

16 August 2010

Submission to Disability Care and Support Inquiry

I have assisted in the preparation of submissions to the Inquiry from the Institute of Actuaries of Australia and ANGLICARE. This personal submission suggests the current fragmented disability system can be significantly improved by creating two new national schemes.

1 A comprehensive disability insurance for the employed

This scheme should be created from existing workers compensation, life insurance and superannuation disability insurance schemes. It should be compulsory for all the reasons that superannuation is compulsory and the choice of insurer should be optional – again for the same reasons.

It should focus on rehabilitation in the first instance, and provide funding for additional medical and other care, rehabilitation and employment services – and income replacement. The use of insurance case managers can provide the flexibility and individualised funding desired.

Benefits should be on a no fault basis, but dependent on collaboration from the insured and their carers. Income replacement will necessarily be means tested.

2 A comprehensive disability insurance for congenital and childhood conditions

This scheme could be built out of existing health insurance arrangements. It should also be compulsory and be funded out of the “baby bonus”, which would need to be perpetuated. It would focus on education rather than rehabilitation, but operate similarly to the employment based scheme.

A different scheme is justified because it covers a very different group of people for different conditions to the employed scheme.

Government funded support for other conditions

The two new schemes would not cover people who are currently disabled and not covered by existing schemes, and people who are not employed when they are disabled. They would be covered by existing disability arrangements.

In due course, they are likely to be a recognisably different group of people with different needs to the other schemes: mainly people with mental health problems and those with dysfunctional families. I think they would be better served by a focussed system that does not have to cover the other two types of disability.

Yours sincerely,

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