



The Maritime Union Of Australia

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Dr Patricia Scott
Inquiry into Disability Care and Support
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Dr Scott

Re: MUA submission in response to PC Draft Report on Disability Care and Support

The Maritime Union of Australia (MUA) considers that reform of disability care and support is a mainstream trade union issue.

Ensuring that all members of the community have the opportunity to lead dignified, fulfilling and productive lives is a long held trade union principle, a principle that underpins the sort of decent and fair society that we aspire to build and sustain. My union has a tradition of supporting not just its members but all sections of the community whose circumstances might be enhanced by trade union advocacy for their rights and to create opportunity.

My union also strongly advocates increased labour force participation, and we believe there is significant scope through policy and program reform, underpinned by a new resourcing model, to increase the participation of a significant number of people with disabilities in the workforce. Workforce participation achieves multiple goals, not least of which is that it brings with it the opportunity for income security (including a capacity to make superannuation contributions) and an stronger societal contribution.

We therefore welcome the opportunity to make a submission to what we thought was a very constructive Draft Report. Our comments follow in **Attachment t A**.

I look forward to seeing the Final Report.

Yours sincerely

Paddy Crumlin
National Secretary

MUA response to Draft PC Report on Disability Care and Support

Overview comments

National approach

The MUA supports the Productivity Commission (PC) proposal for a new coherent national system, and in particular the proposal for a National Disability Insurance Scheme (NDIS). We support the proposal for the NDIS to be overseen by a National Disability Insurance Agency (NDIA). The key principle to underpin the success of a national scheme as proposed is that the States/NT have no future role at a State/NT level in the NDIS governance arrangements.

We support the proposal for a National Injury Insurance Scheme (NIIS). In responding to the PC request for Chapter 16 feedback on the a workable funding arrangement for catastrophic injuries resulting from water, air and railway modes of transport, we submit that as far as water is concerned, the new national maritime safety regulator arrangements being put in place under COAG auspices could provide for a modest levy (perhaps scaled on vessel size/tonnage) on domestically registered vessels to fund the NIIS for injuries resulting from water (or at least vessel) accidents.

The recent trend to wind back injuries sustained from journey to/from work travel as compensable under workers' compensation schemes, and the large number of people who use non motor vehicle forms of transport to travel to and from work, means that all forms of transport, including bicycle travel, need to be treated equitably.

The proposed new national rail regulator and CASA may provide the framework for a similar levy approach for funding NIIS for rail and air accidents.

Customers

The MUA supports the three tier access schema as proposed.

However, we believe there will need to be opportunity for people who acquire a catastrophic injury as a result of a work related accident or disease where the prognosis is that there will never be a return to work, to have access to an assessment mechanism, along with access to robust information, that allows the person and/or their carer/s to make an informed choice of scheme in which to have their support and care needs met.

Alternatively, there will need to be capacity for such persons from the workers' compensation system to be able to be referred to the NDIS to be assessed for support that is not available in the workers' compensation scheme.

The general principle we are advocating is that in relation to acquired severe disability, there needs to be equality of access to support.

Comments on the Draft Recommendations

Draft R 5.5

The MUA submits that just as there are overarching incentives/disincentives built into the workers' compensation model, focusing around recovery and return to work, we believe that incentives/disincentives must be built into the assessment model being proposed, particularly as the proposal anticipates that all assessed needs will be funded. In our view there will need to be an overarching objective to the needs approach that places incentives/disincentives on the recipient if the broader objectives of the NDIS, as outlined in R3.1, are to be met, including ensuring its financial sustainability.

Draft R 6.1

We preamble our response to our comment on this recommendation by indicating that the principle of person-centred care must not be the vehicle for undermining service standards, where experience shows that individualised funding models can lead to intensive competition among service providers for an inadequate stream of income. Such a situation undermines service standards, wages in the sector, or both. An individualised funding model may approximate certain characteristics of a competitive market, but it is characterised by a fundamental inequality between market participants.

The MUA therefore urges the PC to exercise caution regarding its final recommendations that seek to implement an individualised funding model for the provision of disability services. Any such design feature of a NDIS must be accompanied by measures that ensure that competition will not erode fair wages or service standards in disability services.

We also submit that as a general principle, a publicly funded scheme should not make payments directly to a person, but rather the person, following assessment, should have access to a specified entitlement/allocation for a specified service or range of services and the service deliverer should then claim back the fee after the service is delivered. We put this view purely for administrative efficiency and for good governance reasons. We think that transaction costs could rise significantly if funds were allocated to individuals before a service was delivered.

Such an arrangement does not undermine the concept of user choice in determining which provider delivers the service. However, if there remains support for a user choice model in the Final Report, we believe that the question of informed choice will need to be addressed. Consumers are very likely to fall prey to "marketing" tactics which could influence decision making to the detriment of service quality and recipient outcomes.

Draft R 8.1

Having regard to our comments on Recommendation 6.1, we see some merit in moving to a demand focussed model for delivery of services. We nevertheless believe that the transition from the current funded services model to a demand driven model will require significant transition management, including of workforce issues that could arise as funding is withdrawn from existing service providers. The framework for approval, funding and scale of service providers, that enables the service provider to deliver both service quality whilst maintaining labour standards, will be an important test of the success of any new model.

We urge that this issue be addressed in more detail in the Final Report.

Draft R 12.2

The union strongly supports the PCs preferred option for funding. However, we propose that the PC include much more data on how it arrived at its estimated cost of the NDIS in its Final Report.

Draft R 16.2

See MUA comments under *Customers* above.

R 16.5

Having regard to our comments under the heading *Customers* above, we do not believe the proposed 2020 review should exclude injuries arising in the workplace. Rather we propose that the recommendation be amended so that the 2020 review specifically examines the interaction and outcomes of the NDIS in relation to the way it addresses catastrophic injury and significant accidental injury, relative to outcomes under workers' compensation schemes.

Chapter 17

We strongly support all the Recommendations in Chapter 17.

We do not agree to phased implementation in the sense that the cost is too great, and that scheme funding could be ramped up over time. History suggests that such a strategy is unlikely to succeed. We submit that the estimated total cost of the scheme to deliver the full range of services for the estimated population must be calculated and that the funding level required be the basis on which the scheme is established.

However, some phasing in of access might be considered, with any reserves in the foundation years being reinvested in the pool for draw down when the scheme becomes fully operational.