

Q and A on the draft Productivity Commission Report in to Disability Care and Support

What's wrong with the disability system and what's the plan to fix it?

The Productivity Commission has accepted the disability system is not meeting people's needs or the needs of the nation and has recommended a complete overhaul. The opening words of the report say it all – *“the disability support system overall is inequitable, underfunded, fragmented and inefficient and gives people with a disability little choice.”*

The Commission is proposing two schemes. The biggest scheme – called the National Disability Insurance Scheme – would provide support to approximately 360,000 people whose disability has a significant impact on their daily life.

A second smaller scheme - called the National Injury Insurance Scheme - would provide no fault support for people who suffer a catastrophic injury. This scheme would be based on harmonising, widening and strengthening existing state based schemes and extending eligibility.

Who would be eligible for the proposed NDIS?

A person getting support from the NDIS would need to have a permanent disability and meet one of the following conditions:

- Have significant limitations in communication, mobility and self care
- Have an intellectual disability
- Have a condition for which early intervention would result in an improved level of functioning
- Be a person for whom intervention would have significant benefits

The last category is deliberately open rather than prescriptive. The Commission says it is trying to avoid being too precise in order to make sure support is targeted to people who have a demonstrated level of need. It also says this last category will need to be used “judiciously rather than routinely”.

The Commission also suggests that the NDIS should have an information and referral function for a much larger group of people with a disability. It should provide information and linkages to services and supports outside the NDIS for people with a disability who do not need ongoing support.

The Commission suggests there should be no means testing for funded NDIS services. They do however suggest that sometimes people would be required to pay a fixed up front contribution, much like an excess. Services would then be free after that point. However there would be waiver for families assessed as already contributing significantly towards the costs of their own support through unpaid care.

How many people will be eligible for the proposed NDIS?

The Commission estimates the NDIS would provide support to approximately 360,000 people. What we do know is that 172,000 people currently receive services under the National Disability Agreement (excluding those who receive only employment services). The Commission's numbers therefore double the number of people who would receive support through the NDIS.

What services and supports will be available?

The Commission suggests the new system should be person centred and individualised, allowing people with a disability and their families greater freedom, choice and control. People can decide which providers they want to use and can opt to “cash out” some of their package so they can organise more flexible and individualised support.

Most importantly packages of support will be portable and allow people to move across state and territory borders.

Once a person has been deemed eligible and their support needs assessed, they would be entitled to a package of supports and services: generally an entitlement rather than a budget. People would then be able to either:

- Choose their own service providers directly or through their representative.
- Ask a Disability Support Organization to assemble and broker the best package on their behalf
- Cash out their funding allocation and direct the funding to services they believe best meet their needs. The Commission says there would need to be controls to ensure “probity and good outcomes”.

The range of services and supports currently available would continue to be available under the NDIS, but the Commission hopes the scheme would encourage the development of more innovative services and programs. The list of supports the NDIS would provide include:

- Aids, equipment, home and vehicle modifications
- Personal care
- Community access – to support community inclusion
- Respite
- Specialist accommodation support
- Domestic assistance
- Transport assistance
- Therapies
- Guide and assistance dogs
- Case management and coordination
- Specialist employment services
- Crisis/emergency support

Any support funded through the NDIS would have to be “reasonable and necessary”. For example funded therapies would have to be in keeping with current clinical and evidence based practice and clinical guidelines.

Services which are provided to the rest of the Australian community such as health, education, public transport and housing will remain outside the scheme. As expected income support will also remain outside the scheme, although the Commission is asking for feedback on whether Carer Payment, Carer Allowance, Carer Supplement and Mobility Allowance should be included in the scheme.

How will people be assessed?

The Commission suggests the planning and assessment process should involve a number of steps.

- Work with the person with a disability to develop a personal plan outlining their goals including employment and social participation
- Assess the “nature, frequency and intensity” of an individual’s support needs. This assessment will be conducted by independent assessors
- Consider what support can “reasonably and willingly” be provided by families and unpaid carers – what “natural support” do people have available to them
- Translate all of this information into an individualised support package.

