

DISABILITY CARE AND SUPPORT: KEY FINDINGS FROM THE PRODUCTIVITY COMMISSION DRAFT REPORT

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Productivity Commission

Life Discussion Group 20th July 2011

What the Commission was asked to do

- Asked by the Commonwealth Government to undertake an inquiry into the feasibility of a National Disability Insurance Scheme
- We have undertaken extensive consultation (twice). We will produce our final report on 31 July.

Key problems with the current arrangements

- Underfunded
- Unfair (the postcode 'lottery')
- Fragmented
- Inefficient

Current problems

- Individuals and families face an uncertain future
- Failures to intervene early
- Lack of clear responsibilities
- No real choice or power
- Unsustainable
- Inefficient & poor governance
- A maze or 'confusopoly'
- Poor evidence base

Our key conclusion is that Governments need to take action

- The funding of necessary and reasonable support services for people with disability should be a core function of government.
- Family and friends and the wider community will always be crucial.
- No system can or should ever replace them, but we need better, more certain and fairer arrangements.

Two schemes

- National Injury Insurance Scheme (NIIS)
- National Disability Insurance Scheme (NDIS)

NIIS - key features

- NIIS will cover all new catastrophic injuries based on a no fault state motor vehicle accident insurance scheme – the individual state schemes would form a federated catastrophic injury scheme – the National Injury Insurance Scheme

