Victorian Government Submission to the Productivity Commission Inquiry into Disability Care and Support

Acronyms

ABI	Acquired Brain Injury
ABS	Australian Bureau of Statistics
ACC	Accident Compensation Corporation (New Zealand)
AIHW	Australian Institute of Health and Welfare
AMA	Australian Medical Association
COAG	Council of Australian Governments
DEECD	Department of Education and Early Childhood Development (Victorian Government)
DH	Department of Health (Victorian Government)
DHS	Department of Human Services (Victorian Government)
DOJ	Department of Justice (Victorian Government)
DPCD	Department of Planning and Community Development (Victorian Government)
FIM	Functional Independence Measure
GCS	Glasgow Coma Score
HACC	Home and Community Care
ISP	Individual Support Package
JASANZ	Joint Accreditation System of Australia and New Zealand
OT	Occupational therapist
PC	Productivity Commission
SCI	Spinal Cord Injury
SIO	State Insurance Office
SSA	Shared Supported Accommodation
TAC	Victorian Transport Accident Commission
TBU	Traumatic Brain Injury
UNCRPD	United Nations Convention on the Rights of Persons with Disabilities
VCAT	Victorian Civil and Administrative Tribunal
VSTORM	Victorian State Trauma Outcome Registry and Monitoring

Key Points

A national scheme would be a major step towards increased equity for people with similar levels of disability and would provide greater certainty of funding and support.

Such a scheme would have significant cost implications - given the funding required to meet unmet demand. It is only likely to be feasible with Commonwealth involvement due to the scale of the funding required, and the states' limited revenue sources.

Decisions about complex issues surrounding the structure of the scheme would need to be made, including maintaining incentives for safe behaviour by businesses and individuals.

The scheme would be developed collaboratively through the Council of Australian Governments, drawing heavily on the expertise and experience of States and Territories in delivering and managing disability services.

A critical step would be to build expertise and greater consistency in the legal and support structures of no-fault arrangements across jurisdictions. A National Partnership arrangement could be developed to encourage these changes to occur, with Victoria leveraging off its significant expertise and existing structures to advise other states.

While expertise and capacity in all states is being built and developed further, the Commonwealth and the states and territories should jointly consider how the nation could move to a broader and more equitable system of support for people with disabilities.

1 Introduction

The Victorian Government welcomes the opportunity to provide input into the Productivity Commission's (PC) inquiry into a national disability care and support scheme. This inquiry could fundamentally reform disability services in Australia, providing secure funding and greater consistency in the level of care and support available. Victoria has significant experience in the delivery of care and support to people with a disability and to those injured in transport and workplace accidents. Notably, with over twenty years' experience, both the Victorian Transport Accident Commission (TAC) and WorkSafe Victoria have substantial expertise to offer in the design and running of a no-fault scheme. Victoria is therefore well placed to offer insight, particularly in considering the complexities of such a scheme.

Benefits

The development of an entitlement-based scheme would mark a significant social reform for people with a disability and their families.

In particular, a national scheme would offer the opportunity to put in place a fairer system, founded on the principles contained in the United Nations Convention on the Rights of Persons with a Disability. People could be offered the support they need when they need it, and those with similar needs could be offered similar levels of support - no matter what the cause of their disability or the jurisdiction they live in.

Importantly, a national scheme could provide much greater certainty for people with a disability and their carers, particularly about timely access to support for as long as they need it, thereby substantially reducing a key source of stress.

A national scheme could provide the opportunity for a consistent approach across the country, with similar access to care, levels of support and administrative systems. This would allow people to move across state boundaries without encountering complicated changes in their arrangements, and would facilitate national action in important areas such as prevention of accidents.

Issues to be considered

A more equitable system would, however, be much more expensive than current arrangements, because it would be meeting more people's needs in a more timely way and to a higher standard for many. This would require trade-offs between the aspirations for a new scheme, and the need for it to be affordable and financially sustainable. It would be important for any national scheme to spread the risk of disability across the community, but also to provide incentives for certain groups (such as employers and motorists) to take action to avoid accidents and injury.

A national scheme should also provide incentives for people with disabilities to transition out of the system and reduce their reliance on specialist disability supports where possible, through early intervention and by building skills and capabilities for independence.

A sound national scheme would maintain sufficient flexibility to cater to local conditions and needs. This will require strong State and Territory leadership and it is only likely to be feasible with Commonwealth involvement due to the scale of the funding required, and the states' limited revenue sources.

A shift to a national scheme would be a complicated undertaking, which is why state and territory expertise and experience would be a critical input into design and implementation. This would require careful negotiations between the Commonwealth and states and territories.

This submission outlines a number of specific design features for a national scheme which are largely based on existing practice and processes in Victoria. Careful consideration would need to be given, however, to how a national scheme would be funded, administered and monitored, and how a shift would occur from existing service delivery and policy settings.

Victoria has extensive experience as a leader in the delivery of disability services, including self directed planning, support and funding – a direction Victoria has been moving in over time. This experience provides knowledge and lessons for consideration in examining the possible features of a national scheme.

Further detail on Victoria's disability services and schemes is provided in Attachment 1.

2 Principles to underpin a national scheme

Agreement on the underpinning principles that should govern the development and administration of a national scheme would help to guide discussion of the complex issues inherent in establishing such a scheme.

The provision of long-term disability care and support in Victoria reflects a number of principles for planning, policy and program design and delivery. These embrace the human rights principles contained in the United Nations Convention on the Rights of Persons with Disabilities and the Victorian Charter of Human Rights and Responsibilities, and include:

- respect for inherent dignity, individual autonomy including the freedom to make one's own choices, and independence of persons
- non-discrimination
- full and effective participation and inclusion in society
- respect for difference and acceptance of persons with disabilities as part of human diversity and humanity
- equality of opportunity
- accessibility
- equality between men and women
- respect for the evolving capacities of children with disabilities and respect for the right of children with disabilities to preserve their identities.

A key question is, how could a national system be built that satisfies these principles, taking account of today's starting point?

To do so, a national scheme would need to be built on four core principles:

- enhancing equity
- using self directed approaches that involve choice and tailored support
- building in appropriate risk bearing and incentives where impairment can be avoided, and
- ensuring sustainability.

2.1 Enhancing equity

Equity is a key concern driving reform of long-term disability care and support. People with a disability have the right to be respected and the right to participate in the social, economic, cultural, political and civil life of society. People with a disability are entitled to live, learn, work and engage with their families, neighbourhoods and communities with the same rights, responsibilities and opportunities as all citizens. This principle is central to both *A Fairer Victoria: Real Support, Real Gains 2010* and the *Victorian State Plan for Disability 2002-2012*.

Financial constraints limit the extent to which current systems meet this equity objective, with some people missing out on support altogether, and some people with

similar types of disability treated in different ways because of the source of their disability or their place of residence (this is discussed further in section 3).

For a national disability care and support scheme to be a genuine advance on the current situation, it needs to enhance equity.

2.2 Self directed approach – choice, tailored support

Self directed approaches recognise that the person with a disability is at the centre of services and decision making, and supports them and their family to participate in planning and decision making to the greatest extent possible.

Self directed approaches enable people with a disability to identify, design and oversee the support and resources they require. Self directed approaches aim to ensure that supports and resources are provided based on people's needs, goals, lifestyle choices and aspirations. Some people may require help to identify their needs and the best ways to meet them. People may be supported by family, friends or support providers. The important aspect of self directed approaches is that the focus remains on the person themselves and that support is designed to meet their needs.

Self directed approaches create a mechanism for people to use their knowledge and energy to generate better outcomes for themselves. In the process, the support system becomes more efficient and provides better value for money. Research indicates that people using a self directed approach show improvements in their health and wellbeing, participate more in community activities, and enjoy greater choice and control over their lives, which promotes their sense of personal dignity. Increasing opportunities for people with a disability to direct their own supports and to participate in the community can also increase opportunities for carers and other family members to participate more fully in community life.

