

The National Disability Insurance Scheme-More than Social Inclusion

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Overview

- Background
- DisabilityCare Australia
- NDIS-Key Features and Major Differences with current arrangements
- Launch
- Major Risks
- Policy Reform Lessons from the NDIS
- Concluding Remarks

Background-PC Report

The Productivity Commission Report in July 2011 concluded that “The current disability system is underfunded, unfair, fragmented and inefficient, and gives people with disability little choice and no certainty of access to appropriate supports”

Today, Australia ranks at the bottom of the OECD in terms of the proportion of people with disability living at or below the poverty line, in the bottom third in terms of employment of people with disability and carers of people with disability have one of the lowest levels of well-being of any group in Australia and twice the rates of financial stress, physical illness and 50% have experienced a mental illness at some time

The NDIS is relevant to everyone, not just those with disability today, as every 30 minutes an Australian under age 65 is diagnosed with a significant permanent disability

A National Disability Insurance Scheme (NDIS) should be established progressively between now and 2018/19 to provide reasonable and necessary support to all Australians with a significant permanent disability under age 65 which affects self-care, mobility, communication or self-management and requires significant on-going support

Alongside the NDIS, a National Injury Insurance Scheme (NIIS) should be established to cover **new** people who acquire catastrophic injuries and provide an umbrella for existing compensation schemes. This remains a work in progress

Enormous amount of work has been done over the past two years by governments, officials, COAG and Advisory and Expert Groups

Background-PC Report

Tier 1

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

Tier 2

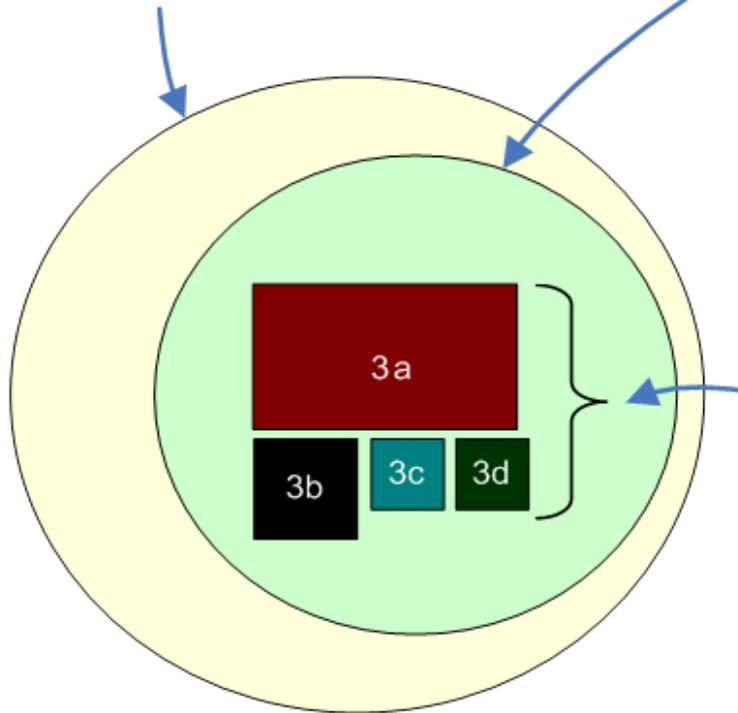
Information, referral, web services, and community engagement. Target = all people with disabilities (**4 million**) and their primary carers (**800 000**)

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



DisabilityCare Australia(1)

- DisabilityCare Australia is the new organisation that has been established to manage the roll out of the National Disability Insurance Scheme (NDIS). It opened its doors on 1 July
- DCA is established under the *CAC Act (1997)* and *National Disability Insurance Scheme Act (2013)* and the Commonwealth and all States and Territories are its shareholders
- DCA will report to a Standing Council of Disability Ministers and Treasurers from all jurisdictions, as well as a Joint Select Committee of the Commonwealth Parliament
- NSW, Victoria, SA, Tasmania, ACT and NT have agreed to participate in Launch and all Governments have signed up to the full scheme except WA, which has said it will agree to the full scheme after the election
- DisabilityCare Australia has started in four launch sites to begin a 3 year launch phase

DisabilityCare Australia(2)

- NDIS will be fully operational in mid-2019 and at that time it is expected that there will be 460,000 individual packages
- Spending on disability will double to \$16 bill in current dollars, equivalent to 0.5% of GDP or 2% of government outlays (massive!)
- Include all Australians with significant and permanent disabilities acquired before the age of 65, but continue to cover after 65, consistent with ageing in place
- Participants will receive benefits which are not means tested and are “reasonable and necessary”
- DisabilityCare will operate in a highly localised and decentralised manner
- Geelong headquarters is consistent with this approach
- DisabilityCare will employ planners, local area coordinators (on a ratio of 1:100 participants) and is expected to have 8,000 staff when fully operational

NDIS Key Features (1)

1. The NDIS is governed by the *NDIS Act (2013)* which sets out clear Objects for DisabilityCare, which is an independent authority with its own Board:

- Australia's obligations under the UN Convention on the Rights of Persons with Disability is the first Object; a fair go
- Social and economic participation
- Insurance Scheme-not welfare builds on experience with workers' compensation, TAC
- Replaces the NDA (CSTDA), which did not have such Objects, and recognises a central role for the Commonwealth, as well as States

