

Disability Long Term Care

My experience

Most people who make submissions such as mine are over-influenced by their own necessarily narrow experiences. I list my own. First, in a careless moment I removed my right arm and have on a few occasions been irritated by people who classified me among the disabled. Second I have enjoyed very effective family support including a marriage that to date has lasted 51 years so I have been much better placed than many to cope with inconvenience. Third, my mother for her last 10 years benefited from variable but often in my lay judgement excellent taxpayer-funded support for which she, my brother and I could have afforded to make greater contribution. Fourth, I have a friend who has suffered a stroke who is, as far as I can judge, receiving the care from which he is able to benefit. Fifth, I am familiar with a case where taxpayer subsidised carer support is received but which is in my opinion unnecessary. Sixth, I was once a Federal politician who interested himself in budgetary matters and am surprised and concerned by the high cost of the proposals. Seventh, like all ex-politicians, I have met some of the severely disabled.

My belief

I make two value judgements that the Commission seems to share:

First: There is no doubt that many people with serious disabilities and their carers are condemned to much less satisfactory lives than most Australians enjoy. We are a wealthy people who should afford to ease their burden.

Second: From birth to death we all acquire disabilities and until shortly before death most of us manage to devise means of avoiding serious consequences. Faced with a tree stump too green to burn and too big pull most of us can plough around it. Casual observation tells me that there are people benefiting from taxpayer support for inconveniences that they could handle themselves without experiencing what most people would regard as hardship. I believe that such people should be left to make their own adjustments.

The maze

Negotiating the 'maze' does appear to be a serious problem and people should not be required to undergo several assessments when one would do. Nevertheless, I am not convinced that 'consistency of assessments' is an unmitigated virtue. Certainly inconsistency and the consequent opportunity to compare encourage complaint, but is complaint a bad thing? A consistent standard may be a consistently bad standard and even when monopolies don't start badly they have a tendency to become so. Improvements often start from inconsistencies. The draft report acknowledges the advantage of learning from others; why not oneself? Nevertheless, 'a single umbrella' at State or Commonwealth level that reduces the complexity of the 'maze' seems to be needed.

Assessment

Unavoidably the many assessors will require rules that the Draft prefers to call a 'toolbox'. These may be better than those that exist now but they will not escape the charge of being insensitive and rigid. 'Reasonable and necessary' will acquire precision from precedent but will always be subject to reasonable question. 'Precise without being unduly prescriptive' smacks of internal contradiction. (p 3.15-16) The Draft makes much, and does so helpfully, of the difficulties associated with classifying those most in need but it seems to me to rely on having the wisdom of Solomon as well as a good toolbox to overcome them. (Section 3.5) Bureaucrats will still make decisions about other people's lives that are of greater moment to the assessed individuals than those that society entrusts to an open judicial system. The risk of their bad decisions may be ameliorated by training, experience, the best available 'toolbox' and avenues of appeal but it is unavoidable. There can be little of the disinfecting sunlight imposed on courts within the system now or as it is proposed.

Those skilled to make the recommended 'personal assessments' are already within the several flawed systems. While they too are subject to 'capture' experienced assessors in the numbers required will not be found elsewhere. The recommended procedures to avoid 'gaming' and 'sympathetic bracket creep' will no doubt be similar to those employed now. The Draft says that in most cases people would get more than under current arrangements. Despite the evidence provided that serious cases do not get the assistance that I think they should have, this should not be the goal which should be to meet their needs while preventing the taxpayer being 'ripped off'. I have no hard evidence but I suspect that some transfer from those least in need to those most in need is appropriate. Although the politicians may balk at reducing benefits, the P.C. should not.