Recognition of the importance of self directed approaches should underpin the development of any national scheme.

2.3 Appropriate risk bearing and incentives

A reasonable objective for a national disability care and support scheme is to spread the risk, and therefore the cost, of supporting people with a disability across the community.

The cost of providing support can be substantial for an individual. In some cases the cost is covered by insurance (for example, disability insurance under a superannuation scheme, workers' compensation or compulsory third party insurance), but in many instances, insurance is not available or only partly covers the cost. People then need to rely on services provided under public systems, which are necessarily rationed and often difficult to access quickly. Where the insurance system and public system are insufficient to meet needs, it falls to individuals to pay for their own support, or rely on people offering voluntary support (often family members, including older carers). For those with limited financial resources and limited access to voluntary services, care and support needs can be unmet.

Government can assist these individuals through a national support scheme that shares the financial risk and cost of support across the broader community.

However, it would also be important for any national scheme to preserve incentives that engender safer behaviour and a safety culture, to reduce the risk of accidents that result in disability. For example, for employers and medical practitioners, the price of workers' compensation and medical indemnity insurance premiums can be linked to safety performance. A scheme should also build in incentives to reduce trauma and disability as a way of containing growth in costs, to ensure financial sustainability and affordability. For example, the TAC (in partnership with Victoria Police and VicRoads) road safety strategy, *Arrive alive 2008-2017*, plays a lead role in promoting safer road user attitudes and behaviours through targeted media and community programs.

2.4 Sustainability

Sustainability of funding for any national scheme is a major consideration. Demand for services is rising, partly as a result of the ageing population, and the cost of service provision is also increasing. The Inquiry's terms of reference indicate that any national scheme is intended to cover people with a disability not acquired as part of the natural process of ageing, but this may be a difficult distinction to make in practice.

Even when this distinction can be made, demand and cost pressures are likely to be evident over time. Designing a sustainable scheme involves achieving a balance between the entitlement structure (who is entitled, and to what) and limited funding.

A significant benefit of a national disability scheme could be the opportunity to fund disability support through a stable accumulation fund. The TAC and WorkSafe schemes are set up as accumulation schemes to manage long tailed liabilities. For example, the TAC has achieved an average return of approximately 8.3 per cent over the 23 years of the scheme, which has enabled the provision of disability support and care for an increasing number of people without increasing premia beyond the rate of increase in the consumer price index. Funds like those administered on behalf of Victoria's statutory insurers have provided an effective buffer against rising costs and increasing demand for services, enabling both the TAC and WorkSafe to improve benefits available over time.

Secure funding enables disability support to be provided on an equitable entitlement basis consistent with the funding available, with secure growth funding supporting maintenance of the entitlements offered. The availability of secure entitlements and funding can also be an incentive for the development of appropriate services and supports.

Sustainability of the scheme could be enhanced by ensuring that appropriate consideration is given to early intervention, building individual capabilities and encouraging independence wherever this is practicable, with a view to reducing people's reliance on specialist supports over time.

3 Developing a national scheme - drawing on the Victorian experience

Drawing on the expertise and experience of states and territories is essential to ensure any national scheme builds on lessons learned and reflects local needs. For example, Victoria's TAC has more than 20 years experience in the management of an entitlement based scheme of benefits for people with disability arising from motor vehicle accidents. A national scheme could draw on this experience and the accumulated data to assist in:

- defining entitlements under a proposed scheme
- managing claims under a proposed scheme
- provider relationship management
- costing a proposed scheme, and
- managing of funds for the delivery of long-term benefits.

The TAC's expertise and experience has been used to assist the development of other no-fault schemes such as the NSW lifetime care and support scheme, as well as a number of international schemes, particularly in Africa and Asia, whose representatives have visited the TAC to draw on its expertise. WorkSafe has a relatively small number of claims involving catastrophically injured workers and, recognising the importance of scale and the specialist skills and knowledge required to most effectively manage these cases, has engaged the TAC to manage them on WorkSafe's behalf.

As outlined in the PC terms of reference, the development of a national scheme would require resolution of complex and in some cases competing considerations of several types, including:

- specific design issues
- administrative arrangements and governance
- costs and financing
- implementation issues.

A number of these issues are discussed in this section, drawing on Victorian experience, and are summarised in the box below.

Further detail on current arrangements for disability support in Victoria is in Attachment 1.

Key issues for a national scheme

Specific design issues

Eligibility – definitions should be clear, consistent and enforceable.

Entitlement – equitable access to assistance and support – level of assistance determined by need and not the source of the disability.

Assessment – objective, evidence-based assessment based on best practice and responsive to changing needs.

Scheme ethos – choice and control for individuals and appropriate support for decision making.

Service supply – strong role for the market to supply the services that people with a disability want.

Planning and delivery – a self directed, individualised planning approach to support needs.

Interface with other service providers – interface should be integrated but well-defined

Informal care and support – the role of family and informal carers must be supported and encouraged.

Early intervention and prevention – targeted and timely early intervention and prevention and research for innovative disability services.

Costs and financing

Sustainability – include mechanisms to maintain sustainability and affordability.

Equity of benefit – address the current disparity in benefits, consistent with the sustainability of the scheme.

Assessing funded responses – services should be evidence-based, clinically justified and promote trans-disciplinary services and transparent resource allocation.

Managing risk and incentives – any national scheme should manage risk while preserving incentives for safe behaviour.

Governance – adopting a corporate approach, with a corporate board managing costs and financing (similar to TAC/VWA).

Interaction with other insurance arrangements – boundaries with other insurance arrangements should be clear, so as to minimise the potential for cost-shifting, forum shopping and double-dipping.

Administrative arrangements

Quality standards and monitoring – standards focused on positive outcomes for people with a disability and take account of supplier diversity and capacity and do not unnecessarily increase regulatory burden.

Appeal and review – a transparent appeal and review process that minimises need for litigation.

Expert panels – panels with clinical expertise to make recommendations for clinically complex decisions.

Implementation

Scale – significant implications for model of delivery and the capacity of the workforce to supply services for currently unmet need.

Transition – should be phased in, to allow for adequate supporting infrastructure to be in place and costs to be fully assessed before expansion.

3.1 Specific design issues

There would be design issues to consider in implementing any national scheme, particularly in relation to:

- eligibility
- entitlement
- assessment
- service ethos
- service supply
- service planning and delivery
- interface with other service providers
- informal care support
- early intervention and prevention.

3.1.1 Eligibility

A national disability scheme requires transparent and objective eligibility criteria and definitions. The boundary around those covered should be clear and enforceable in order to promote equity and protect the financial viability of any scheme.

Defining the transparent and objective eligibility criteria needed for an equitable national scheme would be complex. A number of approaches could be considered. At its most narrow, a scheme could include only those who have catastrophic injuries as a result of an accident. At its widest, a scheme could include all those who have a condition that restricts their capacity to take part in ordinary life activities, regardless of how it was acquired. Eligibility would need to be clear and enforceable in order to prevent boundary creep, and to ensure that people with similar needs were treated similarly. It may be useful, for example, to explicitly legislate to define boundaries.

Boundaries can be drawn in a number of ways. For example, a boundary could be set on the basis of age to address crossovers with early years (0-6 year olds) and aged care. A more comprehensive system of entitlement might draw boundaries according to a threshold based on minimum levels of assessed care needs or disability.

Where the eligibility boundaries are set would be a key determinant of the cost of any national scheme. The wider the definition, the more expensive the scheme would be. A key issue to resolve would therefore be how to strike a balance between fair entry to the scheme and the scheme's sustainability. This issue is discussed further in section 3.3.

