A National Disability Insurance Scheme

1. The Council of Australian Governments (COAG) has welcomed the release of the Productivity Commission’s final report on Disability Care and Support and has agreed on the need for major reform of disability services in Australia through a National Disability Insurance Scheme. All governments recognise that addressing the challenges in disability services will require shared or coordinated effort.

2. This reform should take a social insurance approach that would share the costs of disability services and supports across the community. In addition, the reform should adopt insurance principles that estimate the cost of reasonable and necessary supports, promote an efficient allocation of resources based on managing the long-term costs of supporting people with disabilities and their carers while maximising the economic and social benefits. This would involve consistent application of eligibility criteria, and the timely and efficient delivery of reasonable and necessary supports, including early intervention. Actuarial modelling will be used to estimate and manage the costs of care and support across the life-course of individuals and monitor, evaluate and report on the overall performance of the National Disability Insurance Scheme.

3. A National Disability Insurance Scheme will fund reasonable and necessary individualised services and supports directly related to an eligible person’s ongoing disability support needs.

4. COAG notes that design and implementation of a National Disability Insurance Scheme is the responsibility of all governments and that consideration of the Productivity Commission’s recommendations provides a good starting point. The National Disability Strategy should also inform the design and implementation of a National Disability Insurance Scheme.

5. The development and implementation of a National Disability Insurance Scheme will be a shared responsibility of the Commonwealth and States and Territories. Governments agree this is a substantial and important reform that will fundamentally change the nature of disability care and support in Australia. Work will start immediately, but fully realising a National Disability Insurance Scheme will take time and require a careful and considered approach by all levels of government. The Commonwealth and State and Territory governments will work together through the Select Council of Treasurers and Disability Service Ministers (Select Council on Disability Reform) to build a National Disability Insurance Scheme which will deliver the following outcomes to eligible people with disabilities:

   a. People with disability will be supported to participate in and contribute to social and economic life to the extent of their abilities;

   b. People with disability and their carers will have certainty that people with disability will receive the individualised care and support they need over their lifetime;

   c. People with disability will be able to exercise more choice and control in their lives, through a person-centred, self-directed approach to service delivery with individualised funding;
d. People with disability, their families and carers, service providers, the public and governments will have greater transparency and certainty of funding for disability care and support;

e. Disability care and support will be more accessible;

f. Disability care and support will meet nationally consistent standards;

g. Disability care and support will be sustainably resourced; and

h. Disability care and support will contribute to governments’ commitments to closing the gap on Indigenous disadvantage.

6. The Select Council on Disability Reform will reflect and give effect to the following design principles agreed by COAG when considering the Productivity Commission’s recommendations and moving towards a National Disability Insurance Scheme. These principles do not direct governments’ consideration of the Productivity Commission’s recommendations in relation to the National Injury Insurance Scheme, which will be subject to a separate process lead by the Commonwealth Assistant Treasurer, however it will be important that the work progressing a National Injury Insurance Scheme is aligned to the National Disability Insurance Scheme work.

7. Principle 1: A National Disability Insurance Scheme should be needs based and provide people with disability access to individualised care and support. To achieve this, a National Disability Insurance Scheme should recognise existing best practice across the states and territories and build on this best practice through foundation reforms to:

   a. Provide certainty for people with disability in accessing high quality and effective services and support when they need them;

   b. Be simple to understand, navigate and provide portability across jurisdictions and service providers;

   c. Provide innovative responsive and coordinated services locally;

   d. Support access to mainstream services such as education, transport, health, housing, aged care and employment services;

   e. Recognise the essential support provided by families and carers and support them in their roles;

   f. Recognise and enhance the significant role of the not-for-profit and private sectors in a well functioning disability services system;

   g. Provide people with disability with better information and support to enable them to make informed choices and exercise control and choice over their care and support;

   h. Ensure the development of the sector is actively supported in a way that fosters continuous improvement, viability and sustainability;

   i. Ensure equity of access by addressing the needs of people in regional and remote Australia and people from Indigenous and Culturally and Linguistically Diverse (CALD) backgrounds;
j. Promote innovation in services and the services system;

k. Provide appropriate safeguards to support and protect people with disability; and

l. Provide continuity of support to people with disability currently receiving services to ensure that they are not disadvantaged in the transition to a National Disability Insurance Scheme.

