack of transparency and consultation in the reform process, and this has not augured well for future relationships between service providers and DADAHC. Reform processes have to be explained if you want people to embrace the process. DADAHC rammed the reform process through, coupled with harsh funding cuts. Service providers were then told we had to cut the cloth to make it fit. This is socially unjust and totally inequitable. This is an example of social policy implementation that has hit some of the most vulnerable people in our community, as Maree has just pointed out.

On its CommunityBuilders web site the State Government refers to its broad social justice role as evidenced in the New South Wales Social Justice Directions Statement Supporting People and Strengthening Communities, released in February 2000. It states that the Government's key objective is "to work in partnership with the community to build a fairer and more inclusive society." This has not been demonstrated by the ATLAS reform process. The two new replacement programs announced by Minister Tebbutt in themselves could have represented a great opportunity for the Government to work with communities to ensure some reforms could take place. Windgap is not of the view that the ATLAS and PSO programs did not require some form of change. The reform agenda has been ill-prepared, with inadequate policy changes and outrageous funding cuts, which were hidden behind a cloak of so-called reform.

It has been very obvious since July 2004 that people were implementing policy on the run. While some of the changes have been well received by stakeholders, and have been in answer to calls for reconsideration, there is no excuse for poorly executed reform strategies. It would appear from subsequent events that the biggest driver for reform was the demand from Treasury to contain expenditure on day programs, regardless of the impact such a move would have on service provision in the future, especially in terms of provision of services that could improve outcomes for people with a disability in many aspects of their lives.

An opportunity for the State Government to work optimistically and enthusiastically with all the stakeholders to implement what could have been welcome initiatives to achieve positive outcomes for young people has become lost in the negative reaction engendered by DADAHC's poor handling of the reform agenda, leaving many people feeling disempowered and devalued. The whole process has been an example of how poorly executed reforms can affect the everyday lives of disadvantaged and vulnerable people in our community, as well as having an impact on the wider community.

Windgap hopes that flowing from this inquiry there will also be an improvement in access to day programs for other people with disability who require appropriate levels of support to be included as valued citizens and who can contribute meaningfully in a variety of ways as members of our community, and further hopes that we just do not focus on school leavers and young people. The ATLAS program, and previously the PSO program, had been in a state of disarray for many years. Few would dispute this. Much of the disarray arose from the absurd lack of co-ordination between schools and DADAHC and other State government departments to ensure that young school leavers had a smooth transition from school to adult services.

While we are critical of DADAHC's approach to structural reform, we think it is also important to address the serious flaws and failures that have been engendered in the funding arrangements flowing from the Commonwealth-States-Territories agreements that set out in disability funding for New South Wales. The complexity of the relationships between the Commonwealth and State governments, as well as between State government departments such as DADAHC, Education and Training, and Health has inhibited a fluid and seamless transition between lifelong learning and employment.

There have been many reviews conducted of the day programs since 1997. Those have been listed over the past two days. Given that information from some of those reviews and studies has never been released, and the outcomes of the pilots not concluded, one is left wondering what drove the imperative to implement reforms before there was a sound sector agreement on the types of reforms necessary and the funding levels necessary to implement and maintain quality services for people with disabilities.

We have spoken about the need for individually focused programs, and individual funding versus block funding. But, as well as individual funding, we need to talk about individual planning, so that the programs developed for young people are based on their own individual needs, and do not become a whole approach by a particular service. We need to talk about the staff and occupational health and safety issues and duty of care breaches that would have flown from funding cuts. A whole swag of problems arose from these reforms. We have focused on assessments, reviews, and block funding versus individual funding, but we are not addressing a whole lot of other issues that have resulted from this hurried reform agenda.

There is no argument that families and service providers working together can come up with some innovative activities that will meet the individual needs of a person. This, however, should not be the main plank of a planned process to meet deficiencies in appropriate funding levels. DADAHC has not addressed the issues of the CSTDA structural reforms about fiscal transfers to support programs. The reform process appears to have been an attempt to put pressure on the Commonwealth to provide more places. Surely it would have been much better to sort out government funding responsibilities prior to hurting families. It is just another cost shifting exercise whereby DADAHC has made demands on families and people with disabilities without appropriate funding to back up the demands.

When governments are of the view that things like key performance indicators, the guidelines that are being developed at the moment, they all should form part of the best practice for ensuring that people with disabilities receive good programs. There is no argument about that. What we do argue with is the fact that funding cuts were tacked on to the end of the reforms. The whole process of the reform agenda was not carefully thought out before being announced. The sector was caught by surprise. People with disabilities themselves and their families were caught by surprise, and the whole thing has just turned into one giant mess. Before a government releases a planned reform, surely all aspects of that reform need to be firmed up so that it can be sold to the people who need to embrace the changes.

CHAIR: Ms Becker, you said at the beginning that Windgap had made up the gap between the funding and the cost of the service. Can you indicate how you have been able to do that?

