

# \$1bn trigger to kick-start the National Disability Insurance Scheme

Stephen Lunn – The Australian - May 9, 2012

Funding for a no-fault National Disability Insurance Scheme was the spiritual core of Wayne Swan's budget last night, with a \$1 billion commitment over four years to pay for its inception.

Beginning in July next year, the NDIS will take care of 10,000 people with disabilities in four test sites to be agreed with the states, rising to 20,000 people in 2014.

The federal funding, one of the big spends in a tight budget, includes \$342 million over three years to provide individual disability support packages for the first 20,000 people.

The NDIS will be a joint state-federal scheme, and the commonwealth is looking to the states to contribute \$288m to care for and support this group.

Both amounts are on top of the current programs, an indication of the huge potential cost of the NDIS, which will fund an estimated 410,000 people with serious and permanent disability.

The Productivity Commission has put the extra money needed for the NDIS when it is fully up and running at \$8bn a year, on top of the \$7bn spent now.

While the state and territory governments agreed at the last COAG meeting to work with the commonwealth towards an NDIS, the proposed \$288m funding contribution from the states over the next three years is yet to be finalised.

This is the most fundamental reform since Medicare'. The Treasurer last night described the scheme as "the most fundamental social policy reform since Medicare".

"Over 400,000 Australians live with a significant and permanent disability and are among the most deserving of our support," he said

The timing of the final NDIS rollout will depend on the success of the four launch sites, but the Gillard government has committed funds for the first stages of the final scheme. There is \$240.3m over four years to build and operate the

NDIS information technology system, and \$53m over four years to establish a new National Disability Launch Agency to run the first sites from 2013.

This will take the state-federal proportion of overall disability funding from 70-30 to 30-70.

The Productivity Commission's report last year on disability recommended a national scheme be introduced over the next seven years, and its approach involved designing the scheme and building the bureaucracy before rolling out programs on the ground.

The Gillard government has decided to do both at the same time, saying lessons can be learnt better on the ground.

The \$1bn commitment will be welcomed by the disability sector. The Productivity Commission described the current system as "underfunded, unfair, fragmented and inefficient".

Each year more than 40,000 people with a disability do not get the help they need with transport, and more than 80,000 with self-care tasks like having a bath.

The budget includes a \$59.6m commitment over four years for Australian Disability Enterprises to build up the disability workforce, with support for 20,000 workers with a disability.

## **MOTHER'S PRAYER FOR A HELPING HAND**

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Gloria and her son Greig, 23, live in Greensborough, Melbourne.

It's the smile that keeps Gloria Bearne going, that keeps her believing.

"I walk in and he sees me and starts to smile. He just lights up," Ms Bearne says of her son Greig, physically and mentally disabled from birth with athetoid cerebral palsy.

"He's the most loving person I know. He's genuinely a caring man, even others say it, not just his mum.

"It breaks my heart when he tries to lift his arms to give me a hug and he can't." Ms Bearne, 54, is just one of the hundreds of thousands of disabled Australians and their carers desperate for a National Disability Insurance Scheme.

The Gillard government has promised to deliver an NDIS, and has brought forward trials to July next year, 12 months earlier than recommended by the Productivity Commission in its seminal report on disability funding last year, which advocated a no-fault insurance scheme to care for the disabled.

Last night's budget contained the initial funding for these trials to be carried out in four locations across the country and laid out the funding program for the next four years, including the establishment of a National Disability Insurance Agency to administer the scheme.

An NDIS, which would cost an estimated \$8 billion a year on top of existing disability funding, has bipartisan support.

It would supersede the disparate state-run schemes, and those qualifying for services and supports would be eligible for basic disability equipment such as wheelchairs, and home and vehicle modifications for wheelchair-users; day-to-day personal care services such as help with showering, dressing and eating; respite services; specialist accommodation; guide dogs; and employment and transition to work programs. And it would replace a system that simply isn't working.

"Greig has had his current chair since he was 16 and has since grown, so he is very uncomfortable in it," Ms Bearne says.

"The wheelchair has literally broken in half and had to be welded."

Part of the problem is Greig simply growing up.

"When they are young, they are able to get therapy and access to recreation through schools and the council, but once they turn 18 everything just gets pulled out," Ms Bearne says.

"I lie awake most nights wondering and worrying about what will happen to my son if and when I can no longer care for him."

**LISA Comment:** Stephen Lunn has chosen a Victorian family in need, to support his report on the NDIS. And his report highlights the current trend for the states to support the NDIS.

In the case of Victoria, we trust this is just financial support, as the Department of Human Services, Disability Services, Victoria, is unable to provide services consistently within its care policies, standards and values. And successive state governments have had little or no control over the activities of this state government department.

If DHS Victoria is in anyway involved with the provision of direct or indirect services under NDIS funding, there is little hope for Victorians but to receive more of the same questionable service provision as has been over many years.

Department group homes are currently service-funded with bulk funding from the state government at a rate of, \$123,545.00pa, per resident (AGO figure). If these group homes remain under department direct care service provision, this will change under NDIS to each resident receiving a NDIS, ISP.

If there are six residents, then the sum of the six ISPs will make up the service fee. A transparent change of funding will not change the level and quality of service. If it was poor, it will remain so.

Any resident not satisfied, can take their ISP and find an alternative service. At this point, the Productivity Commission failed to realise that people with high support needs and challenging behaviour do not move or settle easily.

Nevertheless, the central feature of the NDIS budget package appears to be \$38 million for 400 ISPs. That is 95,000 per ISP. Somewhat of a shortfall on the, \$123,000 per resident, DHS Victoria group home service fee.

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