8. Principle 2: Resourcing arrangements for a National Disability Insurance Scheme should:

a. Provide certainty of future resourcing recognising the projected ongoing growth in demand and the need for incentives for containment;

b. Provide adequate funding to address assessed needs;

c. Be fiscally sustainable for all levels of government;

d. Be based on an assessment of the costs of meeting reasonable and necessary care and support needs of an individualised funding approach;

e. Be transparent regarding contributions from jurisdictions;

f. Not create any disincentives for carers and family members to provide support;

g. Ensure that no jurisdiction is disadvantaged by:

   i. historically high levels of funding for disability services, recent increased investment in disability services or additional investment in the lead up to the launch of a National Disability Insurance Scheme; and

   ii. having already undertaken foundation reforms required to implement a National Disability Insurance Scheme.

h. Support a social insurance approach.

9. Principle 3: Governance for a National Disability Insurance Scheme must be transparent and accountable and ensure genuine ongoing involvement of all jurisdictions in determining governance, policy setting and scheme management. Governance arrangements should:

a. Establish a National Disability Insurance Scheme that is administered in a way that manages life time costs of care and support through insurance principles, such as consistent application of eligibility criteria and timely and efficient delivery of reasonable and necessary supports, including early intervention, to ensure the ongoing financial sustainability of the scheme;

b. Maximise the benefits of a market-based approach to disability support services, including consideration of a costing structure that fosters competition and choice, and supports an individualised and localised approach and takes account of legitimate cost variations for different locations and client groups;

c. Ensure that there are nationally consistent eligibility criteria, standardised assessment tools, quality standards and a range of services and supports;
d. Enable localised planning and access to efficient and responsive services, and be coordinated with mainstream services such as education, transport, health, housing, aged care and employment services;

e. Equip and enable people with disability to the extent possible to choose and direct the services they receive and the manner in which they are provided;

f. Ensure transparency of eligibility, assessment and resource allocation;

g. Provide clarity around the roles and responsibilities of different levels of governments in the transition to and operation of a National Disability Insurance Scheme;

h. Engage people with disability, their families and carers in the design and delivery of services;

i. Facilitate national research and data collection and consolidation; and

j. Ensure alignment with the policies, standards and services of a National Injury Insurance Scheme.

10. Principle 4: All jurisdictions commit to accelerated progress in the delivery of foundation reforms agreed by the Select Council in the period leading up to the establishment of a National Disability Insurance Scheme, together with simultaneous progress on resolution of governance and funding issues. This will ensure an effective transition to a National Disability Insurance Scheme which will deliver immediate improvements for people with disability in the interim. The implementation of a National Disability Insurance Scheme will recognise current systems, structures and coverage and ensure appropriate transition strategies. This will require:

a. Ensuring continuity of support to people with disability currently receiving services to ensure that they are not disadvantaged in the transition to a NDIS;

b. Ongoing development of the disability services sector capacity to meet the diverse and individual needs of people with disability, and to manage risk and operate effectively in a National Disability Insurance Scheme;

c. Continuous improvement in specialist disability specialist support services in the lead up to a National Disability Insurance Scheme, including through reforms under the National Disability Agreement;

d. A national workforce strategy to address qualifications, training and cross sector career mapping issues and other measures to establish the sector as an ‘industry of choice’ to ensure there is a skilled and responsive workforce to meet the care and support needs of people with disability, and assessment and local coordination roles under a National Disability Insurance Scheme;

e. Robust evidence from trialling and evaluation;

f. Appropriate legal and administrative reform, including data and information systems to support an insurance approach;

g. Detailed analysis of the existing levels of investment to inform financing arrangements for a National Disability Insurance Scheme, including state and
Commonwealth government funding, insurance based arrangements and other funding; and

h. Detailed analysis of the cost structures underlying an individualised approach.