Ms BECKER: The only way we can do that, and it is on a temporary basis, is to not proceed with other items of expenditure that we would have normally done, things like repairs and maintenance on the accommodation services and the day program premises. We run business services. We have had to cut back on implementing some aged care programs that we were offering to people both in business services and in the day programs that are currently underfunded.

The Hon. TONY CATANZARITI: Ms Becker, have there been any increases in your costs? If so, what were they?

Ms BECKER: We have not had increases in costs; we have had a reduction in funding. Support hours have not changed. We still pay staff the same amount of money. We are covered by an award. What we have had to do is underwrite the reduction in funding that has occurred as a result of the lowering of funding. For example, we have people in our community access programs who are older people attending day program services who are currently funded by the State Government up to about $22,500. We have people funded in Post School Options programs who are funded up to $19,000. These people's needs are no different to the people who are currently in the Transition to Work or the Community Participation programs and again it is when they were born. So we are not increasing costs; we are trying to manage with less money.

The Hon. TONY CATANZARITI: In terms of program content and activities provided, what is the difference between your Community Participation and Transition to Work programs?

Ms BECKER: In Community Participation we focus on service users, as we call them, or young people with disabilities acquiring skills and competencies to enable them to participate in our community. In Transition to Work we focus on people requiring skills to enable them to go to work. But that is not necessarily feasibly done in the two years that have been set by the Government. Some people might take five years to learn how to go to work. There also needs to be a fluid or seamless transition between the Community Participation and the Transition to Work people. We have people currently employed for maybe three days a week who also need a lot of input in terms of acquiring skills that currently under the new guidelines would be acquired in the Community Participation Program. I am sure Marie has similar—you would have people where there needs to be a fluid movement between the two.

Ms MULLINS: The Transition to Work Program for us is we run a pathways program that assists people to develop skills, particularly employment skills, and throughout that process we will try to access people into work experience and then the ultimate goal after that two years is to get a person into work. Historically we are a Liverpool service. We have the highest unemployment rate in the State So we are flat out getting people who do not have a disability into employment. We also cover Campbelltown and Fairfield so access to employment is very difficult. We are fighting a bit of an uphill battle. But there are some organisations that will take clients with a disability into their workplace, but we have to provide certificates of currency. We have to provide occupational health and safety training to their staff before they allow a person with a disability in.

It is not just "let's put a person into a job." There are a whole lot of things you have to think about before you can place a person with a disability into employment. Like Sue said, it is not like a two-year quick fix. Say, for instance, they are in for a year and they are doing the program and their parents decide to go overseas or they have a break in the middle, you have to start from the beginning again and go through the same process. So two years is not a feasible time frame to get a person into employment. If the Commonwealth comes to the party and opens up more funding places, maybe you will see that 3 per cent increase, but maybe you will not. I have heard lots of people talk about individualised funding. It is up to the individual whether they will get a job because we work with young people as well who do not have a disability and some of those people do not get employment either.

The Hon. TONY CATANZARITI: How do you support the people themselves trying to get jobs? Who makes the approaches to—

Ms MULLINS: We make particular approaches because we are not a business service. So we would make approaches to local businesses because that is where we have had our greatest success. So instead of going through a business service that possibly would have a huge waiting list, we will actually search out employers like local clubs for instance that have been exceptionally fantastic. We will search out that club and they might do a bar course. Then they will ultimately give them a job for a few hours a day and over a couple of days. So they are being part of the community. They have done their training. They have done the training in the club so our staff will support that client to do that training, and they will do on-the-job training as well. Some of those people are PSO people, some of those people with $15,500 so you have a little more flexibility but if you reduce it to $13,500 we will not have the staff to be able to go out and support our Community Participation clients to try to get into the Transition to Work Program because we do not have the funding or the staff to do that.

The Hon. JON JENKINS: I have asked this question of most people who have come here and I have got the same answer but I will ask it again. There has been a discussion about block versus case-based funding or individual funding. Just from what you have said today I can see a logical case for individual funding where they come to your organisation, they do the basic training, basic transition to work practices and then they can take some of that funding perhaps to an employer to help the employer create the facilities and do the training and the other things necessary to give them one day a week's work. Do you see this as a possibility, or can you see problems with this approach?

Ms MULLINS: I heard also the Committee talk about our staff costs which are quite substantial. They do not get paid well; their average wage is about $30,000. So I do not think they are getting overtly paid. So that is like two people's funding. That is what it equates to. You then have to make sure that your site is viable. So if you have this many clients in there, it might be viable to hold up all the other infrastructure. But if you have only a small amount then I feel sorry for the people in country areas because they do not have, like we have in the metropolitan areas, large groups of people with disabilities. They would probably scramble to get a client into their service. So I do not have a preference either way about block funding because I do not think it is that big an issue. There was discussion from the department a couple of years ago about giving services a bit like block funding. It would make you viable yet you would give clients still their individualised funding amounts so they could have that flexibility to move. I worry with block funding about whether we will get that flexibility because it is case-base managed as well. I have a few concerns, and you do not know what it is going to be like until you trial it.