Agreeing on definitions for levels of disability would be difficult. It may be helpful to use the extent to which a person requires assistance or support, regardless of disability, to determine eligibility. This may be achieved with an agreed assessment for functional independence. The TAC, ACC NZ and LTCS NSW are working together to identify suitable tools for different disability cohorts and for children. The Functional Independence Measure (FIM) is a tool commonly used by sub acute hospital services and funders of services and has been identified as providing a strong indicator of claim costs. Alternatively, in Queensland the Modified Barthel Index is used to determine the levels of care required. The Victorian Department of Human Services

(DHS) is currently looking at a range of tools as part of development of a new resource allocation framework.

The Inquiry terms of reference limit coverage of a national scheme to disability 'not acquired as a part of the natural process of ageing'. This is consistent with the definition applied under the *Disability Act* 2006 (Victoria). While this distinction is important for the sustainability of a national scheme, it may generate uncertainty – particularly in relation to previously undiagnosed degenerative conditions. Victoria would also be required to consider how a proposed definition would align with the Victorian Charter of Human Rights and Responsibilities.

3.1.2 Entitlement

A national scheme should be based on need.

A national scheme should be based on a person's needs and individual circumstances, rather than how they acquired a disability. A national scheme should entitle anyone meeting specified criteria to funding and support. The scheme needs to have clear and consistent definitions for entitlement to benefits, and evidence-based assessment of the levels of care and support required.

Considerations for access based on need include:

- how a disability affects core activity (that is, the extent to which capacity is reduced in at least one of the areas of self care, self management and/or mobility or communication)
- a demonstrated need for regular or day-to-day assistance and
- whether support can be delivered by everyday family relationships and roles and community responses.

As noted in section 2, in Victoria (as in other states and territories), there are currently different levels of support received by people with disabilities, depending on how the disability is acquired. Differences in arrangements across states and across fault and no-fault insurance arrangements within states result in differences in the levels of support offered to individuals. For those who can seek compensation through the courts, assessment and settlement of a claim is typically a long process and can actually hinder recovery and independence. As discussed in sections 2 and 3, any national scheme should aim to address the current disparity in levels of services and provide services based on need.

3.1.3 Assessment

Any national scheme would need to be based on an objective, evidence-based method of assessment.

Support should be graduated and respond to changing need, whether as a result of an improving or degenerating condition, or through various life stages.

It is critical that any national scheme is based on assessment that is objective, consistent and yet flexible enough to take into account individual circumstances across the life cycle. Disability from birth requires a 'whole of life' approach with

fluctuating supports based on life stages. People who acquire a disability may need more intensive intervention in the early phases, then more stabilising supports later on. The need for support to manage degenerative neurological conditions on the other hand tends to increase over time, focusing initially on maintenance of skills and community living arrangements, with increasing intensity of support as the condition degenerates.

Overall, services provided by DHS in Victoria reflect this flexible approach, although with some variation. DHS has moved away from testing and the concept of 'eligibility'. The Disability Act 2006 introduced the concept of 'Target Group Assessment' to allow people to access support provided there is evidence of the presence of a disability.

For severe injuries, the TAC uses injury based criteria such as the level of spinal cord lesion for spinal injuries and measurements of Post Traumatic Amnesia (PTA) and Glasgow Coma Score (GCS) as part of the initial assessment. This is then supplemented with individual plans and needs based assessments undertaken by medical and allied health providers to determine individual needs. The determination of whether a requested service is reasonable is based on the clinical need and the fit with a person's individual plan. This process is open to review. Over time, some benefits such as home modifications have increased due to repeated legal challenge to test the meaning of 'reasonable'.

Similar assessments are undertaken in relation to WorkSafe clients to determine those who are to be managed by the TAC (these catastrophic injuries include paraplegia, quadriplegia and severe/moderate head/brain injury). For those WorkSafe clients where injuries are deemed as serious but do not meet the definition of 'catastrophic', claims are managed by WorkSafe authorised Agents, according to needs-based assessments undertaken by medical and allied health providers.

3.1.4 Service ethos

A national disability scheme should encourage independence, provide choice and control for individuals and have appropriate mechanisms to support people to exercise that choice.

Any national scheme should build on the best features of Victoria's no-fault insurance schemes and disability service model by reflecting an emphasis on self directed approaches, with a strong focus on individualised services and choice. Victoria has introduced a range of reforms over the last decade to create an environment that builds skills and capabilities for independence and more readily facilitates self directed approaches, aimed at giving individuals greater choice and control. For example, Victoria has a well-developed system for self directed planning and has progressively expanded the volume of self directed supports and client-attached funding for DHS disability services. Essentially people with a disability are supported to develop a plan and, if in receipt of an Individual Support Package, can choose what supports it delivers within the resources available and how the funds are allocated.

In a national scheme a balance needs to be achieved between the provision of individualised support and the management of costs. This will best be achieved through a combination of tightly managed entry criteria (as per section 3.1.1) and clear guidance for the assessment of the appropriateness of supports and service planning and provision (see section 3.3.3). These will set the parameters within which people with a disability can exercise choice and control, should they choose.

Evidence from the Victorian experience suggests that where individuals and their families are given choice, they tend to select different services from those they would have received otherwise. However, it is acknowledged that some individuals and their families require assistance in developing their plans and choosing services, and Victoria has introduced a variety of support and funding mechanisms have been introduced to assist people when selecting services. A national scheme would need similar features.

When individuals and their families have choice in the selection and delivery of services (within established constraints), there is also the potential to drive better value for money, and achieve higher levels of satisfaction. A trial of direct payments by DHS has, for example, demonstrated better value for money for some participants.

Victoria's no-fault insurance system is being reformed to reflect the Government's commitment to an individualised approach. The TAC provides the client with choice of provider, supporting this choice with relevant and timely information for clients about service providers. The TAC also has supported a small cohort of people to manage their own services through individual funding agreements. These clients arrange their own services within agreed overall service limits and receive funding into a dedicated bank account on a monthly basis to manage their services. They are required to account for expenditures. The 15 people involved in the program report much higher levels of satisfaction under these individual funding arrangements. IT capacity is a constraint on expanding the program. The program is highly regarded for the success achieved in promoting independence, stabilising cost and increasing satisfaction among the claimants involved.

In an ideal self directed national scheme, individuals and their families would need to have choices in rehabilitation and care, regardless of their geographical location. This would be a significant challenge, given the current capacity of the market in some locations, and suggests a need for substantial capacity building and workforce development. It also underlines the need for support and accommodation to be provided by the mainstream community wherever possible, with a national scheme providing support for people to access particular goods and services that are unavailable in the mainstream. Actively supporting initiatives to increase the accessibility of the community reduces the reliance on specialist services or assistance.

3.1.5 Service supply

A self directed approach should be supported by a strong role for the market in service delivery.

The shift toward a self directed approach in Victoria means adjustments are underway in the supply of services.

The increasing provision of Disability Services funding through Individual Support Packages is starting to drive changes in the provision of services. People with a disability are purchasing support via these packages from both existing and new providers, some of which are new entrant for-profit agencies. Some purchasing is also showing a shift to entirely new types of service supports developed by the market in response to changing demands. The expectation is that self directed approaches will continue to guide the development of future support responses.

The public sector is also supporting these shifts, with both DHS and TAC having commenced programs to increase service options, including the provision of innovative alternatives to more traditional options. For example, the Victorian Government has led the development of an Accessible Housing Community Awareness Strategy, *Build for Life*. Launched in 2009, the Strategy aims to raise consumer awareness and shift consumer preference toward accessible housing, creating a business case for architects, volume builders, niche builders and relevant tradespeople to build more accessible homes.

As in other jurisdictions, there is a range of market challenges, including the high demand for qualified carers, provision of appropriate accommodation options and community programs for people with a disability to promote inclusion and community participation. The TAC has recently decided to invest to address supply issues in the area of specialised disability housing. These sorts of decisions to address service gaps directly become possible when funds are available in a stable accumulation fund.

