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Recommendations of the Productivity Commission
Two Schemes

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

Why two schemes?
- Existing well-run schemes
- Closer links to acute hospital and rehabilitation
- Pricing incentives for injury prevention
- Fully-funded and prospective – v- PAYG and retrospective
- 2020 Review
The National Disability Insurance Scheme (NDIS)

• “... underfunded, unfair, fragmented and inefficient...“

• How do we address current arrangements?
  – double funding from $7.1b to $13.6b, funded by the Commonwealth
  – introduce a national assessment process for eligibility and entitlement, based on support need
  – create a NDIA, with localised coordination and innovation
  – replace block-funding with individual packages, introducing supported choice and control.
The National Injury Insurance Scheme (NIIS)

Federation of state-based lifetime care and support schemes – covers all major injury regardless of cause (special consideration of cerebral palsy)

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 to be funded by states

National Injury Insurance Scheme (NIIS)
The PC implementation plan
The NDIS implementation plan

2011/12 COAG agree to staged implementation from July 2014

- High-level task force headed by a person with disability or insurance expertise
- The task force will establish an expert implementation team to work on design with experience in commercial insurance and disability
- Report to Heads of Treasury and COAG

2012/13 detailed work on a wide range of preparatory planning

- Final agreement by COAG in February 2013
- NDIS and NDIA legislation and NDIA Board by June 2013

2013/14 development of NDIA and prepare for July 2014 launch

- Increase NDIA staffing, build appropriate IT system
- Build capacity in the sector, workforce and people with disability

2014/18 gradual ramp up to full-scheme
The NIIS implementation plan

2011/12 COAG agree to NIS model and plan
- High-level full-time implementation task force
- Report to Heads of Treasury and COAG

2012/13 detailed work on preparation
- All states to have no-fault coverage for care and support for major injuries through motor vehicle accidents by end 2013

2013 – 2015 further development
- All states to have no-fault coverage for carer support for all injuries by end 2013 – ie, extended to cover general injury and treatment injury

2020 Independent review of the NIIS
Where we are now........
We’ve come a long way, got a long way to go

• COAG agreement on NDIS principles
• The past 12 months have been spent in developing government and system understanding of the NDIS concepts, and constructing “building blocks” of key infrastructure:
  • Eligibility and assessment
  • Support packages
  • Sector and workforce capacity building
  • Information technology
  • others
• Discussion around the appropriate funding responsibilities and governance structure
NDIS Launch Transition Agency

• NDIS LTA established in July 2012
• Has responsibility for building readiness for an NDIS launch in agreed locations from one July 2013
• Attracting expertise from government, disability sector and insurance experience
• Working on system development and capability
Agreed launch sites

- Five launch sites agreed:
  - NSW Hunter (~10,000 whole of population)
  - Victoria Barwon (~5,000 whole of population)
  - ACT (~6,000 whole of population)
  - South Australia – state-wide cohort children aged 0-14
  - Tasmania – state-wide cohort adolescents aged 18-25
- Western Australia launching “My Way” – a similar concept to NDIS
- Queensland not yet participating in launch
Mixed progress on no-fault LTC for motor injury
– Continued coverage in NSW, Victoria, Tasmania and NT (limited)
– Green paper in South Australia
– Non-commitment from Queensland
– Silence from Western Australia and ACT

Little progress on preparation for extension to other injury types in any jurisdiction
**Risks to implementation**

*Any departure from the Productivity Commission model will involve significant risk and probable lost opportunity.*
**A federated model will not work**

The risk of adopting multiple assessment tools and/or processes across jurisdictions is that inequity of eligibility and entitlement will emerge, perhaps over time, leading to either different costs of the system or the need to limit benefits and entitlements in some jurisdictions.

**Adequate and certain funding is essential**

Whether or not the Commonwealth will commit to the estimated cost, and if not, whether it will be successful in sharing the cost with the states, remains a major uncertainty in implementation. If the scheme is implemented without adequate funding, this inadequacy will filter down either to inadequate individual support packages or inequitable allocation of resources, with “winners and losers”, or both as at present. Some form of rationing will continue. This will lead to continued crisis situations, and will compromise the scheme’s ability to achieve positive outcomes and future planning.
Departure from the integrated insurance model

The integrated governance approach has not yet been understood in implementation to date. The existence of working groups with different responsibilities will mean that the deliverables from working groups are unlikely to be linked within an insurance model.

Premature and/or compromised launch options

The risk here is that a launch is attempted before all of the preliminary work and development has been adequately funded and supported. Work on target population, support packages and entitlement and assessment work will need to be ready.

Failure to buy into the NIIS model

Continued lack of clarity regarding funding commitments present the risk of compromising successful implementation of the NIIS, and in turn this would mean an even greater financial commitment required of the NDIS.
The NDIS is the most important enabler to a better life.