The Hon. JON JENKINS: You are almost arguing for a mix.

Ms MULLINS: I argue for a mix but for my organisation, we have 120 clients, ATLAS-POS clients. We are not a small service but I would imagine the small services—

The Hon. JON JENKINS: Small regional services.

Ms MULLINS: —that would make you worry a little bit. Like Gemma from Wesley said, we also did not get caught in the service provider manual, so we are in the process of closing down one of our sites as well for the same sort of reasons. Plus on top of that for the Junction, we have the devolution of Mannix in Whitehall so we are actually losing about 30 of our clients. There are lots of things that interplay with you as a provider.

The Hon. JON JENKINS: That is unfortunate. I have one more question, which I asked of previous witnesses. In your dealings with your clients—and obviously you have discussed the changes with them—do you have a feeling as to what percentage of those clients are now saying, "if this happens"? Obviously you cannot keep sustaining this level of subsidy to a certain extent of the clients; at some point in time you will have to say, "Sorry but that's it". Do either or both of you—

Ms MULLINS: I have to agree with Wesley. About 80 per cent of our clients will be affected by the changes. I think you had one of our parents here yesterday saying that she will have to take out a loan. That extremely upsets and disturbs me as a provider because I do not want her to take out a loan but we cannot keep providing the five days to her at the present stage.

The Hon. JON JENKINS: So you would say again about 80 per cent, somewhere approaching 80 per cent?

Ms MULLINS: Absolutely. We have grandparents who are 80 years old looking after their grandchildren. What will happen to them? They are already talking about what type of accommodation is available. We run a case management program and there is no accommodation available.

The Hon. JON JENKINS: So potentially these children could be made wards.

Ms MULLINS: No. Potentially what worries me is that we will see an intake in the prison system. That is what worries me because our clients will have nothing to do. They will be out roaming the streets. They will get picked up by the police. The police will put them in gaol.

The Hon. JON JENKINS: They are not geared to handle this sort of thing.

Ms MULLINS: No, absolutely not. That is the big picture. It is not just about cutting the ATLAS program. The big picture is that as a government things will start to fall and it is not just about disability services. It will be corrective services or juvenile justice services or DOCS because families will be under stress.

Ms BECKER: Or the health services as well because we know that families are already trying to seek help. We have had parents who require a lot of counselling support because they cannot cope with the fear. We have had a family who have placed their son in a DADAHC group home and he is now blocking a respite bed.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I have heard it said that DADAHC is as dysfunctional as DOCS was at its worst period. Would you comment on that?

Ms MULLINS: Shall I get funded next year?

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Or would you prefer not to comment? If so, why it not?

Ms MULLINS: I think the way DADAHC is operating at present, they are fighting problems that they have never fixed, and that they need to—I am trying to be diplomatic. It is like I heard other people say, they implemented this process without any consultation. They ring you up over the phone and ask you questions when you do not have your submission in front of you. They change the goalposts all the time. As service providers you are on the run all the time. I wonder whether they know what they are doing because sometimes truly they have got me really confused. They need to get their act together. I think they have made some progress in trying to do that but I think for a couple of years they were a bit out of control.

Ms BECKER: One thing that has shown very clearly in this is the fact that somewhere along the line senior DADAHC people at the time—and we have to acknowledge that the senior people now are not the senior people who were there in July last year; it is important to acknowledge that—the whole reform agenda was turned upside down. Decisions were being made without being thought out and there was obviously no consultation with the sector. No-one would have any knowledge of funding cuts to be called to a public meeting, apart from if you had good links from when the Minister had met with certain groups the day before. I mean, that is outrageous.

Ms MULLINS: I think the department obviously knew what was going to happen because when we were sitting on a working party, one of those senior people said to me, "What do you think the sector is going to do about the reform?" I thought she meant about the changes from transition to work and community participation, and I thought, my goodness, it was a good idea to have two streams, and I thought it was great; but really I think what she was getting at was the funding levels. But we did not know about the funding levels so I said, "Oh, that will be cool. That will be fine. Everyone will be really happy." But I did not have any idea that the funding levels were going to change. I felt, being on that working party, that I misled other service providers. I mean, we could not disclose a lot but when they asked me questions, I thought, "Oh well, it is just a program change, so we will be all okay", so I felt a bit used throughout that process.

Ms BECKER: Another thing following on from that has been that you asked about the Department of Ageing, Disability and Home Care [DADAHC]. I do not remember your exact words and whether it was that DADAHC was in a mess or whatever, but the advice given across New South Wales in terms of implementing reforms was just so inconsistent from our region in the south east region to Maree's region in the west. People were being told completely different things, even down to how the budgets were filled in for the support hours. A lot of the reason why those support hours and others were all over the place was that DADAHC officers were actually giving service providers incorrect information on how to complete the forms. It was not about service providers trying to rip off government. It was about a lack of clear guidelines on how to complete the forms. Would you agree with that?

