

# Actuaries in Social Services with David Gifford

## Interview Transcript

**Julia Lessing:** Hi everyone. Today we're talking about the role of actuaries making a difference in government social services. And joining us for this conversation today is David Gifford.

**David Gifford:** Hi Julia.

**Julia Lessing:** Hi David, so joining us from your car today. So, David, for those of you who don't know, is the Scheme Actuary for the NDIS. David's an experienced actuary, having worked for nearly 30 years across social insurance, general insurance and government, in both consulting and organisational roles.

He was previously the Chief Strategy Officer, and the Chief Risk Officer, at the TAC, and held consulting roles more than 15 years at both PwC and Quantum. David has a Bachelor of Economics and an MBA from Melbourne Business School, and is currently undertaking a Master of Public Health at Melbourne Uni. So, David, thanks so much for joining us today for this conversation.

**David Gifford:** Thank you again for having me, Julia.

**Julia Lessing:** So, David, you've recently been appointed as the Scheme Actuary for the NDIS. Can you tell us a little bit about what that is and what that entails?

**David Gifford:** For sure, yeah. Well, look, the Scheme Actuary does a few things, Julia, the role. I guess the one that's most visible and most prominent to people is projecting the cost of the NDIS. Which is, I guess, in a way, the most actuarial part of the role. It's similar to the work of a lot of – that a lot actuaries do. But obviously the organisation that we're talking about, the NDIS, is one that gets a lot of scrutiny. So I guess that's the part of the role that, I guess, a lot of people would get to see at least a little bit of. Then there's

**Julia Lessing:** And David, for our international listeners, can you give us a quick overview of what the NDIS here in Australia does?

**David Gifford:** For sure, yes. Sorry. Probably should have started there. So the National Disability Insurance Scheme has been around for just under 10 years, although only has really got to, I suppose, maturity about three or four years ago. So it provides supports, care and supports for Australians with a permanent, significant disability, of whom there's roundabout 600,000 people in the scheme at the moment. That number is growing, as is well documented. But it was a landmark social reform, I would describe it as, that the previous, Rudd/Gillard government implemented, in response to, I guess, a recognition that people with disability were just – that they were suffering from inequality. They were being underserved. So it was a huge social reform, often described as the biggest social reform

since Medicare – I think you can even make an argument – it's a bigger social reform than Medicare, in some ways. But that does its best to give people with disability, help them achieve better outcomes, live better lives, and yeah, and reduce some of that inequality that so many of them have systemically experienced.

**Julia Lessing:** Yep. So as taxpayers we all make a contribution to the NDIS, and then the government uses that in the same way it does for Medicare, to fund services and supports for people with a disability, and you said a long-term persistent disability, so throughout their lifetime.

**David Gifford:** That's correct, yep. Yeah. Not all of our participants are in the scheme for their whole lives, but a vast – a great majority of them are, that's right.

**Julia Lessing:** Yeah. So what an important role you have then as the Scheme Actuary. But it sounds like you have also a lot of scrutiny and a lot of questions, and people want to know answers, because it's such a political and widespread and new initiative, I suppose, but with different perspectives on that and how that should be running and operating.

**David Gifford:** That's exactly right. Look, it probably – I think it's fair to say, Julia, it's one of the most scrutinised government programs. That's for a very legitimate and really good reason, which is that the NDIS touches the lives of our participants, probably in a lot of ways more than any other government program. So our participants interact with the NDIS, and benefit from the NDIS, I suppose, more deeply, or more broadly across their lives than probably than is the case with other government programs. And so it's sort of as you would reasonably expect. Participants care very deeply about the scheme, and they care very deeply about the scheme being successful, and I guess that's why there is so much reasonable scrutiny on the scheme.

**Julia Lessing:** And so what's it like for you being under that scrutiny, David? I mean, you're an actuary, you know, stereotypically as actuaries we're not the life of the party and in the centre of attention; what's that like for you having a role where you are under so much scrutiny in that role?

