



Treasurer of Victoria

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Mr Peter Harris AO
Chairman
Productivity Commission
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Dear Mr Harris

VICTORIAN GOVERNMENT SUBMISSION TO THE REVIEW OF NDIS COSTS

I enclose the Victorian Government's submission to the Productivity Commission (PC) Review of National Disability Insurance Scheme (NDIS) Costs.

The Victorian Government sees the NDIS as amongst the most significant social policy reforms that Australian governments have ever embarked upon. Victoria is strongly committed to a fair and high quality NDIS and sees no case at this stage for any major change either to scheme design or to overall governance and funding arrangements.

Victoria reaffirms its strong commitment to the original NDIS objectives as set out in the Productivity Commission (2011) Disability Care and Support Inquiry Report and to the funding and governance arrangements articulated in the May 2013 Heads of Agreement, Victoria's 2015 Bilateral Agreement and the Commonwealth *NDIS Act 2013*.

Taken together these aim to guide the scheme towards:

- participants having their reasonable support needs met based on insurance principles and an individualised, whole-of-life planning approach;
- participants having choice and control over their disability supports;
- governance arrangements that recognise the relative policy and service delivery expertise of states within the Australian federal system;
- a sustainable funding model that provides for shared accountability while recognising the fiscal imbalance between the Commonwealth and the states and the relative inefficiency of the states' revenue bases; and
- risk sharing arrangements that recognise that the states bear an ongoing risk of cost shifting to mainstream state funded services and have limited capacity to take on more risk without jeopardising service delivery in other areas.

Although the Review's primary focus is on scheme costs, the terms of reference also require the PC to consider a broad range of funding, governance, regulatory, workforce and operational matters.

Victoria sees the Review as a significant opportunity for governments across Australia to assess the NDIS' progress against its original objectives. In particular, the PC should consider outcomes for participants and broader scheme performance, including the

adequacy and consistency of current planning processes and whether the transition to a strong and diverse market for disability support services is responding to participant needs.

We trust that the views in our submission will be given weight and inform the next phase of the Review.

I would like to take this opportunity to thank your officers and Commissioners for their work to date.

Yours sincerely

TIM PALLAS
Treasurer

7 / 4 / 2017