NDIS and NIIS

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

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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
  - Extensive consultation (twice)
  - Public hearings (twice)
  - Over 1,000 submissions
  - Final report to government 31st July
  - Publicly released 10th August
  - Further worker agreed by COAG 19th Aug
Key problems with the current arrangements

- Underfunded
- Unfair (the postcode ‘lottery’)
- Fragmented
- Inefficient
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.
How we addressed key problems with the current arrangements

• Underfunded – double funding from $7.2b to $13.7b and extend injury coverage to no-fault for catastrophic injuries

• Unfair – a consistent national assessment process for eligibility and entitlement, based on support need

• Fragmented – create a National Disability Insurance Agency, with localised coordination and innovation

• Inefficient – replace block-funding with individual packages, introducing supported choice and control
Two schemes

- National Disability Insurance Scheme (NDIS)
- National Injury Insurance Scheme (NIIS)
- Why two schemes?
  - Existing well-run schemes
  - Pricing incentives for injury prevention
  - Full-funded and prospective –v- PAYG and retrospective
  - Model for NDIS
  - 2020 Review
Key features of both schemes

• Universal insurance cover
• Everyone covered
• Support based on reasonable and necessary need
• Support focused on the individual and their carers
• Choice
Recommend a doubling of existing funding for NDIS

• National Scheme, administered by NDIA
• We recommend a doubling of funding to $13.7b per year
• To be paid from consolidated Commonwealth revenue using a legislated formula into a separate account so there is greater certainty
• Offsets from states of existing funding commitments
• The cost is significant, but we are a wealthy country
• Our national income per year is $1,300 billion
• The federal budget is more than $380 million per annum
Funding and Structure of NIIS

• Federation of state-based lifetime care and support schemes
• Prospective and fully-funded by a range of mechanisms to be determined by states:
  – existing levies and premiums
  – savings and offsets
  – “user pays” on a range of activities – eg local rates and taxes
• Small national coordinating unit linking with NDIS
• Estimated 1,000 new entrants per year at a total gross incurred cost of $1.8b per annum, or $830m extra
NDIS - 3 tiers

Tier 1
Social participation, minimising the impact of disability, insurance (target = Australian population) **22.5 million**

Tier 2
Information, referral, web services, and community engagement. Target = all people with disabilities (**4 million**) and their primary carers (**800 000**)

Tier 3
People receiving funding support from the NDIS. Target = people aged 0 to the pension age with sufficient needs for disability support and early intervention

(3a) People with intellectual, physical, sensory, or psychiatric disabilities who have significantly reduced functioning (**330 000**)
(3b) Early intervention group (**80 000**)
(3c) Others optimally supported (unknown, but modest)
(3d) Funded support for some carers

**Total = around 410 000**
NIIS Coverage

- Based on existing successful schemes:
  - Victorian TAC
  - NSW LTCSA
  - Tasmanian MAIB
  - NZ ACC
- Extends the Australian schemes to include trauma other than transport, and medical treatment injury (but excluding cerebral palsy)
- Coverage of injury requiring lifetime care and support – overwhelmingly spinal cord injury and severe brain injury
The assessment, funding and planning process

**Gateway**
Eligibility for NDIS determined
Referral to other government supports where appropriate

**Assessment process**
NDIA to undertake person-centred collaborative assessment that includes self-reporting

**Disability support organisation**
Can provide assistance with brokerage, administration, planning and decision making

**Local area coordinator**
Will make contact with people upon entering the scheme, can provide case management services, connect people to the community, make sure people are getting the support they need and monitor their wellbeing over time

**Informal supports**
Reasonable and willing support provided by family friends and other associates

**NDIA funded disability support**
- Personal care
- Community access supports
- Respite
- Specialist accommodation support
  - Home modifications
  - Aids and appliances
  - Domestic assistance
  - Transport assistance
  - Supported employment services
  - Therapies
  - Crisis emergency support

**Other government services**
Commonwealth and state and territory governments continue to provide services including:
- Education
- Health
- Housing
- Public transport
- Job services

**Other community supports**
Non-government organisations, community groups, private mainstream service providers

8th November 2011
A consumer perspective

People with disabilities
their needs and approved spending plan
determine the types and nature of services
from the groups below