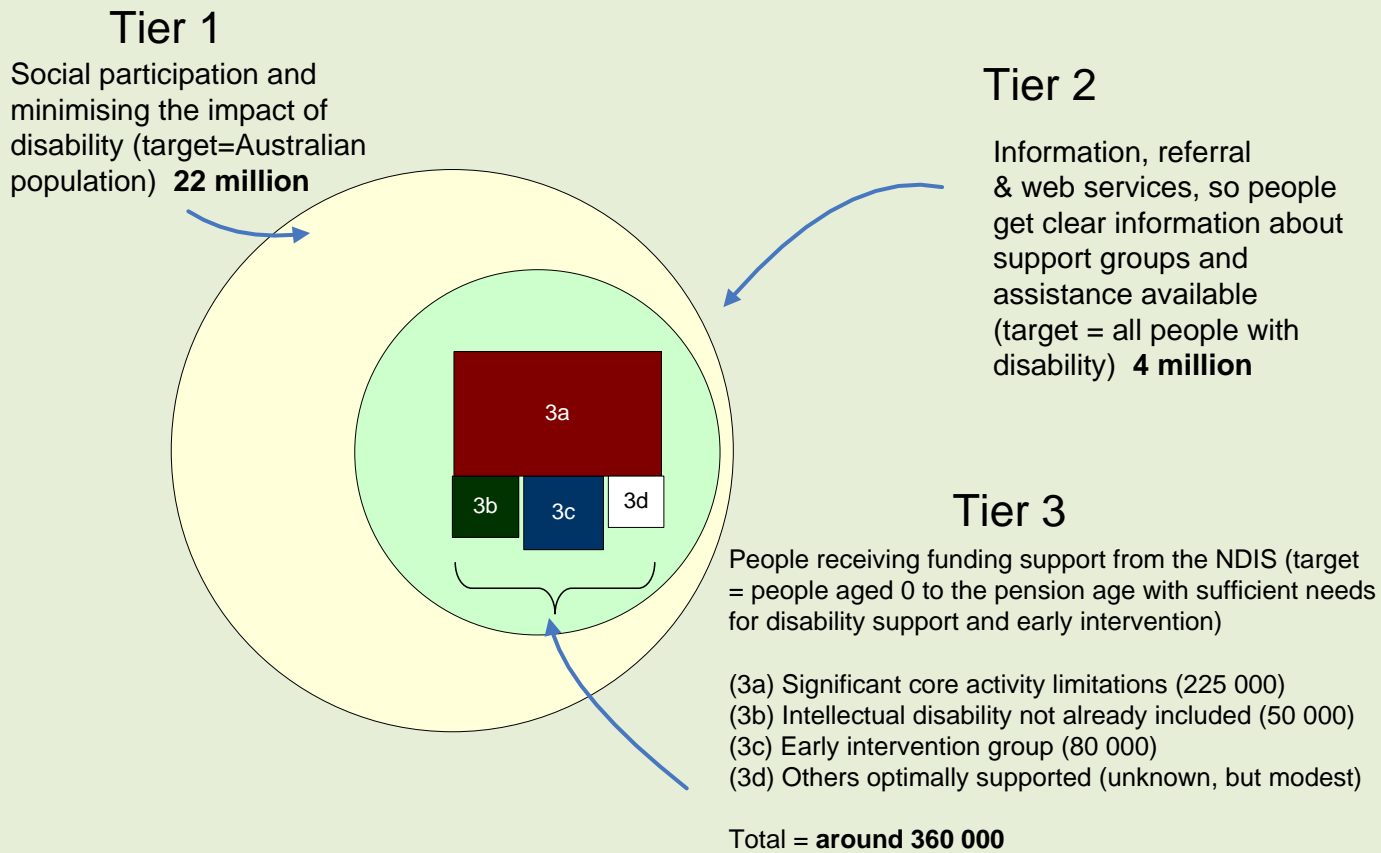
NDIS - key features

- Universal insurance cover
- Everyone covered
- Support based on reasonable and necessary need
- Support focused on the individual and their carers
- Choice

NDIS (cont)

- Reasonableness tests permeate the report
- 360,000 people to receive individualised packages
- DRAFT Costs estimated at:
 - *net \$6.3b or \$280 per Australian; 1.85% of all tax revenue; 0.5% of GDP*
 - *gross \$12.5b*
- **Funded from consolidated revenue according to a strict formula**