3.1.6 Service planning and delivery

Effective planning which is geared towards meeting individual needs and ensuring informed choice is the cornerstone of a self directed service approach.

Victoria's experience is that a self directed approach must be underpinned by individualised planning. This not only ensures a greater sense of control and choice for individuals with disabilities and their families, but also leads to better value for money and therefore sustainability of support.

Victorians with a disability using DHS services are assisted to establish a 'support plan' which enables them to choose effectively among existing government services, episodic supports and support provided through Individual Support Packages. Funding is attached to the individual to purchase the supports needed to achieve their goals. An alternative to this 'direct payments' system is a financial intermediary service which makes payments at the direction of the individual receiving the services.

The TAC has found that appointment of in-house case managers for people with severe injuries means that the crucial early interventions are put in place quickly. This can reduce longer-term need in many cases. The focus of this service is on early intervention, appropriate planning for discharge, service coordination and education for people with a disability and families regarding entitlements under the *Transport Accident Act*. TAC case managers also provide episodic case management services to existing clients to address issues such as accommodation, community integration and support during crisis.

In the past the TAC has outsourced case management services, purchasing from generally not-for-profit disability service providers. The TAC chose to bring these services in-house in 2008 for a number of reasons, including to support the early development of effective relationships with people with a disability and families, and to manage claims liabilities by ensuring the efficacy of services with a focus on individual needs. This move was largely cost neutral. A critical component of the in-house case management model is that all case managers employed by the TAC have relevant training and experience in community case management practices.

A key part of the TAC's 2015 Strategy is an Independence Project which aims to improve the quality of service delivery to and maximise outcomes for TAC clients with catastrophic injuries, particularly those with acquired brain injury and/or spinal cord injury. A central component of the Independence Project is a move to improve the co-ordination of services with the introduction of a revised client centred planning framework and a revised claim/case manager role. The model includes better engagement of providers and improved disability provider competency to assist TAC clients reach their independence goals.

WorkSafe case management and individualised planning is put in place for people who need long-term care and support. As noted previously, individualised planning for WorkSafe clients with catastrophic injuries is contracted to the TAC as a specialist provider.

3.1.7 Interface with other service providers

The interface with other services systems should be seamless but well-defined.

Mainstream services should be encouraged to provide for people with a disability where this is possible, rather than a national disability scheme duplicating mainstream services. For example, people with a disability should receive universal hospital and health care in the same way as other citizens. However, a smooth interface between disability and other service systems (including health, education, housing, employment and transport) is essential to the independence and social and economic participation of people with a disability.

For young people with a disability, support from education and training services is critical to promoting capability, economic participation and contributing to maintaining family relationships. Transport is a building block of community inclusion and being able to participate in and contribute to community life. Choice in housing is also important to an individual's control over their lives. In recognition of this, Victoria established the Disability Housing Trust and is currently supporting the development of innovative housing options which will provide new places for young people currently in residential aged care, more independent living options by aligning disability supports with social housing, and supported accommodation for people with a disability who are living with older carers.

Key to an effective national disability support scheme would be a strong interface with other health services, such as medical, surgical, nursing, dental, psychiatric, rehabilitation and diagnostic services. Well coordinated provision of such services to people with a disability has the potential to reduce long-term support need and/or intensity of other support and care services.

While essential to the overall wellbeing of people who are injured, the provision of acute care services such as ambulance, emergency services, trauma management and acute health services should be excluded from any national scheme, given only a small proportion of people leaving a trauma unit with sustained severe injuries would go on to a require the services of a national scheme. It would also be difficult to reliably predict which individuals would go on to require access to a national scheme during the acute stage of their disability. However, the links between these services and a national scheme would need to be well-developed. The Victorian experience suggests particular benefit in strengthening the disability and sub acute interface, particularly for slow stream rehabilitation opportunities.

In a joint initiative, the TAC has regular contact with the Department of Health (DH) and DHS to identify common areas of service delivery that can be strengthened. The TAC and DH have funded research and are now jointly funding a Spinal Community Integration Service pilot for Victorians who have newly acquired SCI. The TAC is also working with DHS to address the need for slow stream rehabilitation and identify whether there is an opportunity to partner in the development of new shared supported accommodation for people with a severe injury. Other work on the disability/health interface in Victoria has looked at hospital discharge, guidance to support people with a disability in acute care settings, and access to rehabilitation for young people in residential aged care.

The TAC and WorkSafe engage with disability service providers and allied health providers (eg. occupational therapy, physiotherapy, speech therapy and neuropsychology) who provide care and support services specifically for TAC clients. A Network Provider Program is also in place to contract profit and not-for-profit specialist entities specifically for TAC clients and WorkSafe injured workers.

Barriers to effective service interface can arise where funding arrangements differ. The TAC, for example, funds individual claims on an assessed needs basis (and the claims are predominately for severe injuries like ABI and SCI). This is different from the public health model where a diverse range of injuries and conditions are managed under a number of different funding arrangements, and these differences limit the extent of collaborative activities. Information technology systems are also not available to streamline client management or sharing of information across organisations.

3.1.8 Informal care support

Arrangements should respect and protect families and informal support networks.

Like everyone, people with a disability receive substantial support and assistance from their families and friends and it is essential that the disability support system respects and protects these relationships. The service system needs to promote family strength and resilience in the context of rapidly changing demographics and social roles and expectations. A 2007 survey by the Australian Institute of Health and Welfare found that one third of family carers in Australia were severely depressed or stressed.

To support the maintenance of strong and nurturing families, DHS provides a range of supports such as respite, including a dedicated component for older carers.

Predicted changes to family structures and roles have been explicitly accounted for by the TAC, with TAC actuaries making allowance in costing of future liabilities for the progression from family based to formal care as a result of the ageing of people with a disability and their family members.

Similarly, a national scheme would need to take account of these changes in considering the financial sustainability of any scheme.

3.1.9 Early intervention and prevention

Well-targeted early intervention and prevention need to be incorporated into any national scheme.

It is important to consider how an early intervention and prevention strategy would align with a national scheme. A strong role for early intervention will not only impact positively on individual outcomes, but also assist in shoring up the sustainability of the system.

Incorporating a strong commitment to early intervention will need to address a number of challenges, particularly in relation to eligibility boundaries and cut-offs. Individuals with degenerative conditions, for example, may not qualify for support initially if the scheme is limited to people who have catastrophic, severe or profound disability. Early intervention, however, could assist in delaying deterioration of their condition and therefore reduce the downstream support needs. Similarly early intervention for those children and young people with congenital disabilities supports improved outcomes and supports families. The early intervention and prevention focus for any national scheme should also include an explicit focus on children and young people.

Individualised planning, case coordination, and a good interface between disability and other services would be pre-requisites for an effective early intervention component of any national scheme.

Early intervention is a relatively new focus in health care, and the evidence of what is effective and yields return on investment is still under-developed. It would be valuable for any national disability scheme to draw on existing evidence and contribute to the capacity to research and develop innovative models and evaluate interventions and outcomes.

There are similar benefits in focusing on prevention strategies. A key role of the TAC, for example, is to promote road safety. Working closely with Victoria Police and VicRoads, the TAC develops campaigns that increase awareness of issues, change behavior and ultimately reduce the incidence of road trauma.

Sustained investment in prevention campaigns has almost halved the Victorian road toll over the last 12 years and has saved the TAC significant liability over time. Victoria now has one of the best road safety records in the world. This translates to substantially better life outcomes for Victorians, savings for the Victorian community and long-term financial viability of the TAC.

The workplace safety campaigns undertaken by WorkSafe have similarly contributed to reductions in the frequency and severity of work injuries, as well as more generally raising the profile of the importance of accident prevention. WorkSafe has also funded a new initiative, WorkHealth, which aims to improve the health and wellbeing of Victorian workers. The initiative targets the relationship between chronic disease and workplace injury, using the workplace as a setting to:

- educate workers about the state of their health and risk of developing chronic disease, and provide pathways to better health, and
- empower employers to value worker health as a key to successful business, and provide a working environment that encourages positive health choices.

