

Bureaucratic Bungling Budget Blowout!

Article by Andrew Carswell, Daily Telegraph – August 5, 2013

DisabilityCare Australia is staring down the barrel at its first major multi-million dollar cost blowout, despite its pilot programs only being in operation for a few weeks.

As WA yesterday became the final state to sign up to the scheme, the controversially un-costed program formerly known as the National Disability Insurance Scheme has been forced to negotiate a new payment deal with disability service providers.

Its first offer of hourly payment rates was up to 15 per cent less than what providers currently received from state government bodies.

The anticipated cost blowout for the government comes amid claims the rough estimates of running DCA - \$15 billion per year - will surge in excess of \$22 billion when the structure and operating model is finally bedded down.

And as Prime Minister Kevin Rudd prepares for a September 7 poll, this becomes the latest financial nightmare to hit a government beset with budget overruns and struggling to convince the public of its economic credibility.

Geelong is the Victorian trial base for DisabilityCare Australia and is earmarked to become the national base in the future.

Business Council of Australia CEO Jennifer Westacott said the government had jumped the gun by putting the scheme in action without determining the cost parameters, claiming the first cost blowout was likely not the last.

Disability service groups believe the DCA has no option but to increase their pay rate - as low as \$33 an hour for consultations and service provision - or risk the closure of countless providers, the erosion of jobs, and the stalling of the government's feted disability funding scheme.

Bemused service providers in both Newcastle and Geelong, where the DCA has been running a pilot program since July 1, said they would never be able to operate with the meagre payment offered, with one CEO claiming the pay rate was so low he thought it was an error.

After lobbying from peak body National Disability Services, the government is believed to have caved in to demands, paving the way for a blowout given the added expense had not been built into the DCA's funding scheme.

Andrew Richardson, CEO of Newcastle disability services group House with No Steps, said the DCA had given the National Disability Services a commitment to revise the pricing.

The pay rates offered by DCA differ from state to state, with NSW service providers receiving 20 per cent less per hour than their colleagues in South Australia, despite the fact the cost to operate is higher in NSW. National Disability Services CEO Ken Baker said service providers recognised the importance of DisabilityCare, but simply could not be expected to operate at the pay rates on offer.

At present, they get about \$38.80 an hour. I think the agency has assumed that \$38.80 was a composite rate, that it was set at that level to absorb penalty rates, but it doesn't do that," Mr Baker said.

At this rate, it would mean many couldn't operate, and ultimately that impacts on the people with disabilities and their families. It reduces the choice for them. The whole promise of DisabilityCare is about expanding services and expanding choices for people, and to do that (service providers) need to be financially sustainable organisations. We need an increase to the \$38 currently being paid, not a reduction. Disability help group EW Tipping CEO Graeme Kelly said up to 80 per cent of the costs in his operation were staff salaries, and any reduction in the pay rates would make it increasingly difficult to attract skilled staff, at a time when the government was hoping to expand the sector exponentially.

Mr Kelly - who pointed out DCA CEO David Bowen's now humorous claim that providers would be pleasantly surprised at the DCA's pay offer - said the \$5 reduction in pay rates may not look that impressive on its own, but calculated across his entire business, it was "very substantial".

It would have a major impact on the viability of a number of providers. We've had a number of organisations close down in recent time because they couldn't afford to operate on the current state rate, let alone a reduced rate."

But Mr Kelly said most operators remain high-spirited about the scheme, firm in the belief that such false starts were merely teething problems that could be worked out through negotiation.

This is a generational shift and everyone remains buoyant. OK so the price hasn't come up as high as it should be, but you don't throw out the baby with the bath water.

Since the DCA opened its seven launch sites on July 1, more than 800 individuals have made appointments with case workers, while 500 service providers have registered.

A DisabilityCare Australia spokesperson told The Daily Telegraph: "DisabilityCare Australia is working with National Disability Services to analyse new information National Disability Services has recently provided on prices for certain services, to understand whether this information affects DisabilityCare's price settings for those services."

LISA Comment: As we predicted – “Little more, than more of the same!” The original intention of the NDIS was great, but bureaucracy stuffs everything!

DHS, Victoria, enjoys its “Taj Mahal” city offices containing a wall to wall bureaucratic empire, whilst it treats those it is intended to serve, vulnerable people and their stakeholders, as a disrupting annoyance. So much so, the department are now hell-bent on screwing a totally unjustified 50% increase from the residents of their group homes to prop-up the department’s shocking wasteful ways.

The original and basic intention of the NDIS was to reduce/eliminate the waiting list for services, and to provide ISP funding to make all services ‘entitlement services’ where the consumer is at the centre of service provision and valued. Rather than the present block-funded, charity hand-out services where management and staff are at the centre of service provision, with the consumers well on the outer.

There was a golden opportunity, at no additional cost, to give all state funded group home residents service entitlement and choice of service provider by redefining their state block support service funding as an ISP or, transfer the state block funding to the NDIS to do this.

Yet we are now advised DCA do not intend to take over the funding of state funded group homes to give residents, who for ever have been locked in the state’s despotic DSR placement control system, the freedom afforded by ISP support service funding to choose their service provider and service contract. The DCA are, nevertheless, preaching “service choice”.

Extra 1: [What DisabilityCare Australia does not fix](#)

Extra 2: [State’s Disability Tax](#)

Extra 3: [Host of Problems](#) with Yooralla’s Group Home in Melbourne

Extra 4: [BBC Report on the Language](#) of Social Care in the UK

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