2. Insurance Scheme

- Governance cycle; Forecast versus Experience
- Scheme Actuary will play a central role
- Minimising costs/ maximising opportunity over a lifetime, unlike welfare and so aligned to individual and family goals
- Investing in individuals and research
- Insurance companies as forces for social change

NDIS Key Features (2)

3. Control and Choice

- DisabilityCare will fund individuals/families not service providers
- Power with individuals and families
- Need for informed choice
- Market place leading to efficiency and innovation
- But this will also be a huge structural adjustment for disability service providers, some of whom will need assistance with transition and this has already started

4. Assessment and Planning-Based on:

- Lifetime goals and planning, as the starting point
- Functional needs, not type of disability, although that is important for permanence and prognosis
- A recognition that needs change and support at transition points is particularly important

NDIS Key Features (3)

5. Participant Benefits

- “Reasonable and Necessary” -will require knowledge of the participant and their family and very careful judgements by the Planner
- Benefits to include care and support, equipment, therapy, but not services better provided by other systems
- Investment approach in individuals’ personal, social, material and knowledge capital
- Invests in families by nurturing and supporting them in their caring roles
- People with the same level of disability may receive different amounts!

NDIS Key Features (4)

6. DisabilityCare is responsible for developing and regulating a new market place

- Consistent national regulation will replace State regulations-simpler
- Contestable market to nearly quadruple
- Consistent national regulation will lead to more national providers
- Specialisation
- More collaboration and creativity as well as competition
- New entrants, especially for-profit providers, not NGOs have advantage of incumbency, social mission and fund raising
- Workforce training and development a priority

NDIS Key Features (5)

7. Demand driven system/not capped; end of mean rationing and focus on opportunity, with Commonwealth shouldering its responsibilities:

- Based on entitlement
- Responsibilities as well as rights
- Funded 52% by the Commonwealth, 48% by the States, compared with NDA, which was 80% State funded
- Commonwealth to meet 75% of new costs of \$8 bill
- Medicare levy increase to fund \$3.2 bill out of additional cost, with 25% of this to be allocated to the States to help them meet their share of new costs
- Disability was the centrepiece of the Budget this year with a 10 year Commonwealth funding plan
- Underwriting by the Commonwealth

8. Local Area Coordination

- Centrepiece of new system; embedded in community and a civic society
- History of LACs
- Subsidiarity and local solutions
- Encouraging mainstream as well as specialised responses

Launch of the NDIS

- July 1, 2013
 - Victoria, Barwon (5,000)
 - NSW, Hunter (10,000)
 - SA (including APY lands), age 0-14 (5,000)
 - Tasmania, age 15-25 (1,000)
- July 1, 2014
 - ACT, (5,000)
 - NT, Barkly Tableland
- Very early results on-track
- Challenges and Opportunities
 - Sector Development Fund (\$282 mill over 3 years)
 - In kind contributions
 - Housing
 - Closure of large institutions (Colanda in Colac)

NDIS Major Risks

- More of the same/not transformational
- Sustainability
 - Eligibility
 - Reasonable and Necessary Benefits
 - Inflation as demand outstrips supply
 - Cost shifting on to the NDIS from complementary mainstream services, e.g. education, health
- Launch
 - Service provider readiness
 - Workforce culture and flexibility
 - “In-kind” contributions
 - Large Institutions in Hunter and Barwon
- The NDIS is a once in a lifetime opportunity. Successful implementation could be seen as the responsibility of the Board and Management of DCA, not EVERYONE involved, who owe a duty to future as well as current generations

Lessons for Public Policy Reform

- Six years ago disability was nowhere on the national policy agenda
- In May all Governments and even more significantly the public agreed to an increase in the Medicare levy of 0.5% to part-fund the NDIS
- How did this remarkable transformation, this Mabo moment in the court of public opinion occur?
 1. System is “broken”- language and evidence from personal stories
 2. Sector unity replaced disunity; Every Australian Counts Campaign
 3. Economic case and then endorsement from the PC critical to the NDIS running the gauntlet of public policy review
 4. Insurance-other and self regarding; appeal to sense of fairness; not just “rights”; John Rawls
 5. Strong theoretical (Kenneth Arrow) and practical underpinnings (workers’ compensation schemes)

Concluding Remarks

- The NDIS represents a transformational change
- It is the biggest social and economic reform since the original Medicare scheme and compulsory superannuation
- It has enormous public support and so has managed to translate the community's latent support for one of the most disadvantaged groups in Australia into strong practical support
- Enormous amount of careful policy work has brought us to the point we are today, where DCA is beginning a staged and careful roll-out in four sites, with a further two from July next year
- This is a once in a lifetime opportunity and there are lessons from the advocacy for the NDIS for anyone interested in large public policy reform
- Now the focus is on implementation, which will involve managing some significant risks, but DCA and the sector are ready for this challenge so that the NDIS cements its place as core government policy
- Critical to this will be unity and a new culture of learning within an insurance framework, which puts people with disability, their families and carers at the centre, so that at long last the last practical barrier to civil rights and the inclusion of people with disability, their families and carers in the mainstream of Australian life is finally achieved, more than 30 years after Australia first began to celebrate the International Day of PWD