



12 July 2017

National Disability Insurance Scheme (NDIS) Costs study
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2600

Submission to the Productivity Commission's Discussion Paper on NDIS Costs

Thank you for the opportunity to comment on the above referenced NDIS Position Paper.

The short timeframe for the submission of comments precludes in depth analysis and discussion of issues however the following comments in regard to NDIS principles and their impacts are considered valid and worthy of your consideration.

UNDERLYING NDIS PRINCIPLES

- a. **Funding.** Overview, Page 3 states that 'Funding is determined by an assessment of individual needs (rather than a fixed budget)'. While this statement is laudable and agreed there is conflict at the outset with the constraining NDIS insurance principle 'to ensure the scheme is FINANCIALLY SUSTAINABLE'. (Box 1 Page 4). This insurance principle appears throughout the paper and taken to mean that a financial expenditure cap has been placed on NDIS without knowing what the total value of the fair and reasonable needs of participants will be. Reinforcing the constraint of financial sustainability, (even though we are aware that no government initiative is based on an open ended cost), does not send a good message as it unsettles all stakeholders and is a major source of system and participant friction.
- b. **NDIS Eligibility Requirements.** Table 3 Page 21.

The requirement that impairments are likely to be permanent is appropriate. The caveat that funding for early intervention support for children and those older with acquired disability such as ABI (both with the objective of eliminating or reducing disability thereby mitigating future costs) is an important and most welcomed feature of NDIS.

Age under 65. While stated as a requirement it is noted in Table 1, Page 9 that it is estimated that participants aged 65 or over will cost over \$1b. This needs clarification.

Legacy Australia Incorporated

Caring for the families of those who served their country

G1/1 Francis St, Darlinghurst, NSW, 2010
PO Box 231, Darlinghurst, NSW 1300
Phone: +61 (02) 8333 0600 Fax: +61 (02) 8333 0699
Email: office@legacy.com.au
www.legacy.com.au
ABN: 59 203 621 448

Patron: His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd)

c. **Challenge of Funding.** Page 10. It is noted that there will be an increase in funding in the sector from around \$8 b per year to \$22b in 2019-20. The questions here are; what are the cost drivers of the increase and what to do about them? Reasons for the increase are many and include the following: population growth; medical advances that save the new born with serious life threatening conditions; commitment to meet significant unmet needs known to exist under the previous bulk funding model; additional costs associated with the NDIS self-funding model including individual assessment requirements for prospective participants and annual reviews; instances where self-assessment of 'need' is confused with an expression of 'want'; the inclusion of those with mental illness and over 65s; the presumed non access any longer to mobility aids on a long term loan basis previously funded from the medical /health / hospital portfolios and loss of society's social capital by non-reliance on volunteers and community fundraising to offset significant costs. Overall, the Bulk Funding model had many flaws but dramatic cost increases was not one of them.

In conclusion, Legacy Australia welcomes the opportunity to provide further information and or assistance to ensure the timely and successful implementation of NDIS to the betterment of all with disability in our community.

Yours sincerely

Tony Ralph
Chairman