Choice

An essential feature of the Draft Report is that block funding will be replaced by funding disabled people. (pp2.30-31) These people will sometimes with hindsight regret their choices; don't we all? They are, nevertheless, in a better position to rank their own wants than is any other person and the government ought to direct public resources to widening those constrained choices. Wherever possible they should be treated as rational beings. As I read your draft, you propose for the initial stages what is basically a loosely specified voucher arrangement. Long ago, without success, I urged such an arrangement for the blind on the then government. For an individual this start could be moved towards self-directed funding by gradually relaxing her vouchers' constraints.

Largely for political reasons I accept that there must be some caution with self-directed funding. Once the cash is in the hands of the recipient, the state has to a considerable extent lost control of it. I doubt that 'reasonable administrative constraints' can always be imposed. Actually I have little quarrel with, say, a paraplegic opting for a short life and a merry one but I am less sure in the case of the mentally disabled. The authors of the report, however, favour a rather stricter nanny than would I. (p 6.11 & S 6.7) 'Distorted consumer decisions' have many causes but is not by far the most common of these a monopoly government agency? (p 6.12) At page 6.34 the draft quotes an Adam Johnston

who observes that he preferred to do without some potential assistance than put up with bureaucracy. His experience is almost universal. Neither the nature of bureaucracy nor people's willingness to take what they can from Governments can be cured, therefore small benefits for the disabled (and others) should be discontinued allowing larger sums to be saved or directed to major benefits. Section 6.8 is yet another illustration of the high cost of over-prescriptive laws governing employment which the P.C. might, without waiting for a reference from the Minister, make that the subject of further study.

Does the P.C. really believe that an NDIS could check that every supplier is solvent and have we not already too many police checks taking police from other duties and wasting the time of service providers? Is not an NDIS likely to get bogged in all that is in Table 7.1? Items 10, 11, 13, 15, 19 and perhaps 18 might be avoided.

It is a bit rich to assume 'people's common tendency to be short sighted' is greater than that of bureaucrats or the authors of the report. Politicians do have a tendency to be short sighted but in their case we understand the reason, the electoral cycle. For what my limited experience is worth, people tend to discount their own futures better than others can. If the P.C. should persist with this belief, however, then it should suggest an appropriate discount rate perhaps adjusted for individual life expectancy.

The phasing out of block funding is a necessary adjunct to choice but, as the Draft Report notes, may be impossible where there is an inadequate critical mass in isolated but not all rural areas. Here more needs to be said about the opportunity for multi-tasking and no doubt multi-skilling of personnel in other State and Commonwealth health, aboriginal and welfare agencies which might, perhaps with difficulty, be case-funded rather than block-funded but which would remain monopoly providers. Living in the Bush has many benefits and it is a personal choice that does not merit taxpayer subsidy.

I applaud the observation that the most important group in the relevant workforce bring essential skills that are not easily created through training. Unnecessary credentials are unnecessary barriers to entry—consider child care. The empathy and responsiveness of the carer are, as the Draft notes, at several points central to effective care. This empathy is found with families particularly, but also sometimes, with employees, charities and local organisations and the State agencies. I have not been able to make up my mind about the extent of payment to family members but in some cases it is warranted. If the Productivity Commission can develop further argument around this issue, I think it should. If the aim will be to exclude normal intra-familial care, might an annual front end deduction, after rigorous assessment limiting the total benefit, be more effective than a 20% reduction of the benefit? (S 6.9)

Demand

Inevitably, any free service creates its own demand—think of trends in sickness and single parent benefits. For instance, if limbs are free, single amputees will get expensive artificial arms, even cosmetic appliances, even though most will not actually use them for long. Most things can be done with one hand and most that can't are not worth the bother of a fancy limb. Only double arm amputees are seriously disabled. Are similar

considerations relevant to other appliances? Since the Commission asks for advice on the cost of taxis (p 4.23): consider deregulation.