Ms MULLINS: Absolutely. There were differences—distinctly different things happening in different areas. You would get rung up and said, "He put here that you will only provide 12 hours. Do you think you could go to 18 hours?" "Well, I don't know. I will have to go back and re-look at the budget." So I do not think that should have happened. I think that we all put in submissions for the one thing and they should have evaluated those submissions and then come back. I think it was done all back to front. They need to do that properly.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So do you think that the Australian Council for Rehabilitation of the Disabled New South Wales [ACROD] adequately represented you?

Ms MULLINS: There are many people who are service providers who are not members of ACROD. We have an Adult Training, Learning and Support [ATLAS] Program State forum and I suppose there are differences of opinions, I guess, as Patrick Maher said—you know, he represented the majority of the members and I would have liked to have been a bit more active.

The Hon. CHRISTINE ROBERTSON: Has the communication improved since the new breed has gone into the department?

The Hon. JOHN RYAN: What new breed?

The Hon. CHRISTINE ROBERTSON: There is a new executive in the department.

Ms BECKER: No—or yes, and no. We have just signed funding agreements and I am sure that Maree has, as well. We have to sign off and say, yes, we need the funding because we have not had funding come in for the new school leavers, and we have just executed those funding agreements I think in the last two weeks. We actually had to sign that we agreed for key performance indicators—I cannot remember the guidelines but it was key performance indicators or something—"yet to be developed", so we were being expected to sign off on a funding agreement for unspecified items. That is a serious flaw in policy implementation and an expectation on the part of a government department for service providers to deliver. That is like going and signing a bit of a blank cheque or signing some kind of guarantor for your children, or whatever.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is that agreement confidential?

Ms BECKER: No, I do not believe so.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Can we have a copy of it?

CHAIR: Perhaps we should ask the department.

Ms BECKER: You should ask DADAHC I think for that.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Okay.

Ms BECKER: It is clearly stated, even in an unsigned funding agreement.

Ms MULLINS: We would hope that with the new people who are there that they would work with all stakeholders, not just with a core. What disturbs me is that you get a little group of people that does not represent everyone, and those very core people are people with a disability and their families. Like, I reckon we come after that because that is who you are providing a service to. I do not believe they consult very well with the community. I do not believe they consult very well with people from a non English-speaking background. I think that is exceptionally poor, and we have 90 per cent of our clients who are from a non-English-speaking background, so they do not communicate in a way—

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: When you say "may", are you talking about ACROD or the department?

Ms MULLINS: DADAHC. I do not think that DADAHC engages people from a non English-speaking background well. When they send out the preference forms, we had all of our clients say, "Are you closing down now? Do we have to go to someone else?" We went, "No, we are still—not that we are in the book—but we are still open. But you now have a preference." We would have to sit down 30 families and explain to them what the letter said.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you think that ATLAS had failed? Was the issue that ATLAS had failed and therefore there was a need for these new programs?

Ms MULLINS: No. I think the majority was okay and I am sure, like there is in every sector, there are services that do not do well. I think that the majority of services have provided an excellent service to their clients and they have done that with little money. They have relied on some funding dollars from the corporate sector to help them out sometimes and I think that they have done the best that they could possibly do with the amount of money that they get. Touch wood, we have never had a complaint and we have had people transitioning to work, and the clients have been very happy with the service that they are getting. I am sure that a lot of services could say that, too.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: ACROD has accepted that ATLAS has failed. Would you say that they are wrong in that, or that they lacked day program providers in their membership?

Ms MULLINS: I think that the transition to the work component of ATLAS has failed, yes, because you had no scope to transition them into employment. There was no open employment or supported employment places for them to go to, so it failed in that context because our clients just sat. And you would sit them on a waiting list with particular employment agencies and they would be on there for, like, five or six years—waiting, waiting, waiting. So they did not transition through very well. That section did not work, but the community participation component for the clients that did not want to transition into work, I think it worked. I think it was good.

The Hon. JON JENKINS: So it was not the program that failed?

Ms MULLINS: No.

CHAIR: I think we will have to wrap up soon. We have still got other witnesses and people are still wanting to ask questions.

The Hon. JOHN RYAN: Maree, judging by a process of elimination from comments that the director-general made during his evidence, I would not be surprised that he had in mind your service when he made these comments:

> There are examples where hourly costs of delivery have increased by percentages that are far and away above the Consumer Price Index [CPI]. In a number of cases, these increases have been well over 30 per cent which, as far as we can ascertain, is completely outside the reform process.

The reason that I believe he may have had your service in mind is that those comments were linked to Ms Andrews, I think it was, who said that she took out a loan in order to continue.

Ms MULLINS: Matthews.

The Hon. JOHN RYAN: Ms Matthews took out a loan, and the suggestion was that if she had loaned the amount up until the previous funding, she still would not be able to provide the full service because the costs had increased. Could you make some responses to whether or not your costs have gone up over 30 per cent and if you have increased costs in excess of what might have been the result?

The Hon. CHRISTINE ROBERTSON: Sixty per cent.