**David Gifford:** Oh, look, I think what's important, you know, the work that we undertake, look, it does get scrutiny. But that's – I wouldn't want to say that the work we and the actuarial team do is sort of more important than the actual design of the scheme and the design of the services that participants receive. I mean, look, it's legitimate that, you know, that the cost of the scheme attracts attention. As you touched on, it's a substantial investment that the government and taxpayers make, so it's legitimate that there be scrutiny and examination of that.

But in a way, I suppose, that creates understanding and trust amongst people with disability, and obviously that their representatives and carers. So that ultimately it can just – the scheme can continue to be improved in a way that works for them. But, you know, and in a way that is financially sustainable, which obviously is very important to the government and to taxpayers.

**Julia Lessing:** So it's an important role that you and the team have in supporting that important service, and the scrutiny that comes with that, as you would expect with a government service.

**David Gifford:** That's right.

**Julia Lessing:** So, David, can you tell us a bit more about your team? You said that you've got actuaries in your team. What do they do and what does your team look like?

**David Gifford:** Sure. Well, look, I mean, in total, the team that we have across actuaries, as well as, I guess, a range of sort of data science, analytics, data sort of services, professionals, is – it's a couple hundred people, or a little bit more.

**Julia Lessing:** Wow.

**David Gifford:** Yeah.

**Julia Lessing:** It's a big team.

**David Gifford:** Look, if you think about the size of the scheme, this year we're going to spend about a little over \$35 billion. I would argue that that amount of capacity and that level of capability that we have is certainly justified and appropriate for that amount of investment. As I said, we have 600,000 participants. Every one of them is an individual. So the number of different questions and analyses that we can undertake about our participants, and around the expenditure, there's a very large number of possible analyses and questions, I think. Like any, I suppose, large financial organisation that deals with large amounts of expenditure like that. You need to have an appropriate level of understanding and insight into that, an ability to then use the data that we have in a positive way.

So as I said, there's a large number of actuaries. I guess many of them do what you would consider reasonably traditional actuarial work, which is projecting the cost of the scheme, or undertaking at times modelling of scenarios around cost of the scheme, that sort of thing. But then some of the actuaries are involved in some of the detailed monitoring that we undertake. I guess that's a reasonably typical activity. And then, look, it's at times working out where we can get more value from the data that we hold. We collect substantial amount of participant reported data about the outcomes the participants achieve, and understanding better those outcomes and what influences those outcomes, in terms of the services that we provide, is another really great opportunity that we have.

So it really is – there is a broad set of opportunities. There's a sort of – we are lucky, I think, to have access to data, an overall data asset that – I would generally say on a global scale, is really somewhat unique. And so I think the opportunity that we have, which we need to make sure that we take very seriously, in that we take the appropriate levels of care around how we use the information. But as long as we do that, I think the opportunity we have to

get insight into what makes a difference for people with disability, and then to try and improve the scheme, is a pretty unique and incredibly important one.

**Julia Lessing:** Yeah. Absolutely. So you've got a large actuarial team, because you need people who can analyse the amount of data, the huge amount of data that you're collecting. Not just around financial data and cost of things, but also outcomes for people as well. So it sounds like some really interesting work that your actuarial team is getting involved in. But, I mean, we don't have a – if we think about our actuarial exams, we don't have government disability reserving, or government outcome modelling. I mean, how did you find yourself working in this area, and what sort of pathway have the actuaries who work for you taken to be working in this space?

**David Gifford:** It's fascinating, really. Because I think when I started as an actuary, Julia, there was life insurance and general insurance and superannuation and investments. And it felt like everything fit pretty neatly under one of those headings. But I guess over the sort of – well, you know, look, I suppose if you went back even at that point, actuaries did a little bit of work in what was then probably called accident compensation, or personal injury – now we probably tend to call it sort of injury insurance. But there's certainly, I think, at that point, there was relatively few actuaries working in – maybe what I would also call social insurance. But probably over my sort of – the early parts of my career, I think that more and more – or there were a large number of actuaries got involved in social insurance. And I – look, I just found myself, I suppose, you know, probably 20 – 25-odd years ago, when I was working at PwC, and just sort of found myself, for various reasons, you know, tending to do work on social insurance.

**Julia Lessing:** When you say social insurance, David, how would you define that, if people are not familiar with that term?

