

Budget Bulletin 2015–2016



Hon. Helen Morton MLC

In the coming year WA will start to see the impact of the National Disability Insurance Scheme (NDIS) My Way trial operated by the Commission on behalf of the State Government. Significant additional funding has been allocated to support this trial, as well as the NDIS National Disability Insurance Agency trial being run concurrently by the Commonwealth Government in the Perth Hills area.

After nearly a year of operation, evidence suggests that the NDIS My Way trial is progressing smoothly and feedback from stakeholders and financial stability indicators remains positive. It is becoming clear that NDIS My Way is an appropriate model for operationalising the NDIS in Western Australia.

This budget also acknowledges the increased demand for disability services across the state. In response the State Government will provide an additional \$24.6 million to sector organisations to provide services and supports to people with disability to address unmet demand.

In the 2015–2016 Budget, the West Australian Government will provide \$717 million to support people with disability, their families and carers. Compared to 2014–2015 this is a 5 per cent increase and consists of growth funding, indexation and support for the NDIS My Way trial.

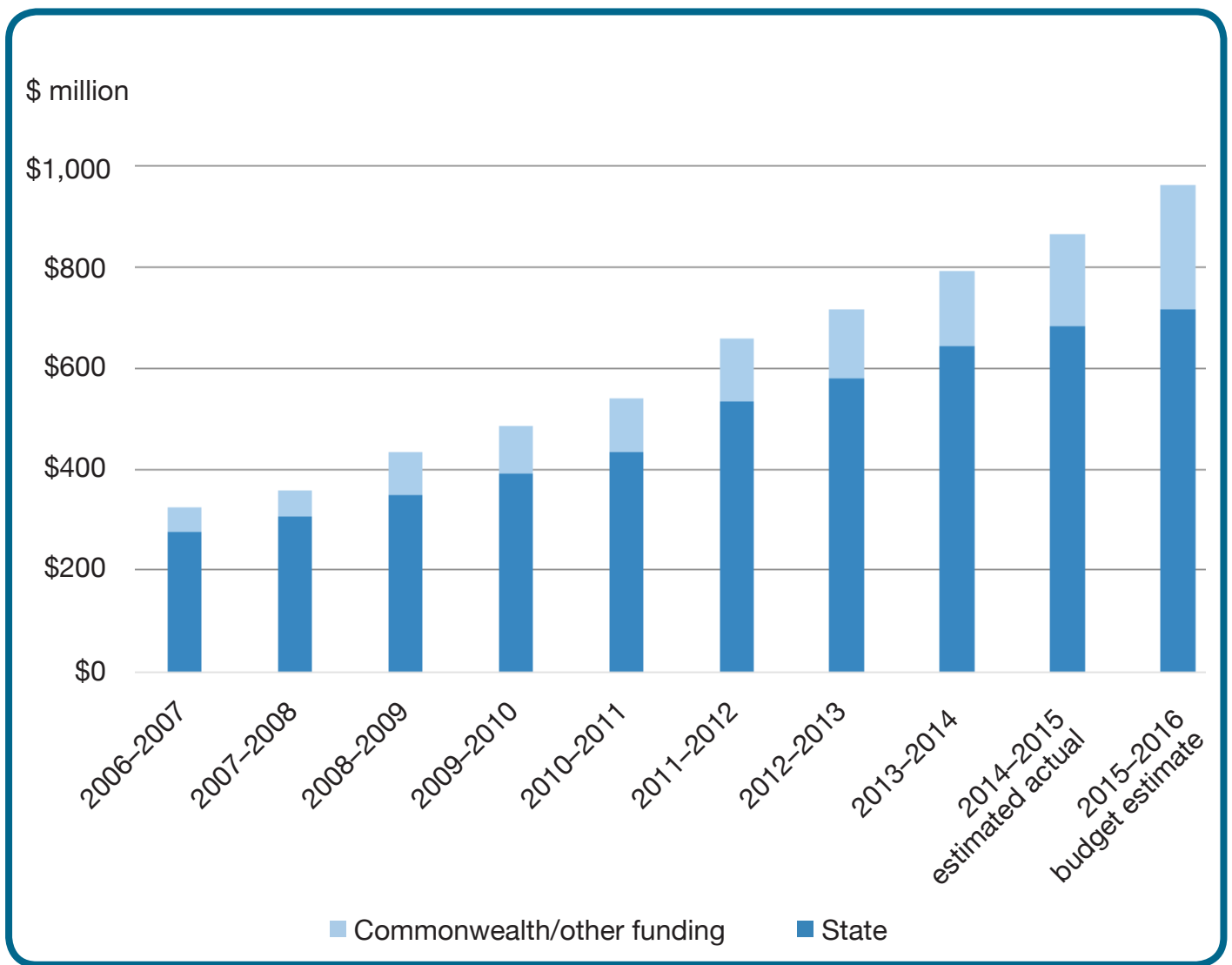
Budget overview

The Commission's Budget for 2015–2016 will be \$964 million. This includes contributions from the Commonwealth Government and other income sources. Since 2008–2009 the state disability budget has increased by 122 per cent, as illustrated by the graph on page 2.

