



Fears for NDIS?

Political bragging rights leads a mad rush to the world's worst NDIS system??

MEDIA RELEASE: November 5th, 2012

It seems on almost a daily basis the press reports on NDIS are taking a turn for the negative

The story below from last week's Australian newspaper makes for more alarm bells.

Julia Gillard's history of handling the truth carelessly remains an elephant in the room when discussing NDIS.

Our Disability Speaks interpretation is that the Gillard Government is so desperate to get any NDIS "something" happening before the next scheduled election that they are desperately rushing through parliament legislation that may not deliver the real outcomes needed. Having a hotch potch of "5 pilot sites", disingenuously politically named "launch sites" will not mean we have a genuine long term NDIS system guaranteed (yes, there is a huge difference between a pilot program that may run for a short time and a full blown launch of a properly legislated, fully funded, strategically and operationally effective NDIS program.) When Gillard fronts the Australian public before the next election and claims bragging rights for delivering NDIS only the uneducated may believe her? Reports of possible future delays in last weeks press were extremely concerning?

<http://www.theaustralian.com.au/national-affairs/state-politics/fears-of-delays-on-disability-insurance/story-e6frgczx-1226508717302>

The mad rush to a NDIS is causing serious concern and leading International author on Individualised funding Simon Duffy has become a very vocal critic of what is happening in Australia labelling the current federal government plan potentially "The world's worst system of individualised funding??" (Author: Simon Duffy; "Taken from www.centreforwelfarereform.org, a free on-line resource from The Centre of Welfare Reform Limited ")

Mr Duffy was recently in Adelaide speaking to key sector groups. As the Federal Government desperately rushes through Draft Legislation, due to be presented to Parliament in late November there will be serious concerns within the national disability community that such legislation is fundamentally flawed and should be delayed. Mr Duffy said

“The commitment by the Federal government of Australia to launch the NDIS (National Disability Insurance Scheme) has the potential to be one of the most exciting instruments for turning disability rights into real rights. However, much will depend on the details of how the NDIS is designed. Early indications give grave cause for concern.

I was recently invited by the South Australian government to visit and to explore what has been learned over the last 50 years in designing good systems of funding for people with disabilities. (I will use the term preferred by self-advocates in Australia). My visit happened to coincide with some of the first public descriptions of how the National Disability Insurance Scheme (NDIS) will be designed.

The current design seems to have the following features:

- 1. A Federally controlled bureaucracy will deliver a care management service**
- 2. There will be no overall budget for the bureaucracy to work within**
- 3. There will be no strategic role for States, except as service providers**
- 4. Budgets will be developed by paid Facilitators who will develop a Plan with the person**
- 5. Funds will be released in accordance with that Plan to citizens or services**
- 6. The Plan is the central control mechanism and people must work to their Plan and their success at achieving agreed Outcomes will be monitored**
- 7. All of this will be delivered through a computer system that still needs to be designed but, into which, everybody must be linked**
- 8. The details of this centralised system will be locked into detailed legislation**

Versions of this kind of model have been tried in other countries before now - this kind of model leads quickly to cost inflation and then in turn to inappropriate rationing by bureaucratic control.

I have spent 22 years trying to design decent and affordable systems of individualised funding in the UK. I’ve been lucky enough to also explore other international models. The decision by Australia to develop NDIS was seen by many of us as one of the most exciting international development for people with disabilities - an insurance model that would deliver real entitlements and put people with disabilities in control of their own lives.

However, as it is currently imagined, I think that Australia is in danger of building the world’s worst system of individualised funding.

I do not make this judgement lightly, and it is certainly not what I hoped to find.

I will be writing about some of the flaws in the current design at length in a more detailed paper, but I thought it would be useful to briefly set out my ten biggest concerns:

1. The design is financially unsustainable - there are multiple design flaws at every point; these will then quickly drive up costs. The inflationary pressure that this will unleash will then lead to increasing levels of bureaucratic control: increasing eligibility thresholds, caps on spending, clawbacks and rationing by 'appropriateness'. Generosity will quickly shift to mean-spirited rationing.

2. The design is fiscally irresponsible - the decision to strip fiscal responsibility away from everyone beneath the Federal government (States, communities, services, citizens and families) is extraordinary and guarantees cost pressures will be created by every person and every agency. No one has an incentive to work within budget and the Federal government will be left with only the worst kinds of controls when it is forced to respond.

3. The delivery system is inherently expensive - so many elements of the design seem extraordinarily wasteful in the short-run: new computer systems, new staff roles, major consultancy contracts. In the modern world I am astonished at this wasteful approach to spending money that should rightfully belong to Australians with disabilities. Instead of building on existing systems, cutting out waste and building on the extraordinary and positive capacities of Australians with disabilities and their families, Australia is in danger of wasting enormous amounts of money as the State's infrastructure is demolished, only to be replaced with something that will end up (because of its poor design) even more expensive.

4. The design assumes Australians with disabilities are less competent than government at making decisions about their own lives - despite all international evidence to the contrary, including Australia's own pilots, the model assumes incapacity and locks people into an infantile and degrading relationship with a powerful Federal facilitator. This then guarantees sub-standard outcomes, unhealthy relationships and crisis inducing behaviours.