In a lapse into populism that is more common in politics than at the Productivity Commission the Draft Report bemoans the fact that under-funding leads to rationing. (p 2.18 and elsewhere) Must not any good or service be rationed, if not by price then in some other fashion? Despite their administrative ease, queuing and lottery may of course not be the best forms of rationing. Effective early intervention, almost by definition, will be good but I remain to be convinced that assessors will not cover their backsides by too often wrongly predicting the worst. Classifying people as disabled will, as the Draft notes, tend to inhibit recovery.

The observation that significant numbers will meet the 'broader assessment criteria' concerns me. (p 3.32) There are gaps resulting in unnecessarily tragic situations that should be filled but it seems likely that such criteria will absorb resources that ought to go to the most needy or even to other budget lines.

Although the absence of means and assets tests does avoid disincentives to work and save and will make administration less complicated, it is hard to see why impecunious taxpayers should pay for services to wealthy people who will access the services they want with or without taxpayer assistance—a means test affects incentives and bank balances but not access to care. Governments never have the funds they would like to spend and avoiding those disincentives will come at cost to those in greatest need. Further, the absence of means and asset tests means that taxes are higher than they otherwise would be imposing a tiny disincentive to work upon millions of taxpayers. And compulsory taxpayer-funded insurance will to a small extent discourage saving by millions of people, a circumstance that ought to concern a society with our modest propensity to save. I think means and assets tests are the lesser of evils but I admit that the argument turns on ratios that are unknown.

An excess or co-payment would provide some disincentive to people who might otherwise try out every available appliance or home or vehicle modification but I doubt it will be possible to make one high enough to prevent all such behaviour. Unlike appliances etc, unneeded personal services from other than family members including therapy have attendant personal costs in time and lack of privacy and independence that may be disincentive enough. The exception may be those people who are lonely but then is not the gain in their wellbeing to be prized even at some taxpayer disadvantage. Distinction between the two differing types of assistance may be appropriate here. If a front-end deductible were to be applied to services, I might not wave it for provision of family support. Horizontal equity is never achieved with \$500 precision. However, as noted above, further argument is needed.

Insurance

Most people already insure at least to some extent against disability (or other misfortune) not by buying an insurance policy but by accumulating assets that can be realised. Many do not and some cannot. Old age, which not everyone will experience, is not the only

anticipatable inconvenience; it merely has a higher incidence than most others. (p 3.18) I agree that allowing the disabled to invest a portion of their discretionary expenditure against future need makes much sense but surely more than 10% of an annual entitlement might be risked. The limited sums involved would avoid serious scams and I doubt that the costs inflicted on the state by the ingenious would exceed those associated with the incentive to spend while the money is available. (p 6.23)

Private involuntary insurance already provides universal coverage against long term disability for one group, namely employees. There may be little point in the private sector providing the insurance if government revenue is to pay the premiums but it should not be ruled out on the ground that it cannot 'operate well in the area'. Competition between insurance companies may obviate some waste. Might the health funds be encouraged to undertake disability insurance as a consumer chosen alternative to the government scheme? They could offer a range of services with the government paying a common minimum premium. The NDIA/NDIS monopoly, which despite the recommended precautions will have a tendency to become another layer of bureaucracy, worries me.

State or National?

The case for a national scheme is dubious. Certainly the several States devote widely differing expenditures to the severely/profoundly disabled (table 12.6). Although I cannot assert that the disability support system overall is not 'inequitable, under-funded, fragmented and inefficient' there seem to me to be more than pockets of success—that is, the State-run systems are not all bad. Tasmania and particularly WA have relatively low levels of unmet need (p 2.6) (Tasmania's case seems at odds with table 12.6 and box 12.3.) WA already allows the disabled person some choice. Victoria already allows the disabled to save some of the funds allocated to their assistance. (p 6.23) NSW, Victoria and Tasmania have experience that the Draft Report believes should guide implementation. (p 17.7)

A national scheme offers the disabled better interstate mobility but the inter-jurisdictional difficulties cited, although serious, mostly occur for reasons other than State boundaries. (pp 2.25-8) and could be remedied by something akin to the proposed scheme within a State or in other ways. I found no estimate of the numbers of profoundly/severely disabled who move interstate.