The total growth funding in the Budget for 2015–2016 is \$27.6 million (\$24.6 million from the State and \$3 million from the Commonwealth governments). This funding will be provided to disability sector organisations to provide supports and services to a greater number of people with disability. This recurrent growth will ensure that additional demand for services can be addressed even as the Commission progresses work towards a full rollout of the National Disability Insurance Scheme.

The focus of the 2015–2016 Budget is to ensure the Commission continues to support services across WA through the disability sector. It will focus on areas of identified need, such as accommodation options and individual support packages, and will ensure people are able to access and participate in community life.

Combined State and Commonwealth funding 2006–2007 to 2015–2016



State–Commonwealth contributions to disability funding

Financial year	State (\$million)	Commonwealth /other (\$million)	Total Cost of Services (\$million)
2006–2007	\$275.0	\$50.6	\$325.6
2007–2008	\$304.9	\$52.5	\$357.4
2008–2009	\$349.6	\$84.4	\$434.0
2009–2010	\$391.9	\$94.5	\$486.4
2010–2011	\$434.4	\$106.8	\$541.2
2011–2012	\$533.6	\$123.9	\$657.5
2012–2013	\$579.2	\$138.7	\$717.9
2013–2014	\$642.9	\$151.2	\$794.1
2014–2015 estimated actual	\$684.0	\$182.1	\$866.1
2015–2016 budget estimate	\$718.0	\$245.7	\$963.7

Note: the amounts stated in the above table include Resources received free of charge, and Royalties for Regions Fund.

Disability reform agreement

August 2013 saw an agreement reached between the Commonwealth and State governments for disability reform in WA. This has resulted in a two-trial model of the National Disability Insurance Scheme in Western Australia which commenced on 1 July 2014.

The National Disability Insurance Agency (NDIA), on behalf of the Commonwealth Government, has implemented a NDIS NDIA trial site in the Perth Hills under Commonwealth legislation. The WA National Disability Insurance Scheme (NDIS) My Way trial site has been implemented by the State Government under State legislation. The NDIS My Way trial is currently operating in the Lower South West, and the cities of Cockburn and Kwinana are set to join the trial on 1 July 2015.

The State Government has provided an additional \$40 million over two years to ensure appropriate support for the NDIS My Way trial over its two year trial period (2014–2016).

Disability justice centres

The first Disability Justice Centre will commence operation in 2015. The centre, funded with a capital commitment of \$8.5 million, represents the nation's most progressive approach for supporting people with disability who are charged with criminal offences but are found unfit to plead due to their intellectual or cognitive impairment. In the centre people will receive tailored, specialist supports to equip them for their eventual return to the community. The centre is complemented by a prison in-reach service which seeks to assist people with disability in custodial settings.

Election commitment

Suitable accommodation for younger people

In 2013 the State Government committed to support more suitable accommodation services for younger people with disability who are obliged to reside in aged care due to a lack of alternative options. This program is being termed the Age Appropriate Housing Strategy (AAHS) and funding commenced in 2014–2015. This Budget continues the commitment of \$9 million over 4 years, with recurrent funding of \$3 million by 2017–2018. The funding will provide purpose-built housing or enhance support arrangements for younger people with disability. The initiative will ensure young people with disability are better able to access living arrangements that meet their needs through the delivery of better whole-of-life outcomes, services and supports for the individual.

Allocation of general growth funds

In 2015–2016 the Commission will receive \$27.6 million in general growth funding. Growth funding refers to additional resources provided by government to meet expected increases in demand for general services and is used to support people who have not yet received funded services or who require additional services. The funding for the implementation of the WA National Disability Insurance Scheme (NDIS) My Way trial site is provided in addition to this general growth funding.

The Commission is increasingly providing funding through allocation processes that respond to needs identified in individual plans. This continues the movement away from a centralised approach for prioritising people for support funding and is consistent with the NDIS approach. Over the coming years the amount of funding allocated through the Combined Application Process (CAP) will continue to reduce.

