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Senator Claire Moore -
Senate Standing Committees on Community Affairs
PO Box 6100
Parliament House
CANBERRA ACT 2600

By email: - community.affairs.sen@aph.gov.au

Dear Senator

Exposure Draft National Disability Insurance Scheme Bill 2012

I refer to the Inquiry into the *Exposure Draft National Disability Insurance Scheme Bill 2012* (the Bill) being conducted by the Senate Community Affairs Committee. Suncorp welcomes the opportunity to contribute to this Inquiry.

The Suncorp Group

Suncorp Group Limited and its related bodies corporate and subsidiaries (collectively 'Suncorp') offer a range of financial products and services in banking (Suncorp Bank) life insurance and superannuation (Suncorp Life) and general insurance across Australia and New Zealand. Suncorp has more than 15,000 employees nationally and relationships with over nine million customers.

Nationally, Suncorp is the largest personal injury insurer. This submission is made on behalf of the Suncorp Commercial Insurance division which operates Suncorp's statutory insurance products, including workers' compensation and compulsory third party (CTP) insurance. Suncorp has over 85 years of personal injury insurance experience, with our Suncorp, AAMI and GIO brands.

The Bill

Suncorp supports in principle the arguments for disability reform in Australia and is pleased the National Disability Insurance Scheme (NDIS) is based on the insurance model. Suncorp has actively participated in the public debate of disability reform through the proposed NDIS and its sister scheme, the National Injury Insurance Scheme (NIIS) by lodging submissions to the Productivity Commission (PC) and speaking at the 2012 NDIS Summit. We have also partnered with PricewaterhouseCoopers to host a series of summits to facilitate constructive and collaborative dialogue around the effective design and implementation of the NIIS and NDIS.

The NDIS Bill establishes the framework for the NDIS and the NDIS Launch Transition Agency (the Agency). Suncorp commends the overarching objectives of the Bill to reform the disability sector, where the PC¹ found that disability care and support in Australia is 'underfunded, unfair, fragmented and inefficient.'

¹ Productivity Commission Inquiry Report – [Disability Care and Support](http://www.pc.gov.au/projects/inquiry/disability-support/report), released on 10 August 2011 - <http://www.pc.gov.au/projects/inquiry/disability-support/report>;

Concurrent with this Senate Inquiry, the Council of Australian Government's (COAG) has released for public consultation a *Consultation Regulation Impact Statement - National Disability Insurance Scheme* (COAG's Consultation RIS). The purpose of the COAG Consultation RIS is to elicit feedback on the impacts, including costs and benefits, of the four (4) options offered in respect to the choice of services funded under the NDIS.

Suncorp maintains its view expressed in previous submissions to the PC's Inquiry into disability care and supports, that apart from the issues of human rights and social benefits, there is an important economic argument to deliver an equitable, efficient and targeted model for the funding of disability services to eligible persons. The proposed NDIS has the potential to increase the:

- quality of life and independence of those who require care and support and increase the workforce skill base to offer appropriate services through a more effective delivery model;
- work force participation rates of those who have a disability and are currently under or unemployed and have an employment capacity; and
- quality of life and work force participation of unpaid carers, once they are released from their duties by the provision of independent support services.²

All points go to the broader principle of human rights and economic import. It has been previously argued³ that it is in Australia's economic interests to support productivity growth in light of the challenges raised in the 2010 Intergenerational Report Australia to 2050: Future Challenges.⁴ Those challenges include the need to produce more output with proportionately fewer workers in the next 40 years.

Apart from the vital social policy perspective, the above points have the ability to positively contribute to the productivity challenge and therefore are worthwhile of further consideration in the context of Australia's future economic challenges. Further, the existing haphazard provision of treatment, care and support for people with disabilities is currently placing increasing strain on the ever growing costs in the provision of health resources in Australia.

This submission is confined to the treatment of 'registered plan management provider' and 'plan nominee.'

Registered Plan Management Provider and Plan Nominee

The COAG Consultation RIS offers four (4) options in respect to the choice of services funded under the NDIS, namely:

- Option 1 – Choice limited to government funded providers;
- Option 2 – Choice from providers that meet regulatory standards;
- Option 3 – Choice limited only in higher risk circumstances;
- Option 4 – No limit to choice.

Basically Option 1 would have the least impact on competition of disability support services since it largely retains existing providers. Consequently, it would least drive efficiencies and innovation, with continuing strain on the price, quantity and quality of support provided and continuing strain on the budgets of jurisdictions.