Any national scheme should invest in disability prevention, address community attitudes to disability and contribute to research on successful early intervention and prevention strategies.

3.2 Administrative arrangements

The number of stakeholders involved in the disability services arena, and the role each might play in any national scheme, adds significant complexity to the issues that need to be considered – particularly in relation to how planning, accountability, monitoring, funding, gate-keeping, claims management and other administrative arrangements might be organised.

A key interest for Victoria is that a national scheme should provide administrative cost savings, reduce the regulatory burden on providers and suppliers, and minimise the risk of duplication and inefficiencies, which impact adversely on individuals who are reliant on disability support services.

Improved support for individuals and their families would mean particular consideration would need to be given to:

- quality standards and monitoring
- appeal and review
- expert panels.

3.2.1 Quality standards & monitoring of service providers

Quality standards and monitoring mechanisms will need to take account of supplier diversity and capacity and not unnecessarily increase the regulatory burden.

A key challenge in establishing quality standards and associated monitoring for a national disability scheme would be the diversity in the type, size and capacity of service providers and suppliers – disability service providers and suppliers include public (Commonwealth, State and local), private, and community sector (not-for-profit) agencies, which range significantly in size and scope.

Quality standards and monitoring for any national scheme will need to take account of this supplier diversity and the need for quality services, but importantly, should not impose unnecessary regulatory burden on the sector.

In Victoria, DHS and the TAC use several strategies to monitor and support the provision of quality services to people with a disability.

Disability Services in Victoria has developed a Quality Framework and revised standards for service provision, and recently introduced independent monitoring. This framework is in the process of being accredited by JASANZ, and applies to a wider range of disability services than ACMIS. The majority of the providers delivering DHS-funded services are subject to annual service reviews as well as periodic financial and qualitative audits and reporting requirements.

Victoria also has a Disability Advisory Council reporting to the Minister. The Office of the Senior Practitioner was established to set standards, guidelines and monitor direct

disability service providers in relation to restrictive interventions. The Disability Services Commissioner is a complaints body for DHS funded disability services. Additionally, both the Office of the Public Advocate and the Community Visitors Program play valuable monitoring roles.

The TAC and WorkSafe contracted agency providers are required to meet service standards and show evidence of third party accreditation and quality processes (TAC clients may select non-contracted providers). The TAC is working to align accreditation requirements with DHS. The TAC also works towards improving occupational therapist (OT) provider capability through regular information forums and use of the clinical panel peer review process, and works with the professional body, OT Australia, to deliver targeted professional development programs.

WorkSafe does not enter into contracts with disability providers; rather, it has an authorising environment that requires providers to register with WorkSafe. The registration requirements specify minimum qualification and insurance requirements. An important consideration for any national scheme is the need to build in continuous review, without imposing unnecessary regulatory burden, to ensure that the scheme is dynamic and responsive to changing circumstances.

3.2.2 Appeal and review

A transparent appeal process that minimises reliance on litigation and a review process which determines ongoing scheme eligibility and service entitlement are needed.

Processes for review and dispute resolution would play a vital role in ensuring the community views any national scheme as transparent and providing fair and reasonable support to people reliant on disability services.

In Victoria, individual complaints and disputes regarding service provision are made to the funding agency if not locally resolved at a service provider level. As noted above, DHS in Victoria is able to provide access to a Disability Services Commissioner for complaints. TAC clients rely on other procedures available through the residential tenancy legislation or through the TAC itself. WorkSafe injured workers access the Accident Compensation Conciliation Service for resolution of complaints and disputes.

Access to quasi-judicial mechanisms such as VCAT is considered essential to promote resolution of disputes about decisions without litigation. Not only are litigious processes resource intensive, people find them protracted and distressing.[1]

In particular, a national scheme would require a review process for ongoing entitlement to care, which focuses on support needs. This is particularly important for children, for whom it is difficult to predict ongoing need, and therefore warrants consideration of specialist review processes.

[1] Reflected in comments from people with disabilities in their role as members of the TAC Disability Advisory Committee.

3.2.3 Expert panels

An expert panel with legal standing is needed to make recommendations regarding clinically complex questions and decisions.

Any national scheme should have the capacity to assemble a panel of relevant experts to provide advice on clinically complex questions and decisions – particularly in relation to eligibility, review and appeal.

DHS has verification panels for the Disability Support Register applications. For people with a disability who are clinically complex, providers make use of a range of expertise, including the Centre for Developmental Disability Health Victoria, the Victorian Dual Disability Service and the Community Brain Disorders Assessment and Treatment Service. DHS has a Multiple and Complex Needs Initiative that is supported by a panel drawing expertise from justice, mental health, housing, alcohol and drugs and disability sectors.

Disagreements or uncertainty about aspects of a WorkSafe related injury or medical condition are referred to a Medical Panel for assessment and opinion. The Medical Panel has the status of a tribunal within the dispute resolution provisions of the workers' compensation legislation, and opinions on medical issues in dispute are legally conclusive.

Expert panels for a national scheme could be drawn from areas such as medical sciences, epidemiology, ethics and the disability and community sectors, and would require legal standing, with recommendations recognised as 'expert' by appeal mechanisms.

3.3 Costs and financing

Cost and financing issues would be critical to the sustainability of a national scheme, and would be strongly inter-related with a scheme's scope and design. Some of these issues are discussed under the following headings:

- sustainability
- equity of benefit
- assessing the appropriateness of funded responses
- managing risk while maintaining incentives
- strong governance model
- interaction with other insurance arrangements.

3.3.1 Sustainability

A national scheme needs to include mechanisms that ensure sustainability and affordability.

An ageing population, decline in informal care and rising medical costs are increasing demand for, and cost of, disability services. Any national scheme will require careful and robust management to ensure sustainability and affordability.

The scale, level of care and costing are key features influencing the financial sustainability and affordability of a scheme. The relationship with service suppliers, interface with other service systems and delivery also affect sustainability. Having a transparent resource allocation model would provide greater certainty and is an important consideration for any national scheme.

If the cost of the scheme is calculated on one basis (assumptions on pricing of services and level of demand, coverage, etc), and the scheme put in place is constructed around (or changes over time into) another, the sustainability of the scheme could be compromised quickly. There is a need to ensure the underlying principles and assumptions of any such scheme remain true – particularly around eligibility and entitlement. A key issue which all schemes have grappled with is erosion of thresholds, whether for entry, certain benefits, or pecuniary entitlements. Common law schemes in particular face this risk, but it is also evident in no-fault schemes.

The financial sustainability of a scheme can quickly be compromised by even a modest deviation in claims experience from the expected level. This is particularly true of a scheme focussed on individuals with severe disabilities and high cost needs, as the experience is volatile and the long-term costs are inherently difficult to estimate. Victorian insurance schemes ensure sustainability of funding by controlling the various components of cost of claims, expenses and capital consistent with premiums and investment return. Regular and extensive monitoring of experience and being alert to emerging problems mean that these schemes are able to identify adverse developments at an early stage and take action quickly.

3.3.2 Equity of benefit

A national scheme should address the current disparity in support, consistent with the sustainability of the scheme.

The level of assistance provided is an important consideration for any national scheme as it has significant cost implications as well as being important for the wellbeing and outcomes of those receiving support.

Currently there are different levels of care and support provided to people with a disability, with particularly noticeable differences between no-fault insurance schemes and government funded disability services. In Victoria, for example, there is no limit to the amount provided for home modifications (which can run into the tens of thousands of dollars) for people who have a compensable injury or disability, but for those who have a non-compensable injury or disability, home modification benefit is capped at $4400 (lifetime cost).