In addition to individualised services the Commission will be progressing a range of initiatives linked to the National Disability Strategy (NDS). The State Government's Count Me In strategy will be the mechanism through which a range of inclusion and access initiatives will be implemented for the benefit of people with disability, their families and carers. Housing and employment are areas of priority as they present complex challenges in the broader economic climate.

Accommodation supports

Demand for supported accommodation options for people with disability continues to be high. To support this demand and ensure these services increase, 35.4 per cent of growth funding has been allocated to this area.

Community-focused services

Community-focused services will receive an allocation of 52.1 per cent of growth funding. These services will include support for people to live in the community, programs that provide alternatives to employment and supports for people transitioning from school.

Coordination and individual support

Coordination and individual support is key to ensuring that people with disability receive the supports and services they need to participate in the community. This effort will receive 6.4 per cent of the growth funding.

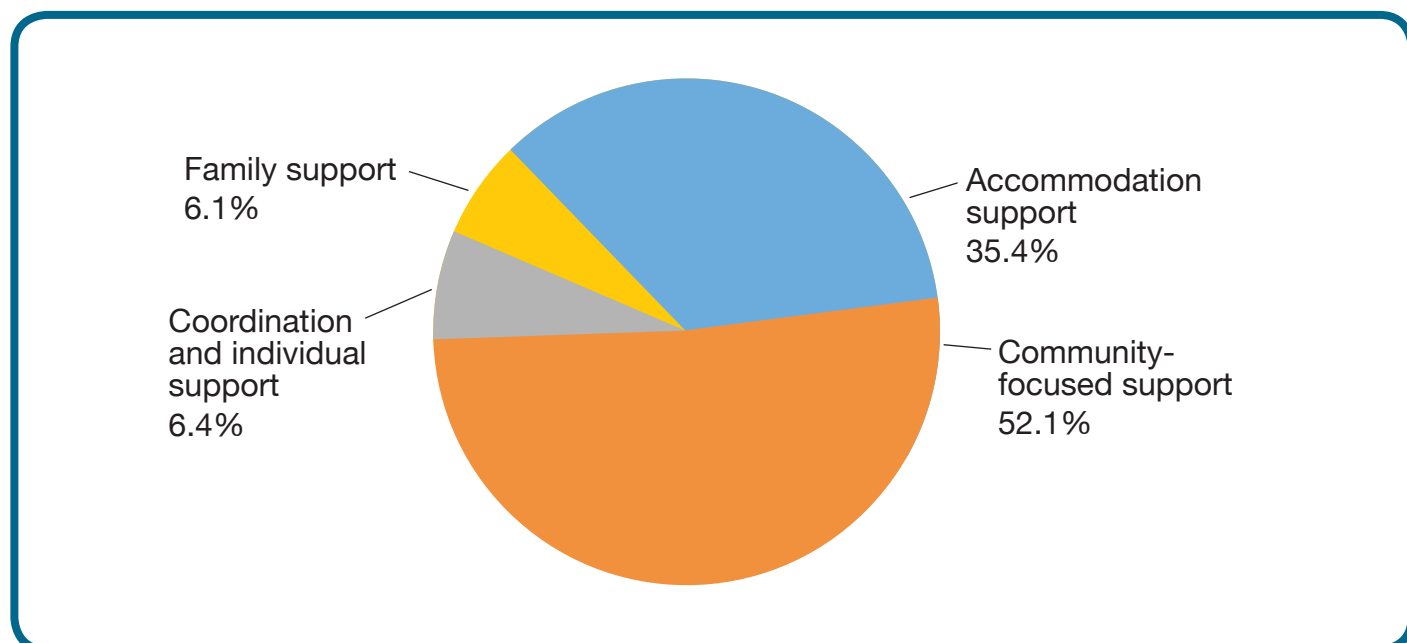
Family support

A key focus for the Commission is to ensure people with disability are able to remain with family, and that families are supported in this role. Direct care services, respite and other family supports will receive 6.1 per cent of the growth funding.

Allocation of growth funds

- Accommodation Supports – 35.4 per cent
- Community-focused supports – 52.1 per cent
- Coordination and individual support – 6.4 per cent
- Family Support – 6.1 per cent