Disability Support Organisations (DSOs)
If people with a disability wish, they could choose
an intermediary to be a service broker, provide
management services, personal planning etc

Service providers (SPs)

$ funding

National Disability Insurance Agency

Assessment, plans & budgets

NDIA local area coordinators would provide case
management services, connect people to the
community, liaise with the NDIS and other
government services

Other government services

Local community groups

Non-government organisations in the disability area

Private, for-profit firms

Paid individuals eg neighbours

Specialist disability service providers

State and local government providers

Grants/leverage to build community capacity

Resources to activate the community

Community interaction
What’s in and out?

• In the NDIS:
  – attendant care; community access; aids and appliances; home and vehicle modifications; supported accommodation; respite; taxi vouchers; supported employment; community support for psychiatric disability; specialist transition to work programs
  – early intervention
  – carer support
  – community development and capacity building
  – innovation welcome

• Outside but parallel to the NDIS:
  – mainstream funding of public housing, education, health (except some early intervention therapies), income support, open employment

• NIIS also includes hospital and medical
Employment of people with a disability

- Australia has a poor track record
  - Ranked 21st out of 29 OECD countries (24th using adjusted data)
  - Less than 30% of people eligible for NDIS have any kind of employment, and most is part-time
  - But up to 50% of people on DSP “would like to work”
  - Employment rate of people on DSP is no worse for those with more severe disabilities

- The incentives do not support involvement and outcomes
  - Only around 3% of people on DSP use Disability Employment Services
  - But the results are good – people with intellectual disability have the highest job placement rates, and tend to keep their jobs
Employment of people with a disability (2)
Employment of people with a disability (3)

• NDIS will be very reliant on improved employment outcomes:
  – In Tier 2, to provide better outcomes and early intervention (ie mitigate demand for Tier 3)
  – In Tier 3, to provide better outcomes and more appropriate support environments (and cost effective: ADE place vs Day program)
  – The potential economic benefits are very significant

• This implies a potentially very strong role for Disability Support Services, in a more forward looking regulatory and incentive environment
What will the incentives look like (personal view)

- A restructured and more incentivised income support system
- “Reasonable and necessary support” rather than capped program
- Capacity building and community awareness – open employment opportunities
- Life-span approach to planning, taking advantage of key transition points for each person
- Person-centred program of supports, with the participant having choice
- Hence pressure on DES providers to demonstrate quality and outcomes (with incentive payments)
- Incentives to employers (including open employers), such as enhanced wage subsidies
- Innovation payments to employers and/or providers
Governance model

• Independent statutory agency (NDIA):
  – Established under the CAC Act, and charged with management on transparent, prudential insurance governance principles
  – Board appointed from people with expertise and business, insurance and/or disability
  – Independent Advisory Council
  – Independent review processes overseen by an Inspector-General
  – Local area coordination
  – Capacity building of people with a disability, support agencies and disability support organisations (DSOs)
  – Strong Analysis and Research capabilities
  – Linking with mainstream services and agencies

Systemic advocacy funded by FaHCSIA
Recommended Timetable for NDIS

The Council of Australian Governments meeting (COAG) has agreed on the need for NDIS and for work to continue under a Select Council (Treasurers and Disability Ministers)

PC Timetable:

• 2011-12 MOU and high-level taskforce, supported by an expert project management implementation team
• 2013 Intergovernmental agreement, legislation and appoint board of NDIA; recruit and train key NDIA staff, build infrastructure; provide information
• 2014 Rollout in one or more regions – brought forward to 2013
• 2015-2019 A path to full coverage for all significant disability Australia-wide
Recommended Timetable for NIIS

The Council of Australian Governments meeting (COAG) has agreed for work to continue on the NIIS (under the Assistant Treasurer)

PC Timetable:
• 2011-12 agree to establishment of NIIS and have in place for motor vehicle accidents by end-2013; high-level taskforce to support implementation
• End 2013 NIIS to cover catastrophic injuries from MVA in all jurisdictions on a no fault basis
• 2015 NIIS to cover catastrophic injuries from all other causes
• 2020 Independent review of NIIS