TAC and WorkSafe benefits are only capped by concepts of reasonableness, and include a significant number of programs of in-home support which can extend to 24 hour care and include substantial additional medical and paramedical services and nursing. This is substantially different from publicly funded disability services that tend to be limited to specific programs of capped support.

The disparity between damages awarded under common law for the comparatively small proportion of people who successfully make a claim, and the entitlements of those who do not make a claim, is also very large. Successful common law claims

frequently result in lump sum awards of damages well in excess of $6 million, and in some cases significantly higher amounts.

While it may not be feasible for a national scheme to raise the level of care to the highest level provided now, there is clearly scope to reduce the differences in levels of care and support, and this would significantly improve the wellbeing of people with a disability.

Some form of service management is likely to be a financial reality of any scheme, to achieve a balance between the resources available for the scheme and expenditure. The design of the scheme, and the way in which it is put into operation, should reflect this. In particular, there needs to be a match between the way a scheme is costed, the way it is designed, and the way it operates in practice. Consistency in the approach to assessing and managing requests and subsequent account control is key to managing service provision in a fair and equitable way.

Uncapped schemes have operated successfully in Victoria and are generally regarded as providing flexibility to deal with unusual circumstances, providing support consistent with a dignified life and enabling active choice. They also tend to minimise the risk of people seeking to spend up to a cap, rather than funding being based on need.

Uncapped schemes can, however, have significant cost implications. In the Victorian experience, the TAC has found it challenging to manage the impact on liabilities of escalating service demands and the extension of the boundaries of 'reasonable costs' – particularly in relation to long-term care demands. Home modifications, for example, is an area of growing risk for the TAC, given people often move, sometimes multiple times, after extensive modifications have been completed.

3.3.3 Assessing the appropriateness of funded responses

Services included in a scheme should be evidence-based, objective, and where appropriate, clinically justified and should promote trans-disciplinary services.

A national scheme should assess services for inclusion as part of a funded response on the basis that they:

- promote the achievement of the individual's human rights
- are evidence based – there is a scientific and/or clinical basis demonstrating the efficacy of the service in relation to the nature of the disability. Thus the practice (for example, acupuncture) would not only have to demonstrate a scientific basis generally but would also have to demonstrate a scientific basis in the particular area (for example, reduction of spasticity)
- are clinically justified – there is evidence of improvement or the necessity for a therapeutic intervention to maintain function on a case-by-case basis
- promote the use of trans-disciplinary teams and community options so that individuals are not subject to multiple therapy appointments rather than engaging in community participation opportunities
- are aligned with the human rights principles underlying the scheme – funded responses promote the independence of the person with a disability
- support community inclusion.

Funded responses from a national scheme should assist the participant to regain 'everyday' life and not act to replace or interfere with the individual's and their family's engagement in typical roles. The engagement of natural and community supports is important in achieving this. A national scheme should not, for example, substitute attendant care for a child's usual age-appropriate parental support and supervision, and home modifications should promote rather than interfere with community engagement.

3.3.4 Managing risk while maintaining incentives

Any national scheme should be based on sharing risk appropriately while preserving incentives for safe behaviour.

As discussed at 2.3, a national disability scheme would help to share the risk (and costs) of disability across the community where these would otherwise fall heavily on some individuals.

However, it would also be important for any national scheme to preserve incentives that engender safer behaviour and a safety culture, to reduce the risk of accidents that result in disability.

Current arrangements for managing the risks of transport and work-related accidents in Victoria show clear benefits, with current arrangements providing incentives for safer behaviour by motorists and employers and incentives for TAC and WorkSafe to put in place preventative road and work safety measures. These are cases where the risk of disability can be reasonably apportioned to a defined situation and a premium established for the target cohorts (that is, vehicle owners and employers). The risks of road and work accidents can therefore best be dealt with in a more 'traditional' insurance market.

However, for those not covered by first or third party insurance, a social insurance model is more practical as risk cannot be reasonably apportioned to specific cohorts. Within this model, there should be shared responsibility for the sustainability of the system, with all parties understanding costs and the impact on liabilities of these costs.

3.3.5 Governance

A statutory authority, operating in a corporate manner, with a commercial Board, is a successful model.

Insurance schemes of this type have very long-term commitments, often providing support to an individual for many decades. The financial dynamics of large schemes with liabilities of this type are complex. The issues are sensitive, there are many stakeholders, the estimates of liabilities and required funding are highly uncertain, and the nature of what services are provided – and at what cost – evolves over time.

The governance model adopted must enable strong management of all aspects of the scheme. An understanding of the very long-term nature of the liabilities and the financial implications of strategies and decisions are essential if the scheme is to be sustainable. In Victoria, the model adopted for both the TAC and WorkSafe involves a

statutory authority, operating in a corporate manner, with a commercial Board. This has proven to be highly successful, with both schemes in a strong financial position, balancing the pressure on both costs and funding requirements, whilst at the same time improving client satisfaction.

3.3.6 Interaction with other insurance arrangements

The boundaries with other insurance arrangements should be clear so as to minimise the potential for cost-shifting, forum-shopping and double-dipping.

There are a number of existing insurance arrangements that provide funding for care and support – whether by supplying or funding specific services, or as lump sum compensation. Consideration needs to be given to the way in which a national scheme would interact with these arrangements so as to avoid cost-shifting, forum-shopping and/or double-dipping.

No-fault accident compensation schemes fund or provide specific care and support services. Some insurance products may also reimburse some such costs. Design of a national scheme would need to consider how best to interact with these arrangements.

Consideration would need to be given to how a national scheme would align with common law arrangements, under which some injured people can sue for compensation. Issues would include:

- whether individuals with a right or election to pursue damages at common law for benefits covered under a national scheme would be eligible for support under a national scheme, or whether common law rights would be required to be assessed and/or exhausted before accessing support
- how a national scheme would apply where a person is only partially successful or unsuccessful in their common law claim
- where a common law claim is successful, issues may arise as to whether benefits received are repayable, depending on the extent to which services under a national scheme were accessed.

3.4 Implementation issues

The complexity of introducing any national scheme requires careful consideration of existing arrangements and services and how these might be integrated and/or merged into national arrangements. Key implementation issues include:

- scale
- transition

3.4.1 Scale

The scale of a national scheme needs to consider implications for the model of delivery and workforce capacity.

Factors like eligibility and entitlement will determine the scale of any national scheme. Issues such as costs, model of delivery and workforce capacity, however, will determine how quickly the scale is achievable and whether it is sustainable. The scale of disability schemes at the State and Territory level do not easily translate to a national level scheme.

The TAC model, for example, would be difficult to scale up to national coverage without significant modification. The scheme is based on a high level of personal contact coupled with individual planning and individually assessed needs. It would be important to consider how a 'person centred' approach may be retained when scaling up to a national scheme. Detailed guidelines around base level support, to promote efficient processing of common entitlements, would need to be added for the model to effectively translate to a significantly larger population of people. The workforce capacity implications would be substantial even with this modification.

Effective implementation of any national scheme is dependent on building workforce capacity to support transition. Workforce capacity is an ongoing challenge in disability services sectors across jurisdictions already – particularly in rural and regional areas. Transition to any national scheme would therefore require a robust workforce strategy to be developed which extends beyond disability service providers to include allied health providers.

In Victoria, the attendant care service provision industry can be characterised by an ageing, predominantly female workforce (around 75 per cent). There is a shortage of males and younger support workers that match some client demographics, and it is increasingly difficult to attract, recruit and retain suitably trained personnel.

Issues such as status of disability work and inconsistencies in training represent a challenge for the quality of service provided. There is no formal qualification or accreditation structure for the industry and many providers deliver their own training to help ensure the quality of services is matched to requirements.

The shift towards individually tailored service approaches in Victoria has also had a significant impact on workforce arrangements, with many support workers employed on a part-time or casual basis. Low levels of remuneration across the industry make it easier for support workers to seek employment in environments that provide more support and supervision and carry less risk and responsibility.