Ms MULLINS: I have had this discussion with DADAHC and I feel as though the Junction is being punished for providing five days a week, really, because when every other service provider—when the majority of service providers—changed back to three days a couple of years ago or possibly two days, we still maintained five days. So with the funding levels, we had to say that we no longer could do that: one, because of the devolution—we were losing clients and, two, because some of our clients who were on the ATLAS Program were getting about $17,000 or $18,000—they were high support needs clients. We also thought about the fact that we are a quality service and that we want to provide quality care to the people that come to ours. So on that amount of money, I could easily sit Mrs Matthews's daughter, Leanne, in a room by herself with 10 clients and they could watch television all day. But that is not what we are about. We want to provide the best service that we can for her. I do not feel right that she has to take out a loan. I feel terrible.

The Hon. JOHN RYAN: Are you prepared to say that you are not using the opportunity of the reforms—I think you have been almost accused of ripping off your clients—

Ms MULLINS: Absolutely not.

The Hon. JOHN RYAN: —with exorbitant increases.

Ms MULLINS: And we have heard service support and development officers [SSDOs] talk to us all about "You service providers, you're ripping off the government." Well, you come and work with clients every day.

The Hon. JOHN RYAN: The only other question I want to ask you about is that you have put in a number of case studies. I am not exactly sure that I understand the purpose of story No. 3—the young man enters the ATLAS Program in 2001; Junction supports the client's skills-base building and gets him 8 hours work. DADAHC informed the Junction that he is exiting the program in April and then there are other problems which I guess would indicate he is not going to continue working. I think I understand where that is going, but how is that new to these reforms?

Ms MULLINS: Well, I think that if —

The Hon. JOHN RYAN: How will the reforms create that because that would be something that we would have seen happen with ATLAS?

Ms MULLINS: When I raised that, DADAHC was actually going to exit that client out because they said that he had now got employment. It was not even up to 8 hours but they were going to exit him out because he had finished his two years in the ATLAS Program. He had a whole lot of issues. His father had just died and I said to them I did not think it was appropriate that we should be exiting him out of that program at that particular time. So they have now not exited him out. I actually do not know why because they have not given me any reason to say that they have taken on my comments, but they exited out another client two years ago and just told her to go, that that was the end of her program. When I said to them, "Well, what is she going to do now?", they said, "She is going to go onto Centrelink benefits." That is not a good transition process because now she is sitting at home, watching television every day. Her mum gave up work. I have not heard about an appeal process for her because I contact DADAHC regularly about this particular client and they have never said to me, "Put in an appeal."

The Hon. CHRISTINE ROBERTSON: Can I just ask how they want to help to do the KPIs? That is all I want to ask.

CHAIR: All right.

The Hon. CHRISTINE ROBERTSON: How do you people want to create the key performance indicators [KPIs] for your services with DADAHC?

Ms BECKER: Someone asked the question earlier about where the new senior managers in DADAHC are working. I think they have inherited a very poorly planned process but what we want to do is to be able to say that service providers and families and people with disabilities themselves have all got to come together and say that they see some great ways of measuring what service providers do, and whether people with disabilities are happy with what is being implemented. It is about just talking. You do not talk just to ACROD. You talk to all the different players, and that has been a part that is absent.

The Hon. CHRISTINE ROBERTSON: We want to know what you want to do.

Ms BECKER: What we want to do is sit down and work out whether there is enough money that we can support people with. We know what things we can purchase. We know the sorts of programs and running opportunities and how much they cost. We know how much it costs to get staff to support those people. We want to be able to sit down with DADAHC and say, "This is what we can do for this amount of money. These are things in terms of the disability standards we should be achieving. These are the things that we need to do to get people into work, if they are going to move into work."

Ms MULLINS: Can I say in answer to the question that part of the working party that I was on looked at key performance indicators and I thought that it was a really good cross-section of what was needed. But I have actually never seen that put into place. I know for all the people who sat on the working party that I was on, we turned up every single time, and we were really committed to that, but I have never seen that put in place.

The Hon. CHRISTINE ROBERTSON: So what you are saying with those things is that you want them distributed around for discussion. Is that what you want?

Ms MULLINS: Absolutely.

Ms BECKER: Yes.

Ms MULLINS: To everyone.

The Hon. CHRISTINE ROBERTSON: Excuse me from putting it into your mouth.

Ms MULLINS: No, that would be good. Distribute it out. Don't just take my view. Take everyone's view.

Ms MULLINS: Just be transparent in what you do and then there is no argument. Everybody knows what everybody else is doing then and what we want.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Can I ask if KPI and PSO and these things are just a bureaucratic checks which the market could deal with or the clients could choose whereby they could either buy the service if they wanted it, or not buy it if that they did not want it, and they would move towards excellence inexorably without KPI. Would not KPI simply be substituting a bunch of bureaucrats for extra money to the clients?

Ms MULLINS: No.

Ms BECKER: No. It is about just showing, and I think it is about being clear how you do things in a better way. If there are goals being set, then you know what you have to do and it is subjective. Call it KPIs, call it anything you like.