At the other end of the scale, Option 4 would maximise control and choice for participants and is likely to be the least expensive cost option to Government. However, it may not maximise participant well-being since participants will need to perform their own 'due diligence' for each service provider, as there would be limited Government oversight in addition to the generic regulatory frameworks⁵ that would provide participant and business protections.

² Of the 2.6 million carers, almost 2 million are of workforce age: Source: Australian Bureau of Statistics 2006

³ ABC News 18 January 2010: <http://www.abc.net.au/news/stories/2010/01/18/2795337.htm>

⁴ Released on 1 February 2010:

<http://www.treasurer.gov.au/DisplayDocs.aspx?doc=pressreleases/2010/012.htm&pageID=003&min=wms&Year=&DocType=>

⁵ Australian Consumer and Corporations Law, health accreditation and similar requirements

It is stated that Option 3 broadly resembles the PC's vision for a NDIS, the key difference being in the treatment of risk (with regulatory oversight of high risk supports and support to participants at higher risk). Option 4, whilst not identical, best broadly resembles the PC's longer term vision for a NDIS.

The COAG Consultation RIS suggests that Option 3 is probably the preferred option but seeks feedback on the views, assumptions and conclusions made in respect to each option, including any other impacts that may not have been considered.

It is suggested that the roles of 'Registered Plan Management Provider' and 'Plan Nominee' as proposed in the NDIS Bill may be expanded to assist participants navigate the issues of due diligence and detailed understanding of the provision of services that will arise to support the options that maximise choice for participants.

Currently, the NDIS Bill states the registered plan management provider means a registered provider of supports who is approved in relation to managing the funding of supports under participant's plans and includes purchasing the supports identified in the plan, receiving and managing funding from the Agency.⁶

A plan nominee is a person appointed by the participant, who acts on behalf of the participant in the preparation, review or replacement of the participant's plan or the management of the funding for supports under the participant's plan.⁷ Neither of these roles specifically include due diligence of service providers or monitoring of standards of care purchased on behalf of the participant.

The requirement to navigate issues of due diligence and quality assurance of service providers will become important particularly in the early stages of the NDIS implementation, as the demand for care increases pressure upon the current availability of care providers, until the supply of care providers increases. Whilst there is ever a shortfall of care providers to meet market demand, the cost of care is likely to increase and the potential for monitoring standards of care is likely to be placed under pressure. Consideration should be given to expanding the role of registered plan management providers and plan nominees to specifically include the requirement for due diligence and quality assurance.

Suncorp contends that the NDIS Bill should have regard to the valuable services that not for profit organisations (NFP) can offer. For instance, Youngcare Connect⁸ offers a hotline service providing information, advice and support to families and friends of young Australians needing fulltime care. This initiative connects young people with fulltime care, their families and /or their carers to relevant information and programs within government and the health care sector generally.

As the disability reform progresses, there will be increasing pressure to connect those who have significant disabilities with the relevant care schemes in Australia - such as the NDIS, NIIS, the aged care scheme, the health care sector, the mental health care sector and the like. The services of NFP organisations, such as Youngcare, which are already set up, could have a vital role under the NDIS.

Conclusion

Suncorp commends the effort to reform the disability sector, as it is likely to have significant positive social outcomes. The initiative also has potential economic significance, which is often overlooked in the public debate, in increasing workforce participation in Australia, which would in turn assist in reversing the current productivity trend.

The proposed disability reform is significant and as such would require close monitoring to ensure costly unintended consequences are prevented from jeopardising the financial sustainability of the scheme. Shortfalls of care providers to meet the likely increased demand as the NDIS is implemented is likely to

⁶ *National Disability Insurance Scheme Bill 2012* – Sections 9, 42, 43 and 78

⁷ *National Disability Insurance Scheme Bill 2012* – Sections 9, 42, 43 and 78

⁸ Youngcare Connect - <http://www.youngcare.com.au/youngcareconnect>

increase the cost of care and adversely impact upon service standards and this needs to be monitored carefully. Decreased service standards are likely to produce limited outcomes thus requiring services for a longer period.

Suncorp is keen to work collaboratively with the Government to achieve the best policy settings for the delivery of disability reform as intended. We are also interested in reducing complexity and regulatory burden at every opportunity.

Suncorp would be pleased to discuss our submission or any other matter relating to the NDIS Bill with the Senate Committee.

Yours faithfully

Chris McHugh
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