In response to workforce shortages, the TAC has established a network of allied health providers and contracted disability services to provide quality services for TAC clients. Additional training has also been provided to this group to ensure quality service delivery.

Victoria's State Disability Plan includes a specific focus on growing industry capacity, and learning and development activity to strengthen the capacity of the workforce to respond to changing demands and new ways of working. The State Plan is in year 8 of the 10 year strategy. Achievements include:

- the percentage of staff trained or qualified increased to 93 per cent from 52 per cent
- introduction of independent monitoring of providers
- introduction of self directed approaches which increase choice and control and better tailor planning and support
- introduction of community building programs to better support people with a disability.

3.4.2 Transition

Any national scheme should be phased in, to allow for adequate supporting infrastructure to be in place prior to transition, and the cost impacts to be fully assessed before expansion.

It would take time to build the supporting workforce, infrastructure, monitoring and risk management and other systems for a national scheme. A phased implementation would therefore be needed. This would reduce some of the risks associated with implementation and allow service delivery models to be refined and running costs to be established before further expansion.

Transition to any national scheme would nevertheless be a complex undertaking given the level of integration which would be required of existing state and territory schemes, and the different stages of development across jurisdictions.

The next chapter outlines a possible pathway to a more equitable scheme that takes into account the complexities by suggesting a staged approach to reform.

4 Possible pathway to a more equitable scheme

In summary, there is a good case in principle for providing more equitable support and assistance to people with a disability. Some people have significant waiting times, receive inadequate care, or miss out on support altogether, and the benefits for them of fairer arrangements would be substantial.

However, better support would require additional resources and the path to more equitable arrangements would be complex.

Building such a scheme would require:

- increased funding which is secure and stable
- building workforce and service capacity across the nation
- increased opportunities for self directed planning and management of support services
- continuing to build individual skills and capabilities for independence
- a shift to equitable support for people based on need regardless of the source of disability, which will require changes to some existing support schemes
- portability of support and equitable treatment across jurisdictions, while preserving the ability to respond well to state-specific conditions
- preservation of incentives for those whose actions can affect the risk of disability (such as employers) to create safe environments and
- a stronger focus nationally on prevention and early intervention.

The scale and complexity of these changes suggest that an approach working across two parallel streams would be needed, particularly as existing arrangements are very different across jurisdictions.

The first stream of work would be building capacity and basic infrastructure across all states and territories, by building service delivery capacity in those states where capacity is currently low, and moving towards a more consistent approach across existing support schemes. The second phase would be to consider the level of support for non-compensable injuries and disability. In the longer term it may be possible to move to a single overarching framework, involving secure funding for a single, uniform scheme. Streams 1 and 2 could be pursued in parallel over the next few years.

Stream 1) Building expertise and more consistency across jurisdictions

Building expertise and greater consistency in the legal and support structures across states and territories is a critical step. Without this, there is a risk that a shift to new arrangements would fail at the first hurdle as additional demands for support could not be met from the existing pool of expertise and skills.

An effective way to implement this stream of work, drawing on existing expertise in some jurisdictions, would be to:

- increase the coverage of no-fault insurance arrangements across jurisdictions and
- increase the consistency of support provided by existing no-fault schemes.

A new national partnership, possibly under the National Disability Agreement, could be the best way to encourage this. A national partnership would reward the establishment of consistent no-fault insurance schemes for transport related injuries (including for jurisdictions that already have some schemes in place, in line with the current policy approach). Workplace accidents could also be considered in this context.

Over time, this will build expertise and service capacity, in turn increasing benefits for the wider population of people with a disability. As a leader in no-fault insurance arrangements, Victoria will have significant expertise to offer other jurisdictions in establishing no-fault schemes.

In summary, stream 1 could involve:

- establishment of no-fault insurance arrangements for transport accidents and possibly workplace accidents across all states and territories
- greater consistency in assessment and support provision across jurisdictions
- development of a national partnership that rewards states and territories, including those that currently provide a higher level of services
- increased service delivery capacity, including in the private market.

This will require changes for all jurisdictions, particularly for states and territories with no or limited no-fault insurance arrangements. However existing no-fault schemes will also require refinement to achieve more consistency.

Stream 2) Improving benefits for a larger group

A second stream of work could be undertaken at the same time to consider the level of support for non-compensable injuries and disability. Over time the goal would be to improve the equity of outcomes for people with a disability requiring support and assistance, particularly between those receiving support through a no-fault scheme and those who are not eligible for a scheme. The Commonwealth and the States and Territories could jointly consider how the nation could move to a broader and more equitable system of support for all people with a disability.

There are currently several broad categorisations of people receiving varying levels of disability support:

Covered by no-fault accident compensation schemes – those covered by such schemes have certainty that care and support needs will be met, generally at a high level. However, the availability of no-fault arrangements and levels of benefits vary greatly across jurisdictions.

Covered by other insurance arrangements – those covered receive compensation for care and support needs. This is generally quite substantial, but in many instances insurance is not available or only partly covers the cost of care and support.

Compensation through common law – compensation is generally provided as a lump sum for care and support costs, as well as pain and suffering. However, fault needs to be demonstrated and there is a lengthy process before resolution. This adversely affects the timely provision of care and support, and quality of life. Also, compensation may only cover part of the costs, at which point people revert to public disability services.

Not covered by no-fault schemes, insurance or common law – these people rely on the Commonwealth disability support pension and may receive limited state

provided services, although some fund their own care and support themselves. The government funded services are necessarily rationed, and often difficult to gain in a timely way because of demand pressures. Where the public system is insufficient to meet needs, the burden falls upon the individuals to access their own wealth to fund services, or they rely heavily on informal support, including older carers. Some individuals will receive lower levels of care and support.

The aim of such a system would be to move towards similar levels of support and assistance being provided to people with a disability, based on need rather than how or when a disability is acquired. A first step could be to improve support for those receiving the 'safety net' services provided by the public system. Gradually, the level of support offered could be raised to a level similar to that provided by no-fault arrangements. In doing so there are complex issues to be considered, such as how common law will align with the system and the overall cost of the system.

The resulting additional demand for support services means that it will be critical for substantial capacity building and basic infrastructure investment to occur across all states and territories to support the shift.

Bringing these arrangements together

Over time, these system elements could be brought together in a single uniform scheme providing:

- consistency and equity across people with a disability
- secure funding, perhaps provided on a pooled basis in each state, combining Commonwealth and state funds
- individually attached funding, leading to better outcomes for people with a disability supported by state based agencies.

A key issue will be how the expanded support will be funded, and how Commonwealth and state responsibilities will lie in the new system. It will be critical for services to remain responsive to state-specific conditions, and therefore to be managed at state level. Hence the need for careful consideration through COAG processes.

These are complex issues and changes should not be rushed through. Existing expertise across the states should be respected and used in designing any new system. Existing institutions should form the foundations of any new, broader arrangements.

The Victorian Government would welcome the opportunity to help build and administer a better, more equitable system for Australians with a disability.

Terminology

This submission uses Australian Bureau of Statistics (ABS) definitions of disability and related terms.

The ABS defines disability as a limitation, restriction or impairment, which has lasted, or is likely to last, for at least six months, and which restricts an individual's ability to undertake everyday activities.

The ABS separates the population of people with a disability into four categories: profound, severe, moderate and mild. The categories are determined according to the extent to which core activities of daily life are affected, including communication, mobility and self-care.

A person is considered to have a profound disability if they are unable to manage on their own, or always need help with, one of these core activities.