Ms MULLINS: I think if DADAHC can enter into a monitoring system, which I actually put in my submission and which they did about five years ago but they never did it again—I think it is important to actually have a quality assurance mechanism in place to ensure that providers are doing what they said they are going to do for the money that they get. But give us the right amount of money so that we can provide quality services to people with a disability, not institutionalised care, because that is what you are going to get, or what they are going to get.

CHAIR: Ms Becker and Ms Mullins, thank you both very much. If you feel there is any additional information you should make the Committee aware of, I would appreciate it if you could forward it to us. Thank you very much for the time you have given us and for your submission. I indicate to everybody that we will not take a 15-minute afternoon tea break so if anybody has a need for a cup of tea, they should get it now.

(The witnesses withdrew)

JOAN ANNE HUGHES, Chief Executive Officer, Carers NSW, 323 Castlereagh Street, Sydney, affirmed and examined:

CHAIR: Are you conversant with the terms of reference for this inquiry?

Ms HUGHES: I am.

CHAIR: If you should consider at any stage that certain evidence that you wish to give or documents you may wish to tender should be heard or seen only by the Committee, please indicate that fact and the Committee will consider your request. Do you wish to make an opening statement?

Ms HUGHES: I do. As the Committee members may know, we have not put in a submission to this inquiry. We have been asked by the Committee to provide evidence on the issues of carer support in New South Wales noting the pressures that family carers face and how these people can best be supported. We thank you for the opportunity to do this, but I request that you do not ask questions about submissions because we have not put in submissions.

CHAIR: You have provided a letter?

Ms HUGHES: I have provided a letter, but not a submission.

CHAIR: The Committee has noted the letter as a submission received.

Ms HUGHES: As many of the Committee members may be aware, Carers NSW is a fairly old organisation. We say that we are the oldest carers association in the world; we have been going for 30 years. We are the peak body for family carers across New South Wales. You may not be aware that there are between 750,000 and one million family carers across New South Wales who are caring for a relative or friend who has a disability, mental illness, a chronic condition, or who is frail aged.

I guess over the two days you have heard lots of stories from family carers about this whole issue, and you have heard stories from government departments. Our vision for this inquiry, and also for carer support across this State and across this nation, is that governments and communities will recognise value by supporting carers. As you noted, we have expressed our concerns in the reforms to the post school disability programs over the last year in a number of ways: a letter to the Committee and also in writing to the previous Minister, Minister Tebbutt.

Carers, like all members of our society, have the right to work and participate in society. You may not be aware, but one of the reasons why carers have to give up work is that the alternative care costs are far too expensive. I think that has been indicated during this inquiry. Having a break from caring can allow carers to do a range of other activities, one of which, of course, is to work. It is already very difficult for primary family carers to gain access to the work force. The figures I am about to quote are from the Australian Bureau of Statistics estimates, published in the ageing, disability and carers survey of 2003.

In New South Wales, 64 per cent of primary carers are not in the labour force, compared to 32 per cent of non-carers. Losing the ability to work has been a key issue for family carers in the process of reforming post school options and ATLAS, as reflected in the minutes from the public forum on the reform facilitated by Action for People with Disability in November 2004. Several members of the group commented that they had organised their work hours around the hours of service provided to their son or daughter in these programs, and that they would now have to renegotiate or give up some of their paid work in order to look after their sons and daughters.

Financial issues are frequently raised by family carers in New South Wales. In 2004 we conducted a survey which indicated to us that the whole issue of poverty and financial dependence for family carers is still high on their agenda. One-third of those respondents reported a need for financial assistance.

We have heard a lot from disability groups over the last two days, but I want the Committee to realise that family caring is not only a disability, ageing or mental health issue; what we are talking about is people who are living and trying to participate in work, community and family life. Each caring situation is unique. Some carers need to assist their sons and daughters with all the tasks of daily living, and they spend their days doing these sorts of practical and very basic tasks. Others care for people who are fairly independent but need supervision or help with their finances and/or transport. As in all relationships, family carers provide emotional support daily, every day, as they would have told you yesterday, for their relatives and friends with disabilities.

I think it is important that the Committee looks at the statistics provided in the 2003 Australian Bureau of Statistics survey. We now know that 76 per cent of carers are of work force age, and we know that many of those carers have had to give up work in order to care. We know that caring is primarily a female task: 72 per cent of primary carers are women, whereas 28 per cent are men. We know that 30 per cent of all carers in Australia live in New South Wales. The gross personal income per week for a primary carer is around $224, compared to the non-carer population, $435. We know that most carers, 40 per cent of them, are caring for partners, and that close to 30 per cent are caring for a child. Most primary carers, 45 per cent of them, care for 40 hours or more.

From the studies we have done across Australia regarding issues for carers, we know that caring comes at a significant financial and non-financial cost to family carers. Carers have reported extra financial costs associated with illness and disability. Carers report deteriorating physical health, as well as worsening mental and/or emotional wellbeing. Carers often neglect their own health and welfare.

