Introduction: Thank you to the commissioners for a comprehensive report: for the first time someone with some authority has recognized the parlous state of people with a disability in 'the lucky country'. A measure of the empathy, caring and social justice of a country is the value it places on its most vulnerable citizens as demonstrated by the services and supports. Currently in Australia we do not do this at all well. Should our decision makers heed the recommendations in this report we will be en route to becoming a more equitable community with a reputation of upholding human rights.

Ambiguities in the report. On reading the report there are some matters which remain ambiguous in our comprehension. Consequently it is suggested that these matters be expanded in the final report.

- Currently our experience is of a system that is heavy with bureaucracy. The hours spent in interacting with numerous government departments and agencies are 'lost' hours for many families especially since it is very difficult to settle enquiries quickly. Service providers use many hours and funds in paperwork complying with endless pieces of legislation, often dealing with unintended consequences. There is a fear that an NDIS could add a further level of bureaucracy thus consuming more hours and precious funds. Any system needs to specify the parameters that will protect clients, satisfy the workers within the sector at all levels re their employment security or the campaign from current employees could derail the process. There needs to be discussion about the administration costs of the NDIA. Will these be covered by decreases in state bureaucracies or is it part of the $12.6b estimate?

- Tier 1 involves everyone. This is highly desirable but it is not going to happen by itself; leadership and co-ordination will be essential at all levels of government, especially at a local level. Possibilities for mainstream involvement will differ from region to region. It is suggested that the process will be more difficult in large cities. In some cities the urban renewal program could be employed to facilitate the development of social supports within local areas. This intertwines with the forward planning in the life of the person with a disability; a holistic approach to identify a person's needs and choices for a better quality of life will involve identifying the possible sources of support (professionals, community groups, clubs, libraries, businesses) some of which may have to be developed around meeting a specific need. Most families lack the knowledge of local services and the confidence to make requests. Such development will require facilitation.

- Section 4.3: "The role of 'mainstream' services". Employment is one subsection. There appears to be no consideration of the current supported business services model. It is difficult to understand how this sector will interface with the NDIS. The business services could not be economically viable without the support packages funded by FACSIA for each individual worker. Is it envisaged that these packages would be paid by an NDIS? Would they be paid to the client? Would they then purchase a 'training' placement with a provider who pays pro-rata salaries? Such a system may encourage competition but may be hindered by transport considerations; in some smaller communities it may well mean that the business becomes economically unviable leading to a loss of opportunity for the current employees.

Comments on some matters raised in the report.

- Section 4.2: Specialist disability supports. Within the disability sector there is a diversity of needs and personality types. Some people will wish to individually tailor their lives in a very individual and separate way. Others feel more comfortable with the routine of attending a fixed facility in the

company of others who become their friends. From there they access various community programs and facilities. This option should be supported as one model among many. There is opportunity with this model for the facilitation and development of social networks within the group of attendees that can operate beyond the fixed gathering times.

The provision of therapy services falls within the NDIS. One of the major difficulties for families is accessing suitably trained and experienced professionals. It took 5 years for us to locate a speech therapist with expertise in developing communication systems for a person with significant communication deficit. We have had similar difficulty in obtaining the services of a psychologist to assist with developing behaviour management strategies where communication frustration can be a major barrier for both parties in an interaction. Clearly there needs to be better incentive to develop the skills and support to work and remain employed in the area.

- Section 4.4: Income support. **Feedback requested**. If carers' payments fall within the NDIS then there are no reasonable criteria to determine the proportion of a package due to the carer/s. It is not possible to compensate carers at a commercial rate. Most carers are not seeking extra money for themselves; rather they are seeking additional support and the sustainability of support.

- Section 4.6: (a) Front-end deductibles: **Feedback requested**. This matter interacts with the carers allowances and the care required. The size of the final package is also a factor. The efficiency of assessing and charging front-end deductibles has to be factored into any consideration. A small package may be more adversely affected by any front-end deductible than a larger package. No package is ever going to provide all the needs for the person with a disability. However it is acknowledged that if there are to be some 360,000 packages then a small front-end deductible will amount to a considerable sum which will provide funding for some families. The further factor in this matter is that some people with a disability lack any person who can provide natural supports; there is no family (parents deceased and only sibling also with a disability); these people also lack the material support a loving family generally automatically provides and may be more disadvantaged by having to make a front-end payment.

  (b) Co-payments: All that is stated re cutting waste is excellent theory and in large part it works. However there are cases of families using HACC service who have simply refused to pay a co-payment seeing the service as a right. Is the service withdrawn if co-payments are in default?

- Section 5.3: We support dot point 2: "The NDIS acts as the sole assessment point and provides a referral". Families are frustrated by repeated assessment which often requires medical certificates which further clogs and costs the Medicare system.