Absorbing the State-run services which have developed over time will not be straight forward. For instance, is it intended that the NDIS respond to shortfall in 'mainstream' homeless outreach service by providing its own substitute service or is the intention to fund the mainstream for handling the disabled? If the latter, then I expect 'cost shifting' and some inter-jurisdictional ill will. The argument of section 4.3 concerning the role of 'mainstream' services seems sound to me. What duplication of services is envisaged? '...cooperation and collaboration between the NDIS and other programs may offer the best...' [outcomes.] (p 4.12) Probably so, but cooperation between organisations within the same jurisdiction is more likely, if only because the incentive to shift cost is less.

One strong case for the proposed NDIS is the ability of a relatively disinterested body to bully the States into lifting their game as is done fairly successfully with National Competition Policy. Might not NCP procedures be used to encourage the States to introduce competition? Might not conditional grants (S96) be used to encourage States to fill gaps and streamline administration? Might not the P.C. appeal to the consciences of State politicians and bureaucrats as successfully as to their Federal equivalents? Limitations of State discretion (a), (c), (d) and (e) at page 7.18 strike me as reasonable and would probably be accepted.

Almost any consumer choice model would serve the interest of some disabled people without prejudicing others. Even if a 10% take-up were not more than sufficient justification for offering choice, I do not regard the slow take-up of self-directed funding as much evidence of lack of interest. Lags are little understood but are ubiquitous wherever human response to changing incentive is being measured. The disabled are well aware of the adage: 'Decide in haste: repent at leisure'.

The main issues for me are concerned with how consumer-choice and more-for-the-neediest should be implemented. I think the Draft Report's proposal is unnecessarily radical increasing the risk of serious error and raising political and probably also administrative difficulties that will delay or prevent beneficial action and result in a ineffective budget increase. In short: The baby may go out with the bath water. I understand the need to avoid the divided and uncoordinated case management that is current but concentrating case management in one new national body is a very big change. The States may need some educating but the essential improvements could be implemented by either level of Government. What is more and highly relevant, the States could proceed piecemeal and start sooner.

The Commission has considered 'alternative models that would preserve a significant degree of control by states and territories' rejecting these at section 7.4. The claim that a national scheme is 'simpler' is no doubt true but experience of national uniformity such as with national employment awards sets alarm bells ringing. The worth of a common national assessment tool box is doubtful. Even if circumstanced within the several states and territories did not diverge, which is unlikely, it would have but one chance in nine of being the best available. Further, I don't think the P. C. has adequately considered the possibility that an NDIS might in time acquire the arrogance of an Arbitration Commission. Admittedly, Medicare operates more satisfactorily than does labour law but it is not above criticism for among other things providing a private good to wealthy people and an expensive feather bed for medical practitioners.

The IT, data accumulation, information and research services suggested should be useful public goods best provided by the Commonwealth and the dot points a task force should undertake proposed at pages 17.5 and 17.6 will be useful whichever jurisdiction has ultimate responsibility of services. Markets including the 'market' for political attention do function better when supplied with reliable information. The certification of organisations providing disability services might be better left with the States. Since the services wanted will defy a limiting definition, variability should prove to be a virtue

despite the opportunity for overseas comparison. (p 7.20) That overseas comparisons can be made does not guaranty that they will be made.

Regulation

The approval standards recommended at page 8.28, in the hands of over cautious bureaucrats, might inhibit innovation and low cost service. The 'well designed standards' will be difficult at least and perhaps impossible to write for an area so variable and it may be far better to rely on accumulated experience. (An instructive parallel might be found in comparison of case and statute law.) The Draft itself notes (p 8.32) that 'documented policies and procedures are a poor proxy for quality of service'.