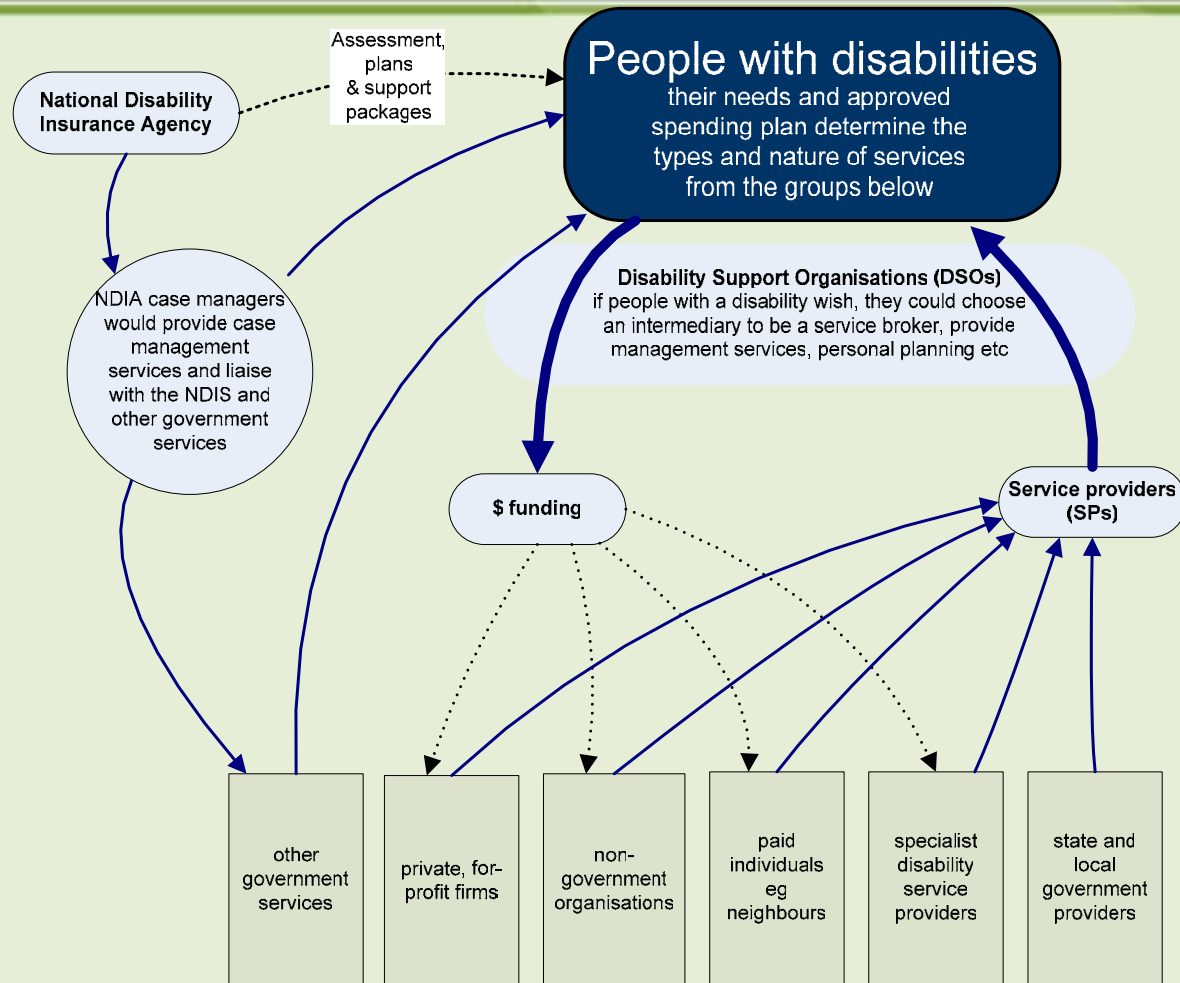
NDIS - 3 tiers



Suggested eligibility criteria for individualised packages

- Significant core activity limitations in communication, mobility or self care
- Have an intellectual disability
- Early intervention groups
- Have large identifiable benefits from support that would otherwise not be realised

A consumer perspective



Choice

Choice of

- # managing your own package (within the rules)
- # choosing your services providers
- # choosing a DSO to arrange your services as you require them
- # or a combination of these

What's in and out?

- In:
 - *attendant care; community access; aids and appliances; modifications; supported accommodation; respite; taxi vouchers, supported employment*
 - *and early intervention*
 - *innovation welcome*
- Outside the NDIS:
 - *public housing, education, health (except early intervention therapies), **income support**, open employment*
- Seeking views especially on the mental health interface: supports for those with psychiatric disabilities??

Does this overlap with Life Insurance?

- I don't think so:
 - *Income support is out*
 - *Most life/disability cover is related to income replacement*
 - *The main potential overlap is TP&D:*
 - ... Maybe \$500m pa in benefits, and entitlement is usually work related
 - ... Main claimants are musculo-skeletal, cancer and mental illness. Most of these are more like DSP or workers compensation

Many parties play a role in the NDIS

- National Disability Insurance Agency
 - *Federated model*
 - *Independent (board & rules)*
 - *Proper governance*
- Specialist service and support providers
- Links to other government-funded services
- Disability Support Organisations
- Mainstream services
- Governments
- Employers

Is there a role for life insurers?

- The scheme is seen as universal, publicly underwritten
 - *Voluntary is unviable*
- It may need investment advice
- It will need governance advice

RECOMMEND A DOUBLING OF EXISTING FUNDING

- The cost estimates are preliminary.
- We recommend a doubling of funding to \$12.5b per year.
- To be paid from consolidated revenue using a legislated formula into a separate account so there is greater certainty
- The cost is significant, but we are a wealthy country.
- Our national income per year is \$1,300 million.
- The federal budget is more than \$380 million per annum.

Costs: significant but manageable

- The budget costs, while significant, are manageable and affordable.
- In reality, there are high costs in having a failing system, including through:
 - *individuals waiting years for necessary services;*
 - *respite becoming emergency supported accommodation;*
 - *individuals and families worrying about basic services in the future;*
 - *longer and more frequent stays in hospitals;*
 - *people giving up paid work, and*
 - *lost opportunities for paid employment.*

Recommended Timetable for NDIS

- The state and federal government have already agreed to consider our final report at the Council of Australian Governments meeting (COAG)
- We recommend the following timetable
- 2011-12 MOU and taskforce
- 2013 Intergovernmental agreement & appoint board of NDIA; recruit & train key staff, build some infrastructure; provide information
- 2014 Rollout in a region
- 2015-2018 A path to full coverage for all significant disability Australia-wide

Our work finishes on 31 July 2011

- The Productivity Commission's role in this process finishes when we hand our report over to the Commonwealth Government at the end of July
- The Government (and the political process) will determine when it releases the report and the outcome

So it is over to you

I am happy to take questions

To see the key features, the overview and
the full report go to pc.gov.au

Hard copies of the full 800 page report
available on request 02 6240 3200