The intergenerational report and the recent Productivity Commission report have highlighted the implications of an ageing society. Projections on ageing and disability have clear implications for the availability of family carers in the future. It is the position of carer of associations across Australia, supported by modelling from the National Association of Social and Economic Modelling, that there is an increasing demand for carers over the coming decades, while the relative number of family carers is set to decline. This is what we call the carer crunch.

Obviously, these macro trends may not be perceived to be directly relevant to this Committee's deliberations concerning post school disability programs. However, they do underline the context in which people are caring and living. One example of direct relevance relates to the growth in life expectancy. The growth in life expectancy is having the result that relationships are lasting much longer than in the past, and it is not uncommon now to come across caring relationships which are longer than 50 years. Therefore, someone caring for a person with a disability who is 18 or 20 may have a lifespan that stretches into old age. It is therefore of great importance that the person with the disability, and the carer, receive appropriate supports and services.

From the above it is very clear that programs such as post school options and ATLAS form a vital role in providing support to people with a disability and their families. Carers associations across Australia have come up with what we call key principles to guide effective carer support. I will not go through them, but they are provided in our report, which we will provide to the Chair. We also know what constitutes a comprehensive carer package of support.

Carers NSW has acknowledged the need for reform of these programs but has serious concerns about the process of reform and the implications of it. In a letter we sent to Minister Tebbutt towards the end of 2004, Carers NSW raised a number of concerns regarding the proposed reforms. These concerns have been discussed in the last two days, but some of the issues that we thought related to the process and really needed to change was the generalised anxiety about the changes to services that individual consumers and carers presently find beneficial, compounded by the rethinking, announced changes and news statements.

Over the two days we have talked a lot about the specific anxiety and stress, as carers are forced to consider the impact of the proposed changes on their lives and begin to plan how they would work with the new programs and adapt their lives. They are concerned about the shift in service model away from carers and consumers to service providers with a range of implications. For example, there are implications at a procedural level. How will parents be informed of these changes? What support structures will be put in place to assist parents with transition issues? What independent structures will be put in place to ensure complaints with service providers are resolved? There are also conceptual implications, in the sense that the shift in service model appears to turn the clock back, from a rights-based framework to a service-centred framework.

In the letter referred to above, Carers NSW also expressed concerns about the implications of the proposed reforms for carers. The implications can be grouped under respite issues and work issues. With regard to respite issues, all programs for young people with disabilities, including the post school disability programs, allow parents and carers to have a break from their caring role. Therefore, these disability programs provide a respite effect even though they are not specific respite care programs. With reduced levels of funding, young people with disabilities accessing these programs face reduced hours of service. This impacts not only on the quality of life for the person with a disability the on the hours of respite that their parents and family carers have on a weekly basis.

In short, therefore, the reforms to the post school disability programs have serious implications for parent carers and families. As a result, Carers NSW has developed a position on the reforms to post school disability programs which is twofold. We call for increased funding for the post school disability programs, to ensure that carers and families are able to access the programs in the same manner and for the same length of time as they did last year. We remain committed to individualised funding, and remain committed to ensuring that there is meaningful activity for the person with the disability, but more importantly that there are supports for parents and other family members and friends.

Finally, we remain concerned that a process which involves people with disabilities, families, community services and government, and which spans a range of sectors, including disability, employment, education, transport, and which has vast implications, could have proceeded without adequate heed, and now we have to face the consequences. I thank you for this opportunity to represent broadly the carer issues in New South Wales, and encourage swift and decisive action.

The Hon. JOHN RYAN: The Committee has received evidence of a couple of families who have relinquished children as a result of the additional stress caused by losing hours. Are you aware, and are you able to inform the Committee, of any impacts that your organisation is aware of, whereby people have sought additional assistance within the services system for people with disabilities directly as a result of losing hours in their ATLAS programs?

Ms HUGHES: Many parents have other lobby groups or peak organisations that they would go to. We have only had a small number of parents who have come to Carers NSW 1800 number. But we know that there is a huge issue, just because of the statistics I spoke about. We know that once parents have to reduce hours of work in order to care, it is going to have implications. I think the most important thing is to realise that nobody wins in that situation. I mean it is just how people get into the poverty cycle, and I am sure that is not what people around the table want.

Motion by the Hon. Christine Robertson agreed to:

That the document be included in evidence.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you have a view with regard to block funding and individual packages?

Ms HUGHES: I have a view to the amount of hours that family carers are needed in order to participate in life. So I will not answer the question about whether I think it should be block funding or individualised funding, because where we come from we look at all the things that interface with families. At the end of the day we can all argue, we can blame DADAHC, we can blame all the administration, but it does come down to funding levels. The issue for government is that it is not going to get any better because as people understand how to use the systems better and how to advocate better on behalf of their families, they are going to require more of formal services.

