

21 June 2010

Disability Care and Support Inquiry
Productivity Commission,
GPO Box 1428
Canberra City ACT 2601

Dear Commissioner,

Thank you for the opportunity to comment on the Productivity Commission review of Australia's disability support system, which focuses on the proposed National Disability Insurance Scheme (NDIS), an important policy initiative which aims to provide universal care for eligible participants.

A well designed NDIS has the potential to increase funding to the sector, guarantee support for thousands of Australians, end the existing fragmentation in the sector, improve the quality of goods and services offered and increase funding flexibility for governments and individuals.

The NDIS will need to consider who is eligible for support, the scope of services covered and the appropriate mechanism for raising the required funds, which could include an additional Medicare levy, contributions from state governments, general taxation or personal contributions.

To maintain existing levels of disability support, existing funding from all levels of government should be maintained, with the introduction of the NDIS supplementing existing funding. Various funding streams could then be consolidated in a national fund with clear spending guidelines.

The prevailing funding mechanism in the existing disability sector, block funding, could be complemented with additional financial models, including activity based funding for services approved under the NDIS or individual funding for consumers to purchase their own care.

Ideally a variety of funding models will emerge under the NDIS, designed to meet the varying needs of people with disabilities. To achieve this, the NDIS should consider allowing the superannuation industry or others, who have the capacity to design innovative financial products, to participate.

Individuals could belong to a government plan, a plan operated by a superannuation fund or a plan offered by a not-for-profit enterprise. The NDIS would allocate funding to participating firms based on the demonstrated needs of customers, encouraging competition between suppliers of financial products and consequently greater innovation from suppliers of goods and services.

Allowing the superannuation industry and others to participate in the scheme may reduce operating costs for government, provide greater policy flexibility for governments who wish to introduce complementary measures and consequently increase investment and support in the sector.

Yours Sincerely

Simon Schwab