I think some opposition from public sector unions is inevitable given the opportunity the disabled will acquire to select not-unionised carers. Wages in the sector may indeed rise but union power will not. Although some of the data in Section 6.11 surprised me, the tenor of the section is as I would have expected and so is that of some of the self-interested submissions the Inquiry received. The promise of 'prudential oversight' can be justified on tactical grounds but what is to prevent it developing over time into even more pettifogging regulation that will serve the interests the organised players and disadvantage the disorganised players—in this case, the disabled themselves and non-unionised employees? A few cases of abuse of the system or of people will in the minds of the powerful lobbies and bureaucrats justify detailed control. What's new?

Anecdotal evidence suggests that over-prescriptive, indeed ridiculous, regulations governing employment and by such as WorkSafe drive up the cost of providing services and prejudice recipients. I know of two circumstances where staff have refused to come beyond the doors of the relevant building to assist a disabled person into a car in spite of my relative incompetence to do so. The disabled person is too often the last considered. Such and parallel circumstances are rife and serious.

The money

Of course the funding of the scheme is manageable given current terms of trade, a growing economy and the absence of war but if our government were to accept too many proposals demanding an additional \$6.3 billion annually Australia would come to resemble Greece or Portugal. The proposal's budgetary implications will, indeed should, reduce other public outlays—defence, hospitals, education, whatever—all of which somebody will claim are under-funded. Arguably, given current terms of trade, the sum of national budgets ought now to be a surplus. It is not and, given the current Government's considerable commitments to outlays, it will be difficult enough to return the Commonwealth budget to surplus. To squander Australia's satisfactory fiscal position will not serve any sector well in the long run. That the providers of services should claim that current funding is well short of need comes to me as no surprise. (p 8.2) When a politician I found that every public agency, probably deliberately, confused need with demand which for a free good is potentially infinite. Although a no disadvantage provision is explicitly rejected, the unlikelihood of disadvantage denies the opportunity to free up funds from within the disability sector itself for the serious cases.

The Commission argues that the National Disability Insurance Fund could in part be funded by 'cuts in expenditure elsewhere'. Politicians are all too accustomed to demands for cuts in the never specified 'elsewhere'. The Fund could be financed many times over by cuts that I think ought to be made—broadband, what is left of GFC expenditure, funeral benefits, drought, flood and fire assistance, Royalties for Regions in my own state, and benefits for sport, the arts and other narrow vested interests to name but a start. Not everyone shares my priorities. The political process needs public advice about where cuts should be made. It is not the Productivity Commission's practice to go so far beyond the confines of a brief, nor should it, but at least savings might be suggested from within the disability services sector itself. If the Productivity Commission is prepared to declare Disability Services a special case yet not find the courage to say what should make way for it, then it should expect no better of politicians.

A figure for the cost of those inappropriately placed in nursing homes and hospitals ought to be possible. Might not quite large savings be made by the 'reform' of the Disability Support Pension recommended but not quantified by the Draft Report? Despite report that the current treasurer is considering making it more difficult to claim the Disability Support Pension, it is widely believed that Federal Governments prefer people to be counted as disabled rather than as unemployed and many commentators have noted the rapid increase in the numbers of particularly young disabled people. What, if any, are the potential savings here? I am sure Federal Treasury has an estimate that might, if the Treasurer denies the P.C. access to it, leak.

The high cost of the proposals turn on the numbers of tier 3 disabled, the services they need, and the efficiency with which these are delivered. I expect some padding in each. The padding may be substantial, but if it is not, then the cost estimates are reasonably robust. I am surprised that 1.9% of people under 65 are severely/profoundly disabled (p 14.7) but I am not competent to improve the data employed and must accept it. Greater choice should improve efficiency but I expect most of the gains there to flow to the disabled themselves and I have no quarrel with that. Choice should, however, also put some modest downward pressure on providers' costs. Government reluctance to commit the large sum called for should continue to provide incentive to unearth such padding as may be and should be given every reasonable encouragement to do so. Openness to public scrutiny will be critical and more important than expertise within an NDIS although the latter should contribute to the former. The P.C. commissioners seem to be aware of the value of scrutiny and have said much in the Draft Report to provide criteria to inform that scrutiny. From time to time these criteria will need to be updated and republicised by an independent body. How? Inclusion within a P.C. periodic reporting process? I have less faith than it seems has the P.C. in wise men behind closed doors.