- Section 5.4: Assessment tools. Holistic assessment encompassing areas not directly covered by NDIS is strongly encouraged. Aspects not directly covered (health, housing) have a profound affect on areas covered by the NDIS. So, while the NDIS does not fund health matters, all health and environmental aspects should be under consideration when developing both short term and long term plans for any person with a disability. e.g. my daughter has spinal problems and impaired kidneys. Consequently any plan for her well being must consider the need for input from physiotherapists and sufficient opportunity for exercise including gym membership to prevent the possibility of further incapacity and wheelchair use. At this stage her kidney function is monitored but the day will probably arrive when

her kidney function is affected and greater intervention will be required which may impact on her spinal difficulties. Consequently any community access program would be wise to facilitate these needs in some measure.

- Section 5.7: Who should conduct assessment? Assessments need to be objective so the system cannot be manipulated so funding is allocated disproportionately. The table 12.6 indicates that in NSW and Queensland there is low coverage at a higher average. Clearly this is fine for those with a package but indicates too many are not supported. There is concern among those with large packages that under an NDIS these may be reduced as against current anger by many with no support. The criteria need to be clear and transparent and families supported to accept any changes possibly progressively. The outcome should be the equitable distribution of funding.

  Assessment should be collaborative. Assessors should be known to the client. Most people perform optimally when they are at their ease and people with a disability, especially intellectual impairment are no different. People with communication impairment certainly are at a huge disadvantage if they are not known by any person conducting assessment. Assessors would be professionals; any true professional seeks to maintain professional integrity so has the capacity to separate professional and personal involvement. Clients need to understand that criteria are necessary and these are not open to manipulation.

- Section 8.3: Restrictive practices. Any policy should be trialled/reviewed for unintended consequences including onerous, costly paperwork, unwieldy behavior management plans that become a barrier for families. The hassles and cost impost of the systems that require constant referral to specialists before diagnosis and medication can be implemented is a further burden on families and serves to reduce the quality of life of the person with a disability when families choose to avoid the system by not seeking definitive diagnosis for behavior that can be modified by he use of medication that is common in the general public and prescribed by a GP.

- Section 8.3: Safeguarding quality. **Feedback requested**. The current system of quality was developed for the corporate sector where the output is material. Families seek a system where the following are monitored:
  - Duty of care/ safety
  - Contentment of the client
  - Quality of life and opportunity
  - Social interaction

  The standard of English in an incident report is of little concern to families; the empathetic handling of distressed clients contributes far more to their quality of life.

- Section 8.4: The implications of consumer choice for block funding, government-run services and rural areas. In rural areas there is less scope for competition. If NDIS maximizes its potential, there will be leakage as people are supported to enter mainstream work and access mainstream community services effectively. As this leakage occurs it is important that the services currently trying to meet the needs of clients are able to continue, possibly in a different format, so clients can continue to receive services.

Taxation Barriers: Finally we add some thoughts re the taxation barriers to further developing the paid work capacity for people on the disability support pension.

Section 4.3: "The role of 'mainstream' services**"**. Under the heading "Employment", the report states 'Any disability policy should strongly encourage employment' and this statement is strongly supported. From other forums attended, one of the main disincentives to people seeking part employment is the amount lost to the government. While the numbers differ for each pension payment in the Australian system, the principle remains the same. I will illustrate this with a discussion of the Disability Support Pension for a single person.

Fortnight single pension	$729.3	(includes supplement)
To income of $146 per fortnight	no loss	
To income of $230 per fortnight	Effective tax of 50 %	(reduction of pension)
To income of $1340 per fortnight	Effective tax of 66.5 %	(reduction of pension plus tax)
To income of $1604 per fortnight	Effective tax of 81.5 %	(reduction of pension plus tax)

Above income of $1604 per fortnight, pension has reduced to zero and normal tax rates apply, that is 31.5 %.

The first threshold for disincentives is $146 per fortnight and many limit income to this amount. There is a considerable disincentive to earning an income greater than $230 per fortnight in these rates.

Figure 12.3 shows what would happen if the Henry Tax Review recommendations were implemented. The numbers change and there is an incentive to earn an income up to $765 per fortnight as this is the tax free threshold. However, above this amount the effective tax rate would be 86.5%. I cannot see an incentive in this.

I cannot do the final numbers but would like to make a bold recommendation.

- Set the tax free threshold at about $40,000 per year. This is close to the amount of $1604 per fortnight where the single DSP reduces to zero.
- Set the rate of reduction of each pension payment to a rate such that the pension reduces to zero at this tax free threshold.
- Perhaps the trigger point for reducing pension payment should be reduced to a very low amount. If it was set at $46 per fortnight, the rate of reduction could be set at 40 % to $546 per fortnight and then 50 %. This would mean that, having decided to enter the workforce and participate in the benefits that flow from being in employment, There would effectively be no trigger point where there is a disincentive to earning more.
- It is likely that the tax rate above the tax free threshold would need to be adjusted upwards slightly.

This recommendation would have two very desirable consequences;

- The effective tax rate for any pension recipient would not be above the rate set for the reduction in the payment providing significant incentives to earn income.
- No person who does not receive a pension payment would have less after-tax income than a person receiving a payment.

{Note: I have assumed that the Medicare levy applies. The argument is still valid if this is not correct.}

I recognize that implementation of this recommendation is beyond the scope of the NDIS but believe some supporting statements should be inserted in the report. I will forward this recommendation to the Treasurer with appropriate removal of references and a recommendation that it be further investigated.