**David Gifford:** Yes. Sorry. Good question. I think it's really, I guess, around – in simple terms, I think it's insuring or attempting to insure against poor social outcomes. And so I suppose where that probably started, as I said, was around – or where the term, from an actuarial point of view, most longest been used, it would have been around workers compensation and motor vehicle injury insurance. Obviously since the establishment of the NDIS I think it certainly includes that. I think in its broadest sense you can think of social insurance as including Medicare, which is a form of social insurance, you know, sort of other government programs, like, say for example, JobSeeker, you could argue is a form of social insurance. Look, actuaries aren't involved in all of those. Although, you know, increasingly actuaries have played a role across a wide range of government programs, which I think would meet the definition of social insurance.

**Julia Lessing:** So public programs, public services, initiatives and schemes that are put in place to support and prevent or address bad things from happening to the public.

**David Gifford:** Yeah, address, that's right. And I think maybe the one that – the ones where it may – where actuaries add really probably most value, is the ones where you tend to have long-term recipients. So the NDIS, a large proportion of our participants, as I mentioned,

will be with the scheme for life. And so taking that sort of lifetime view, and the longitudinal view of our participants, is where the actuaries really can make a difference, because of the skills that we bring.

**Julia Lessing:** Yep. So that long-term view, that training that we have around looking at what happens into the future, and scenarios around that as well.

**David Gifford:** Exactly.

**Julia Lessing:** Okay. So you came to this through working in social insurance, your consulting work at PwC.

**David Gifford:** Yep.

**Julia Lessing:** What about the actuaries in your team now; how have they found themselves working in this space? How did they get the skills that they needed to do this sort of work?

**David Gifford:** Well, there really is a wide variety, you know. And like I said, I think from the point when I started in my career, there wasn't really an opportunity like the NDIS. But we actually have a number of graduates who come in and work with us each year. So some of our people start their career with us.

**Julia Lessing:** Right.

**David Gifford:** As I said, we employ close to 100 actuaries, as well as the data scientists and professionals. So we bring in a decent number of graduates each year. But we also have people who've come to us from a range of backgrounds. So you know we've got – we do have quite a few people who've started their career in life insurance, and there are some sort of – at least some similarities between some of the work that happens in life insurance, and in disability. I mean, disability is a term that's used in life insurance, although a different sort of – a different specific meaning.

We have a lot of people who've had various stints in consulting. Some of them have done work that relates quite closely to what we do. Some, you know, perhaps say they've had more of a career in general insurance, for example. But, look, I think a lot of the skills that our people have gained, whatever that background is, there's applicability and, you know – and I think the other comment I would just make, and this applies to myself as well as my team, I do think there's a very strong sense of purpose that comes with doing work where we really can see that connection to the participants, in our case, to the people with disability in Australia.

And so I think that whatever path our people have followed to end up working with us, there's almost always, I think, that strong connection to the difference that we hopefully make.

**Julia Lessing:** Amazing. So it sounds like you've got quite a diverse range of actuaries, who are bringing their transferrable skills from a whole range of different sort of professional backgrounds, and able to come to the NDIA and make a difference.

**David Gifford:** Exactly.

**Julia Lessing:** Okay. So given this sort of diversity of role and ability to make a difference in working for the NDIS, what's the most interesting part of your role, David? What do you enjoy most about what you're doing there at the NDIS?

**David Gifford:** I love this question, because it just gets me – well, it gives me a chance just to talk about what I'm passionate about. I mean, and I guess the way I'd answer it initially is to say I describe my role often as a sort of 20 or 30% technical and 70 or 80% about stakeholders, and about the sort of communication.

And so a really big part of my role is communicating the work we do to a wide range of audience, which includes government, some of the departments and essential agencies. But probably in some ways at least more importantly, involves working a lot with people in the disability sector, to help them understand what's happening in the scheme, and what we expect to happen in the scheme, and why that's happening.