Even though most commentators hold that the Commonwealth's taxes have less dead weight cost than have most State taxes I am not convinced that transferring any funding obligation to the Commonwealth merely because it can raise taxes more readily is good reasoning. Financial constraint is a necessary adjunct to efficiency. (I once heard a treasury official remark 'Give the bastards money and they'll spend it.') Further, I don't

share the Commissioners' respect for income tax and note its Marginal Excess Burden of 24%. Apart from distortion caused by the direct effect of income tax on choice of activity, because the income tax base defies adequate definition, this tax is too easily avoided, especially by the wealthy. Some of the avoidance measures have dead-weight costs that can be as high as just below a taxpayer's marginal tax rate. I do not know if those avoidance costs are included in the 24% MEB or are additional. It would be easier to raise the GST rate than to make income tax either fair or efficient. Lifting the income tax threshold and reducing the rates would each for a different group reduce the disincentives resulting from a means test. While on the topic of revenues, it may be difficult to get the States to transfer revenues to Canberra. Nevertheless, I concede that the P.C. and its forebears have long and creditable records advocating the seemingly impossible at the time.

Ken Henry is right, hypothecation or otherwise pre-committing any substantial portion of the revenues is unwise and wrong in principle. Governments cannot know the future and, despite their appalling record of spending on beat-up crises, should retain their discretion to spend on a real crisis such as was the impending Japanese invasion in the early 1940s; or as it may be an aging population; or a collapse in export potential. The arguments the Draft employs to justify disability services hypothecation apply with even greater force to defence. Current governments should be much less inclined than they are already to inflict current priorities on future governments. I do not think that this particular need is likely to go away and I do not suggest that current sports and arts funding, the ABC, industry subsidies, and many other outlays are more important outlays—on the contrary. Nevertheless, it should not be made difficult for future elected governments to reflect the priorities of their time. Not to trust them denies democracy. 'Beyond political interference' has advantages, and in the case of the Reserve Bank I see sufficient of these to justify making political interference difficult but not impossible. Mostly, however, the advantage of leaving effective authority with democratically elected representatives is insurance worth its cost.

Any competent management should be able to cope with the variability shown in Figure 12.7. Bad seasons tighten management.

The flow of funds to the NDIS should not put spikes in national liquidity but I dare say they will not be large enough for that—I am not sufficiently in touch here.

The politics

Politicians respond to those pressure groups well enough organised to deliver parcels of votes—the public choice argument concerning the dominance of concentrated interests over the dispersed. Nevertheless, if that were the whole story the nation would be virtually ungovernable and there would be no point in a Productivity Commission. In my opinion the Draft Report has too little confidence in the democratic political process. Politicians are not quite the self-interested unprincipled followers of uninformed opinion it assumes. They sometimes do lead. In our fortunate society they and the voting public also respond to widely held values and principles, some better understood than others. We start from a point where both the public and their representatives want to provide

more for people who suffer severe/profound disability and believe that many on disability pensions could be working. Gillard and Abbott have both indicated that think the latter. I share both views.

With regard to the former: I doubt that the politicians and certainly not the public appreciate the high cost but both would in principle accept higher taxes or loss of other privileges to fund the severely disabled. However, raising taxes is easier for the politicians than cutting privileges because taxes are dispersed and privileges are concentrated. The rub here is that cutting privileges that have little warrant in principle or efficiency is much the better option for the community as a whole.