Allocation of growth funding for 2015–2016



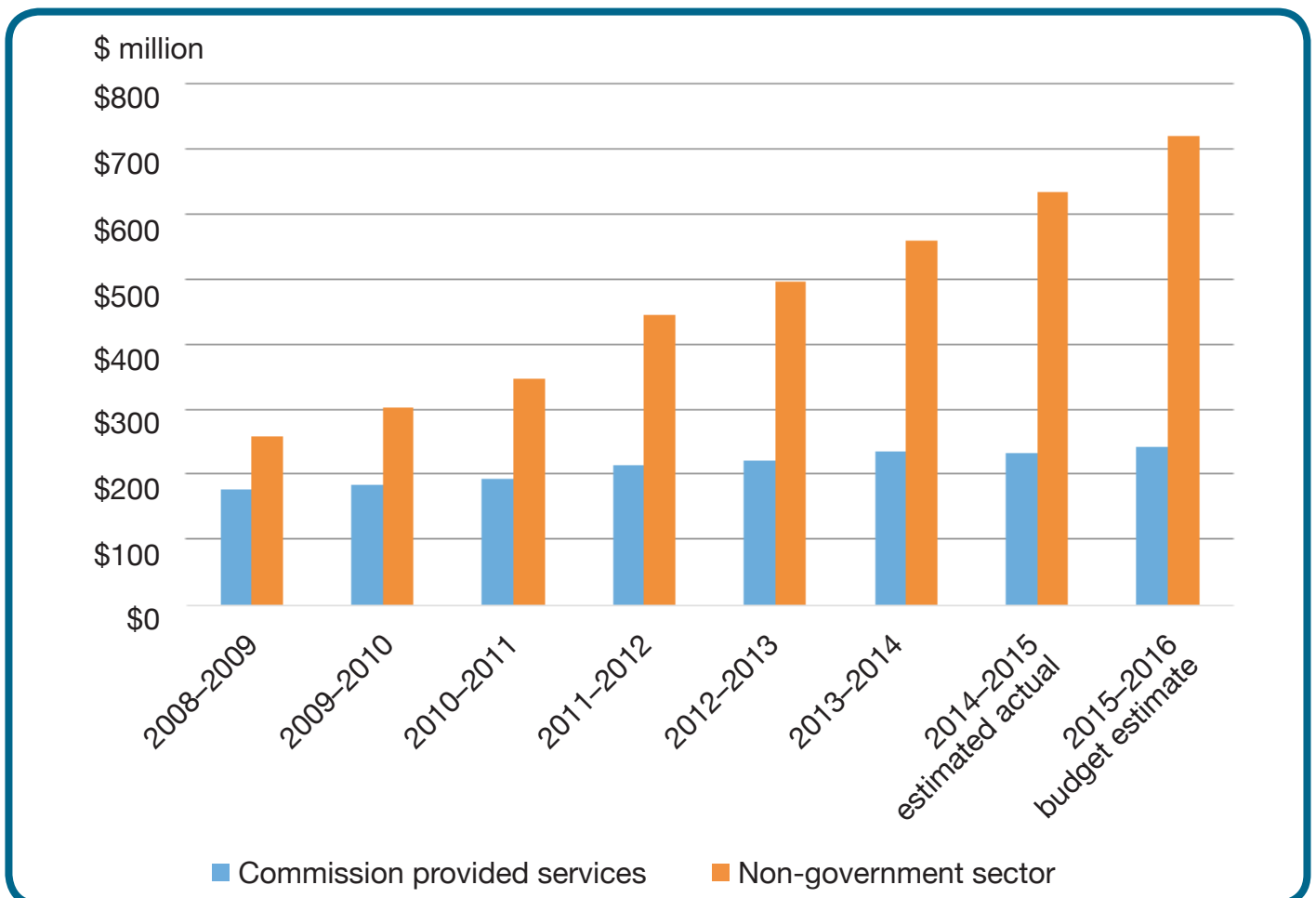
Cost of services

The Commission purchases an increasing proportion of specialist disability supports and services from WA's strong non-government service sector. The chart below shows the rapid shift from State Government provision of services to procuring those services from the sector. Nearly 75 per cent of the Commission's Budget will flow directly to the non-government sector in 2015–2016.

Total cost of services 2008–2009 to 2015–2016

Financial year	Commission operational Budget (\$million)	External service providers (\$million)	Total (\$million)
2008–2009	\$176.3	\$257.7	\$434.0
2009–2010	\$183.5	\$302.9	\$486.4
2010–2011	\$193.1	\$348.1	\$541.2
2011–2012	\$213.5	\$444.0	\$657.5
2012–2013	\$221.1	\$496.8	\$717.9
2013–2014	\$234.4	\$559.7	\$794.1
2014–2015 estimated actual	\$231.7	\$634.4	\$866.1
2015–2016 budget estimate	\$242.6	\$721.1	\$963.7