And I enjoy it because I think what you appreciate when you – what I appreciate, having worked in the scheme for a while, is just how important it is that people in the disability sector, participants, their families, carers, representative organisations, all understand and have buy-in to the direction of the scheme. And so for me being able to play a role in that, I mean, it's by no means just myself, the whole agency – the senior leadership of the agency all have a role in that. But to at least be a part of some of those really important conversations we have with people in the disability sector, and to really be able to hopefully see them understand where we're at, what's happening, why it's happening, and to be able to genuinely – I mean, not just – it not just be a one-way sort of flow of information of us talking to them, but them genuinely asking us questions and making us think differently.

And probably leading to us doing different analyses and asking different questions. And I think being a part of that really genuine sort of co-op – the ownership, that our participants and everyone in the sector has of the scheme, I find it incredibly rewarding. And it's probably not something that I'm guessing, you know, how would I put it – there's – it's a bit of a unique – well, not unique completely – but it's certainly one of the aspects of this role that I enjoy.

And, look, you know, I guess a number of my team also have roles in that too. So I guess it is – the scheme, as I said, it's an incredibly important social reform, but it's something, I think, a big part of that, is that it's sort of – it is not done to people with disability, by the government. It is done with people with, in a very, very genuine, co-designed, collaborative way with people with disability. And it's great to be a part of that.

**Julia Lessing:** Fantastic. It's so exciting to see that collaboration actually happening in action. But it sounds like your role is not just about managing a team of actuaries, it's about managing a team of actuaries and engaging with a whole lot of stakeholders, not just at a government level, but at a public level too. You're facilitating that collaboration and co-design and ensuring that what you are building is not just something that's been built in a vacuum, it's actually being built with input from people who need it. And that's

**David Gifford:** And I think that's something that, you know, that's when governments – I mean, I'm getting a little tiny bit political here – but I just think that's when governments work best, you know, when the people who government are working for and working supporting, they have the right voice. I couldn't say strongly enough how important that is.

**Julia Lessing:** Yep. Yeah, sounds really important. So, okay, and you said that your role is maybe 20 to 30% technical, and the rest is stakeholder management and communication. Just since I'm teaching communication to actuaries at the moment, I'd love it if you could share maybe a tip or a strategy, or like something that you would like to share with listeners around building communication skills. How did you get to the point where you were able to have the communication skills to do the kind of work that you're doing?

**David Gifford:** Well, look, you know, I think the one thing I would certainly say, there's a great quote from George Bernard Shaw. I might not get it exactly right, but it's like the biggest mistake of communication is thinking it's ever done. Something along those lines. I think it's recognising in any role where you're dealing a lot with people, that it's something that you don't just do once. It's ongoing.

I think that with – I think one thing, if I reflect on my career and think about in my journey, my communications journey, I do think that myself, and this is probably the case for not all, but a reasonable number of actuaries, I think our training is often about – it's about really making sure that we have a lot of detail, we understand a lot of detail. And I think what then goes with that often is we have an inclination or an instinct towards demonstrating that detail, in verbal communication. And I think there's times when that's completely appropriate, and to certain audiences. But for the sort of audiences that I've touched on, you know, the people who aren't actuaries by background, you know, I think there is just a less is more sort of overall mantra I try to hold to, sometimes more successfully than others.

But the reality is that with a scheme this large, with this amount of – this much data, this many participants, that much expenditure, there's always so many different ways you can look at the data, so many ways you can cut it, you're never going to be able to communicate all of that in a way that's comprehensive. So you need to accept that you need to communicate a certain level, and then just sort of essentially that, and allow people to go on their own journey with the information.

So, yes, so I think that's – it's something that, as I said, I feel I've been very lucky in my career, with the sort of – some of the roles I've had, to really be able to learn from some really great communicators, and reflect on my own journey. But it's, again, it's something that I think you never stop learning. And I would really encourage all actuaries to just sort



of take that in a really positive and genuine way, and just reflect on the fact that there is always that opportunity.

**Julia Lessing:** Yep. Great advice. Keep learning. Keep learning, and less is more. I love that. So we've talked a lot about your role, the NDIS, the NDIA and your team of actuaries, and how you've all gotten there. We've talked about what you love about it. Is there anything that you find challenging or difficult that you'd like to share?