With regard to the latter: there is less chance of getting public or parliamentary support for the outlays or cuts needed for the former while it is widely believed that taxpayers, all of whom claim to be hardworking, are ripped off. A package that includes at least some savings from within disability sector will be conducive to political success.

Politicians, who are told every case is special, will not be convinced by the argument that disability is a special case. While, measured by my scale of values, the case for the severely disabled has an unusually high priority there will from time to time be cases of even higher priority. I think that to argue that disability is a special case among all the outlays governments must consider merely damages the credibility of the Report.

The disabled and their family members are a dispersed unorganised interest. They need the Productivity Commission's advocacy. The suppliers of disability services, on the other hand, are a relatively concentrated and organised lobby who will talk their own book. No moral judgement is implied, every such interest does so, but they are likely to arouse opposition to changes that call for cutting their costs.

I fear that tier 1 activities will appeal to politicians—little cost and much noise—encouraging them to commit future governments to what is not yet thought through, negotiated or financed. The Final Report should in blunt (easily quotable) terms, draw attention to concentrating on greatest need. The States or even a State could start before 2014 accumulating the experience to 'build robust and well-functioning assessment, funding and case management processes; fine tune administrative arrangements; and allow for measured recruitment process...' (p17.9)

Since a Federal election must take place before implementation of an NDIS those who hope for its implementation must also hope that the Opposition comes to understand all that is proposed placing that within the context of fiscal probabilities which are currently somewhat in the air and State sensibilities which are always in the air. Without the help of Treasury and State officials' cooperation, an Opposition spokesman will find this more than difficult. The problem is of a regularly recurring type and I know of no solution other than informed public argument that places disability-services in the context of the overall budget.

Because his department is designed to identify financial sustainability and waste and because senior Ministers are already over-loaded, the Minister for Finance would be a more appropriate Minister than the Treasurer. Enshrining 'entitlement to support' in legislation will enthuse Slater and Gordon and will prevent the proposed NDIS which ought to be constrained by a finite budget from allocating to greatest need. Services based on 'relative needs', nebulous or clear, are unavoidable without disadvantaging the seriously disabled or budget over-run. (p 7.31) I can't help noting that Enron and HIH were audited and Freddie Mac was conceptually impossible. Quarterly audits will no doubt help but they will have a cost. The proposed monthly procedures report, presumably to the board, is no more than normal. Since the Commission clearly contemplates the possibility of insolvency, given the unusual and highly political nature of the NDIS some discussion of next steps is warranted, if only the observation that the Government of the day would have little option but to bale it out as it would with a government departmental process.

In Summary

The Draft Report states: 'it is often the case that the under-provision of support is greatest for those most in need'. That need is the immediate crying need.

I see a risk that an elegant model will become the enemy of the achievable better. When faced with a difficult administrative or political problem it is often best to tackle it by manageable steps.

I think more will be achieved at less cost by revamping existing State systems. Nevertheless, if the States won't end much of the block funding and increase consumer choice, then those reforms should be imposed upon them. I am not, however, convinced that National bureaucracies are inherently superior to State bureaucracies, if anything slightly the contrary.

For the sake of its own credibility the Report should specify at least some savings within the sector.

Although I am at points critical, I have no doubt that the Draft Report is an important contribution to understanding much-needed reform and much of it is appropriately hard headed.

Minor Disability

This observation is no doubt beyond the inquiry's scope but I note that people with minor disabilities are inconvenienced by pettifogging regulation. When I was a politician I became aware of the case of a shire that had trained a lad with learning problems to operate a piece of shire equipment, I think it may have been a front end loader. They had to discontinue this employment because he could not read the several warning placards. My drivers licence requires that I drive only vehicles with a left hand handbrake. My case is too trivial to complain about and of course when the occasion arises I ignore the restriction but it illustrates a problem that is probably common.

NIIS

I am surprised that this does not include accidents at work that are not covered by workers' compensation insurance. (p 3.17) Oversight?