People will be periodically reassessed as their needs change, particularly during transition points such as leaving school. But assessments and information will be portable so that people do not have to repeat information or complete multiple assessments. The needs of families and carers will be

assessed when they provide substantial support. The sustainability of care and the family's own needs will be considered.

What will happen to people who already receive support?

Many people who currently receive support may be anxious about whether they would still be able to get services under an NDIS. The Commission says the NDIS would have "broader" criteria for funded services than existing arrangements. It concludes "most people currently getting disability services would receive more support under the NDIS".

What is the time line?

This is a transformational reform and it cannot be achieved overnight. There are many issues which must be resolved such as workforce and training issues and key skills shortages. The move from block funding to individualised funding will require an adjustment from service providers. Some services and supports which people might require do not currently exist and will need to be developed. It is also important to ensure that any injection of funds does not lead to inflation.

The Commission has suggested a pilot project in 2014 in one region in Australia. This would extend to the whole of the country the following year and progressively expand to include all eligible individuals. The Commission suggests beginning with all new cases of significant disability and some of the groups most disadvantaged by current arrangements, including children under the age of five with a significant disability, people cared for by ageing parents and young people in nursing homes. The scheme will gradually expand to include all eligible individuals and should be fully functional by 2018.

This timetable will seem slow to people who have been struggling for many years with little or no support, and who are desperate to see change now. But the kind of transformational change that needs to happen cannot happen overnight.

How much will the NDIS cost and how will it be funded ?

At the moment the disability system costs approx \$6.2 billion – the federal government provides \$1.7 billion, while the states provide \$4.5 billion. The Productivity Commission estimates an additional \$6.3 billion a year is needed to operate an effective system.

The Commission proposes that the federal government take over responsibility for funding the entire needs of the disability system. It argues that only the Commonwealth has a sustainable taxation base sufficient to meet the needs of the system. It therefore proposes the states either transfer the revenue they use to fund services to the Commonwealth or cut a range of state taxes by an equivalent amount.

The Commission suggests the funding should come from consolidated revenue rather than a specific tax or levy. They suggest the funds could come from cutting "lower priority" spending or through tax increases.

Whatever funding model is chosen the Commission argues the funds must be dedicated exclusively to the scheme – revenue for the NDIS should not be subject to the annual budgetary process. The funds should be quarantined for NDIS use only.

The Commission also argues that funding an effective system should be a priority of government – "were governments to be starting with a blank slate in determining funding priorities, there would be a strong rationale for provision of disability services to be one of its highest spending priorities".

It is also important to note that the report does not give a great deal of detail about possible savings in the system – savings that would be delivered by a greater investment in early intervention, or productivity gains made as a result of more people with a disability and their families entering and

staying in the workforce. We would like to see greater detail on these savings and gains in the final report.

There are significant long term gains for Government from the establishment of an NDIS, particularly in terms of driving workforce participation for people with disabilities and their carers. According to a study by National Disability Services and the Queensland University of Technology, if only 2% of people with disability received supports to enable them to work, the economy would benefit by \$6 billion per year and if 20% of carers could return to work because their family member with disability received support, the return would be \$13bn p/a.

How would the scheme operate?

The Commission suggests the creation of a National Disability Insurance Agency to oversee operation of the scheme. They suggest it should have strong governance arrangements including an independent board, an advisory council of key stakeholders, clear guidelines and legislation that protected it from political interference or influence.

What happens now?

The Commission accepted submissions in response to the report until the end of April.. The final report will be handed to the government in July.

It is very important that we continue to call on all political parties to work together to implement this far reaching reform. Positive recommendations are only one step on the long journey to introduction.

What can you do to help?

Join the Every Australian Counts campaign for an NDIS at www.everyaustraliancounts.com.au

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