**David Gifford:** Oh, look, I mean, I think that it's a sort of in a sense that deep passion, the deep level of interest that so many stakeholders have in the scheme, just the size of the scheme, the scale of it. I guess what it means is that there is an immense hunger and demand for information, and there's so many questions that so many different people can have. And I think being able to manage all of that demand and to be able to meet as many people – the needs of as many stakeholders as possible.

But, you know, what is – even though we have a large team, it is not unlimited. So I just think managing the sort of volume of the appetite, exists both within our agency. I mean, we have like – the agency that – the National Disability Insurance Agency has got a workforce of 12 or 13,000 people. So there's plenty of demand from within the agency, but then from outside the agency as well.

And I think what we need to do is – one of the challenges, I suppose, is to – I mean I suppose there's a prioritisation challenge about what's most important, but within that, as I said, maintaining trust, maintaining the – making sure that stakeholders just understand that even if we can't get to their request now, that it doesn't mean it's not important. It's – that whole challenge is one we can never get – we can never meet everyone's needs perfectly, but we just need to keep trying to do our best.

**Julia Lessing:** Yeah. I guess it's a double-edged sword, when you've got work that's so important and so meaningful, because you do feel invested. You do feel like you want to answer those questions. And everyone has a valid question that they're asking as well. But how do you prioritise those requests and triage those requests, and still make sure that you're getting the most value with what you've got?

**David Gifford:** And just sort of make sure that I'm looking after my amazing people really well. Because they're, as I said, they're so passionate. They all want to do a great job. But the risk of that level of demand we have is that, you know, it means that there's a risk that our people – we push them too hard.

And so really trying to make sure that we're sort of balancing all of those – balance the need to keep our stakeholders happy, and being able to do what we can to support them. But also to make sure that the team is being well looked after. Which I mean as I said, it's challenging, but it's incredibly rewarding.

**Julia Lessing:** Yep. So to wrap up, David, I just want to ask you for anyone listening, who is thinking about maybe considering a career in social services, or maybe even working with



your team at the NDIA, what's one tip that you would give them, if they're thinking about making that move?

**David Gifford:** Thank you, Julia. Look, I think just, I mean, it's kind of in a way, it might sound a little trite – it's the same for any job – but I think just having a keen interest, and doing at least a little bit of research into the NDIS. I mean there is an immense amount of information out there about us, so it's not that hard to do. Although, in a way that immense amount of information can be a bit overwhelming.

Look, as I touched on it, I don't feel that from a technical point of view, the skills that you need in – for working for us, or elsewhere in social services, are particularly unique. I mean there's a few things that are a little different, but not in such a way that – sort of most actuaries, I think, or virtually all actuaries, could make the transition relatively easy. So a lot of it really I just think comes down to the actual – the subject matter itself, and just that having a curiosity around it. Which I observe so many actuaries do.

I think that it's fair to say that, as I said, in my – over my career, the role that actuaries have played, whether it be at the NDIS, or in other social services, sort of examples, new spaces, whatever you want to say, I mean, it's evolved a lot. It's grown a lot. And who knows in 10 to 15 – 20 years time what it will look like. So I think it really – it's kind of general career advice, in a way, but I think it is still helpful, just to sort of – just to – you're always going to be a more sort of a – we always love people who really have a passion for what we do, and have a sort of at least a little bit of an understanding of it. So I do encourage people just to do that bit of research.

And – but, you know, and I do – and finally, I guess, as I said, I would encourage – I'd encourage actuaries out there – particularly those in the early stages of their career, just to really recognise the range of opportunities that now exist. Which I do think is wonderful. We are one really good one. There's a lot of other great ones out there too. But, yeah.

**Julia Lessing:** That's great. So regardless of our technical background or professional background, if we've got an interest and a passion in this space, and we can spend the time learning the domain knowledge, then there's an opportunity to create a path for ourselves into this sort of work as well. So that's really great advice, David. Thank you so much for your time today. I'm sure your advice will really resonate with so many of our listeners. Thank you.

**David Gifford:** Thank you, Julia. Lovely to be able to talk to you. Really appreciate it. And hi to all of your audience.

**Julia Lessing:** Thanks, David.