Total cost of services 2008–2009 to 2015–2016

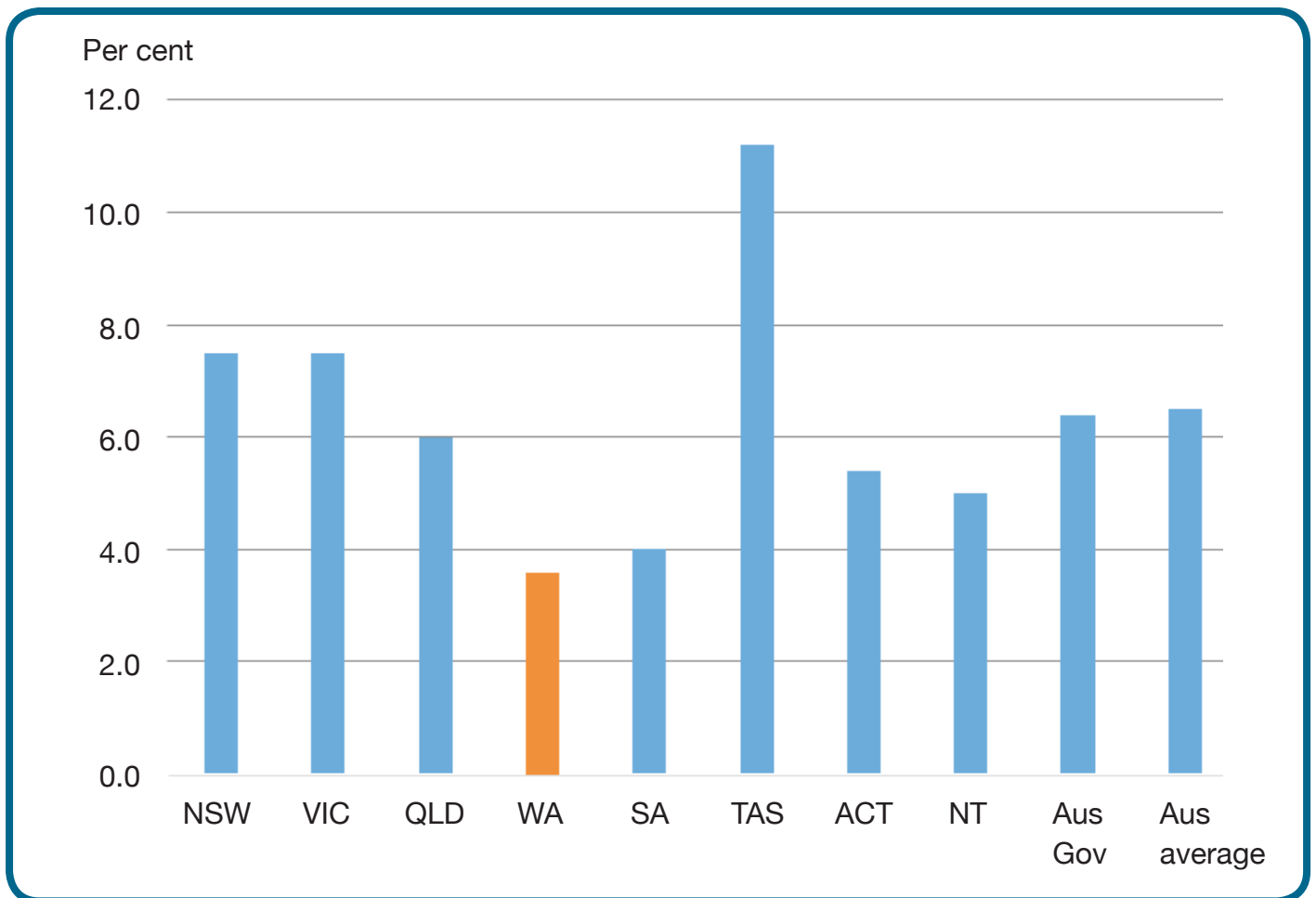


Administrative expenditure as a proportion of total expenditure by state and territory

Jurisdiction	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Australian Government	Australian average
%	7.5	7.5	6.0	3.6	4.0	11.2	5.4	5.0	6.4	6.5

Western Australia has been shown to have the lowest administrative costs as a proportion of total expenditure of any state or territory for the provision of disability services. At 3.6 per cent, Western Australia is 2.9 per cent lower than the national average indicated in the Report on Government Services for 2012–2013.

Administrative expenditure as a proportion of total expenditure by state and territory



National Partnership Agreement on Pay Equity for the Social and Community Services Sector

The Commonwealth Government has provided \$26 million in 2015–2016 to support pay equity in the non-government sector. This will increase capacity to attract and retain employees who provide services to people with disability. This payment was made under the National Partnership Agreement on Pay Equity for the Social and Community Services Sector (SACS).