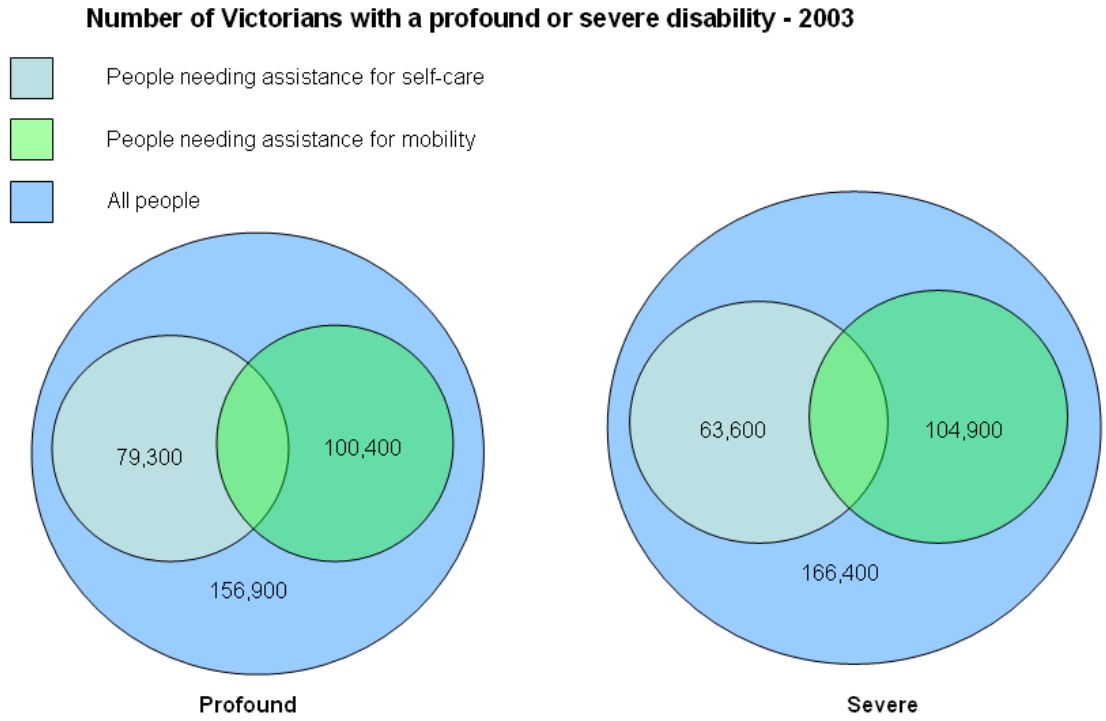
A person is considered to have a severe disability if they sometimes need help with one of these core activities, or help with understanding or being understood by family or friends, or can communicate more easily using sign-language or another non-spoken form of communication.

Appendix A

Eligibility considerations for a national scheme

On the basis of 2003 data from the ABS Survey of Disability, Ageing and Carers, restricting eligibility for the scheme to people with an existing profound or severe disability would see 323,300 people eligible in Victoria.

In 2003, 156,900 Victorians had a profound disability and 166,400 had a severe disability (refer to the diagram below).



Source: ABS Survey of Disability, Ageing and Carers (SDAC) 2003.

This includes:

a) 142,900 people who require daily assistance with self-care, including:
- showering or bathing
- dressing
- eating
- toileting
- bladder or bowel control

b) 205,300 people who require daily assistance with mobility, including:
- getting into or out of a bed or chair
- moving about usual place of residence
- moving about a place away from usual residence
- walking 200 metres
- walking up and down stairs without a handrail
- bending and picking up an object from the floor
- using public transport

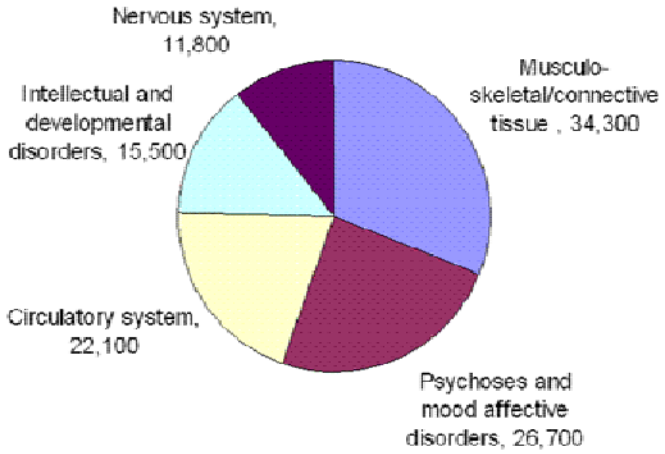
c) 49,100 people who require daily assistance with communication, including:
   - understanding family or friends
   - being understood by family or friends
   - understanding strangers
   - being understood by strangers

(Note that people can experience more than one core activity restriction.)

Statistical incidence rates of profound and severe disability are not available.

Profound and severe disability arise from a range of conditions, some congenital and some acquired. The five most prevalent conditions among the population of people with a profound disability (all ages) are musculo-skeletal diseases, psychoses and mood affective conditions, circulatory system diseases, intellectual and developmental conditions, and nervous system diseases.

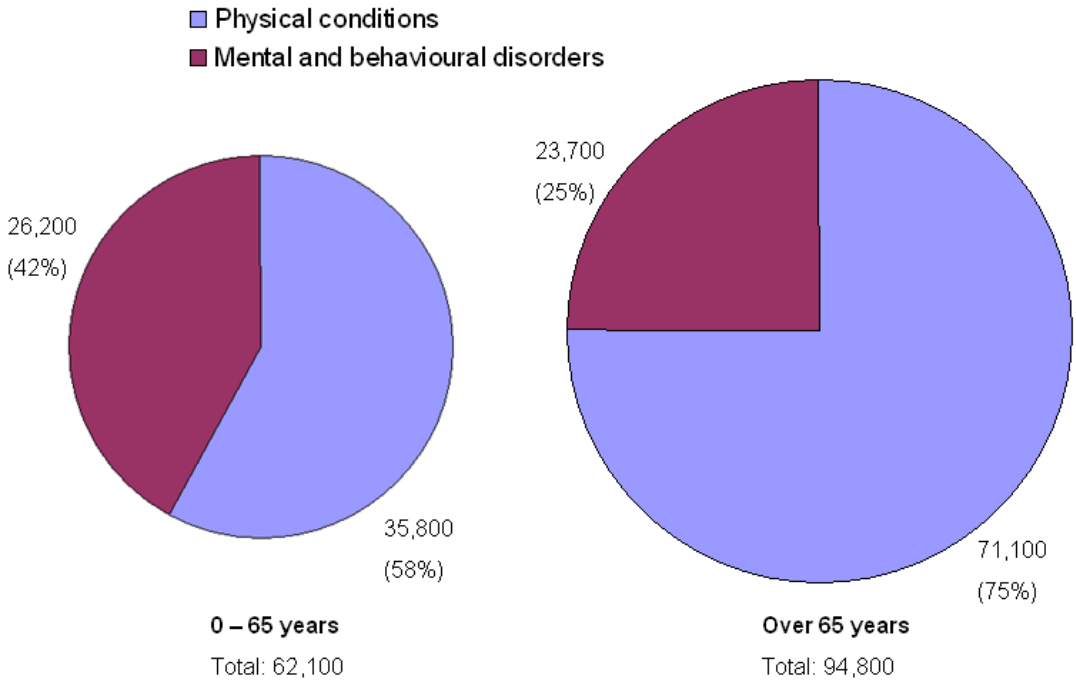
Five most common main health conditions of Victorians with a profound disability, all ages - 2003



Source: ABS Survey of Disability, Ageing and Carers (SDAC) 2003.

The main health condition of people with a profound disability varies by age. Relative to older Victorians, those aged under 65 years with a profound disability are more likely to experience disability related to a mental or behavioural condition (42 per cent of people aged under 65 years and 25 per cent of people aged 65 years and over).

Relative proportion of physical and mental/behavioural conditions as the main health condition, Victorians with a profound disability - 2003



Source: ABS Survey of Disability, Ageing and Carers (SDAC) 2003.