When you get the baby boomers involved in all of this, they will be used to a whole range of things that current families have probably done by themselves. Now we can have a debate about whether that is right or wrong, but Carers NSW's position as well as other carer associations is about adequacy of funding and getting the right amount of hours of support into someone's home in order for the family carers to be able to work and in order for the person with the disability to have a quality of life.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: But if you are talking about individual funding presumably that funding in many cases goes to the carer who can then decide what they do with it and it has that power, if you like, as opposed to applying for a vacancy in a block-funded institution or service. Surely, from your point of view, you would support individual funding in that situation?

Ms HUGHES: I would support a range of options. For some parents they would not be able to manage individualised funding. You have got to realise that if they have the purchasing power there have got to be services that they can purchase from, and that is a big issue around the availability of a range of service options for family carers. So you can give people the power to purchase but they have to actually have something to purchase. A good example would be the Commonwealth carer respite centres. The national government brought that system in and those services have the capacity to buy respite; they have to buy respite from State and Territory respite services. But if those services are not there to purchase, what do people do? They have to go to the private sector and therefore your dollars are not going to stretch.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: So you do not think that private individuals or private sector organisations or extensions on existing organisations could provide those services?

Ms HUGHES: They could. I think what governments do not do well enough is to work out how many people need a particular sort of service. At one stage I was involved in the old ADD days of DADAHC where they were looking at that whole area of population group planning. You have really got to get a sense of how many of these people are in communities that need to be supported; you can then work out what sort of service options are going to support families and then you can work out some benchmarks for funding. We have a situation there where there are so many government departments involved in disability support, carer support, health support, and from where I sit it is good because I can lobby all of those different programs, but I do not know whether you have done any research into finding any community in New South Wales that would say that they have got adequate funding for all the systems of support they need for the communities.

But it has to start from there. I think we have got to be much clearer about what I would call population group planning; work out what service systems are going to be the best for those families and those people with disabilities, then you have got some sort of benchmark.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Do you think governments seriously want to define unmet need for community services?

Ms HUGHES: I think organisations like myself have to be smarter in being able to prove to the government that it is good economic sense, it is good social investment. If you support families in an adequate way they will not be getting into the gaol system, they will not be on the streets, they will not be using psychiatric services. At the end of the day it is a much cheaper option. So I think we have to do better at being able to tell government that good family and carer support is worthwhile in the long run for people and also for government that has to provide services.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: If you look at what the Australian Institute of Health and Welfare says, in terms of the amount of disability, as you said, on a population base and what the government provides, is there not a huge gulf between those two sets of numbers?

Ms HUGHES: A huge gulf and because families are picking up that gulf. So across New South Wales we know that the labour, in a sense, that family carers provide to their family member because of a disability saves the New South Wales Government close to $6 billion a year. Governments are never going to put in $6 billion a year, are they? We have got to be smarter at looking at different tax systems. I think governments are never going to have enough money; families will always provide support, but we have to get that gap being narrowed between what I would call the community care systems and the residential and health systems.

If you look at the amount of money that goes into residential aged compared with the number of people that it provides a service to, it is very expensive. Community care is a cheaper option, but it is not to be done in the way it is currently being done; we have to get a lot more funding into programs like the home and community care program, like disability programs. Then if you add it all up it still will not come to $6 billion, but you might get closer, and I think we have to look at other ways of improving the tax system and having something like a community care levy, for example.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: Is anybody doing this type of research to show the cost benefit of supporting carers, because it seems to me if one is to advocate this there always seems to be a lack of good research on it. Do you know of any?

Ms HUGHES We do, and we are happy to provide the committee with it. Some of you would have copies of the budget submission that Carers NSW did. We did a cost analysis on the same scenario and what would happen if we did X, Y and Z to show that good carer support does equate to savings for government because people end up in the hospital system or a residential system. We have done those and I am happy to provide them to this committee. The NCSEM report that I talked about, that is done as well. So if you want any of those papers I am very happy to provide them.

The Hon. Dr ARTHUR CHESTERFIELD-EVANS: I would appreciate that.

CHAIR: If you could provide them to the committee. I will indicate the date later on.

The Hon. JON JENKINS: In that research that you have done is there a simple linear relationship between the amount of money government spends in preventative or is there actually an exponential type? In other words, they reap twice or three times the reward that they put into it. What is the relationship between preventative expenditure and preventative saving?

Ms HUGHES: You can probably get a little bit of that evidence through some of the health programs. I am not sure around the sort of community care disability, but we would have some evidence around health because that is the way that they more or less service, even though that is not as adequate in the areas of, say, mental health. I will quote you a family just recently who was involved in some intervention programs and they were education and training programs for parents of people with mental illness. This family clearly said all of these interventions that they have been able to engage in has stopped their daughter with a mental illness going into institutionalised care. So you can cost that out and this, of course, is the much cheaper option. So there has been a little bit of work done in that area.

CHAIR: On behalf of the committee thank you very much. We look forward to receiving those additional pieces of information. If you think there is anything else that would benefit the committee's knowledge we will be more than happy to receive that as well.

(The witness withdrew)

(The Committee adjourned at 4.40 p.m.)