

# Disability Investment Group Report: The Way Forward

Presentation to State Trustees,  
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DIG Member and Chairman Yooralla,  
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# Introduction

- Support for people with disabilities is delivered through a welfare and charity model
- It is frequently crisis driven
- Policy reforms have largely bypassed the disability sector
- The Disability Investment Group (DIG) was asked to take a fresh approach
- DIG members business people but also with direct experience of disability

# DIG Recommendations

## Principal Recommendation

- ‘Three Pillar’ policy framework:
  - NDIS
  - Disability Support Pension
  - Personal and family contributions and possible taxation incentives

## Other recommendations

- Housing for people with disabilities part of affordable housing, rather than disability sector
- Disability Employment Network to work with mainstream employment agencies-companies rarely go looking for a person with a disability
- Building research and best practice

# NDIS Key Design Features

## Eligibility

- People with permanent disabilities acquired before pensionable age including:
  - People born with disabilities
  - Accident and injury victims
  - Medical conditions
  - Mental illness
- Beneficiaries would be eligible for life, without reference to cause and treated equally based on needs
- No fault
- Principal beneficiaries would be those with ‘significant’ disabilities (approx 700,000 with profound and severe)

# NDIS Key Design Features

## Benefits

- Care and support (but not income support)
- Therapy, aids, equipment and home modifications
- Early intervention
- Training, development and access to education, community and work
- Person/family-centred, based on needs, with co-ordination support, if required
- Lifetime planning and family support
- New market place for services to drive efficiency and innovation

# NDIS Key Design Features

## Role of Families/Carers

- Normal age-appropriate caring roles
- Tailored support
- Choices to work or provide informal care

## Governance and Scheme Management

- National consistent standards and framework
- Pooling of risks
- Potential mix of State and Commonwealth schemes
- Governance framework to manage scheme assets and liabilities
- Active claims management and independent review/appeals process

## Research/Best Practice

- Research into best practice and prevention strategies to drive effectiveness, efficiency and reduce long term costs

# NDIS Key Design Features

## Funding Arrangements

- Workers compensation premiums
- Medical indemnity insurance
- Third-party motor vehicle insurance-need for no fault in Queensland, SA and WA
- Extension of State compensation schemes to cover other injuries
- All other people with disabilities, including mental illness, through a Medicare-type levy
- Alternatively, could be funded or part-funded from general revenue or cause related taxes, eg alcohol
- Opportunities for families to make additional private investments-'Third Pillar'

# NDIS-Estimated Costs

## Gross Costs

- 0.4% of taxable income (\$2.25 billion) to meet unmet needs (50 cents per day for person on AWE)
- 0.4% of taxable income(\$2.25 billion) to contribute 30% of future cost of new incidence (further 50 cents per day)
- Total gross cost 0.8% of taxable income (\$1 per day)

## Net costs significantly lower due to

- Reduced dependence on DSP and Carer Payment
- Lower medical, hospital, homelessness and judicial costs
- Aged care savings
- 'Third Pillar' contributions

# Why a NDIS?

- Demographic and social changes
- Social case
- Economic case
  - Equity
  - Efficiency
  - Fiscal responsibility
  - Intergenerational neutrality
- Lifetime approach
- Alignment of interests
- Rights and responsibilities

# Productivity Commission Inquiry

## Inquiry process

- Issues paper, interim report and final report (July 2011)
- Submissions and public hearings

## Terms of Reference

- Eligibility
- Benefits
- Service structure
- Workforce development
- Commonwealth, State and local co-ordination
- Governance
- Legal reforms
- Implications for health, aged care and education
- Transition

# Shaping the Future and Building Support

- Participate in the Inquiry
- Become individual and organisational champions
- Go the website:  
[www.ndis.org.au](http://www.ndis.org.au)



# Conclusions

- Support for people with disabilities is delivered through a welfare and charity model. It is crisis driven and on current policy settings will only get worse
- Disability needs to be reframed as a risk and insurance issue
- The economic and social arguments for reform are very powerful
- The Productivity Commission is now holding an Inquiry into a national disability long term care and support scheme
- A National Disability Insurance Scheme (NDIS) would be a transformational reform, like Medicare and superannuation
- Support for a NDIS is building rapidly but we need you to be a champion too

# Questions and Discussion

# Appendix: Where and why is the current disability system failing?

- *Shut Out* Report
- Inequitable
- Demographic and social changes
- Primary reliance on families
- Crisis driven welfare and charity approach
- Under-funding of service providers
- Short term, fractured and inefficient system
- Economically and fiscally unsustainable