5. The system will undermine the human rights of Australians with disabilities - although the system may begin by spending more money on meeting people's basic 'right to support' in every other respect it will damage human rights, limit basic human freedoms, invade privacy and damage the perceived dignity of Australians with disabilities.

6. Social innovation has been designed out - the intention to lock the design of NDIS into legislation and to deliver its goals through one centralised system will kill social innovation at every level. The whole system will be slow to change, there will be no space for innovation at the State, community or citizen level. Existing social innovations (e.g. Western Australia's internationally lauded Local Area Coordination scheme, any other innovative projects that the State has been supporting) will all come under threat and may well be stripped out of local communities.

7. Thinking about equity is confused - equity does not mean offering the same bureaucratic response to every community across Australia. It is not more equitable to give more money to people in communities that have failed to invest in social inclusion, accessible mainstream services, community connections and families. It is not more equitable to give more money to people from families that have disintegrated. This kind of approach to equity kills social innovation, rewards failure and drives down quality.

8. States will be drawn back in anyway - similar models internationally have always led to local government being bolted back into the system at a later point. More importantly, the nature of disability supports means that States will be driven to pick up the pieces very quickly: some people will be found not to meet the ever-tightening eligibility criteria, and so States will be forced to respond, particularly when institutional services breakdown at great cost and when people with lower level needs end up excluded from the system.

9. The thinking is old fashioned - the architecture of the design is archaic and bureaucratic. Australia is building the equivalent of a 1970s IBM super mainframe computer in an era of mobile devices and the Cloud. Modern systems push control and responsibility out towards citizens, allow for networking, assume capacity and enable open source innovation at every level.

10. The project will become politically unsustainable - the design is deeply patronising to people with disabilities and their families and will lead to deep disappointment as the design is revealed, implemented and as the financial problems it will then create, force further unattractive changes. It will strengthen the case of those who, mistakenly, do not want a decent national system. The only organisations that will celebrate NDIS will be management consultancies and the worst kind of service providers - who will see it as a guarantee of funding for their low quality supports.

I am sure that my remarks will seem extreme, but I am not exaggerating my concerns for NDIS. The overall vision for NDIS and the values it aims to support are still good and utterly achievable. But the design of NDIS needs to be radically revised - at every point. Minor tinkering and good intentions are not enough. The problems are deep in the DNA of the current design.

The key to a good system of individualised funding is that:

- 1. It creates decent entitlements for people with disabilities - letting people get on and build good lives for themselves, and that**
- 2. It is affordable and sustainable in the long-run - ensuring that the system gets public backing and is not transformed into a damaging system of control**

One possible explanation for why the design is so poor is that too many people are assuming that the primary problem is the under-funding of disability services. It may or may not be true that current funding levels are insufficient. [Although there are significant waiting lists in Australia

the per capita cost of services is high.] However, the hope that money alone will solve old problems is leading to irresponsibility at every level.

Good designers focus on making better use of existing resources. Good social innovators focus on helping society make better use of all existing resources. This is not just about money. Social innovation requires a focus on people, institutions and the incentives and structures that influence human behaviour. It would be better to design a smarter and more efficient system, one that makes much better use of existing money and human capacities, from the start.

The other critical assumption that seems to be driving the design is - States cannot be trusted. This is a terrible design assumption and its impact is toxic. When the more powerful say they don't trust the less powerful then I always think of something that my wife's Greek Grandfather used to say, *The fish rots from the head down.*

There is no contradiction between having a National system and having States play an important role in it. National and centralised do not mean the same thing. Further, this toxic lack of trust seems to drip down from the States, to services, to families and to citizens. The approach appears to assume everyone, except the Federal government, is not trustworthy. Sadly the result of the design will be to prove the designers right, for this design will discourage responsible behaviour at every level.

I cannot believe that it is too late for Australia. I hope that States, better service providers, families and - most importantly of all - people with disabilities, get the chance to influence the design and ask for a radical rethink. Otherwise, I'm afraid that many people, not just in Australia - but in the international disability movement - will be deeply disappointed."

If you are interested in the issues raised in this paper you might like to read the more detailed paper by Duffy and Williams - The Road to NDIS - which will be published shortly. A further report on social innovation and personalisation will be published in association with the South Australian government in the next few weeks.

Disability Speaks does not necessarily share all Mr Duffy's concerns but is in general agreement with his commentary.

David Holst

Chair - Disability Speaks Steering Committee & Intellectual Disability Association of S.A (IDASA)

Mob. 0418 555 683

Web. www.disabilityspeaks.com.au

Email. disabilityspeaks@internode.on.net



Disability Speaks is run by the Intellectual Disability Association of South Australia (IDASA) and will distribute on behalf of any organization that meets suitable criteria online information that is of wide disability community interest via our database that now numbers nearly 4,000 recipients for Government, advocacy groups and other major disability organizations. We aim in the lead up to elections, state or federal, we can distribute policy and support information from political groups. Such distribution is not in any way endorsement by Disability Speaks. From time to time Disability Speaks will also distribute media releases commenting on developments in the disability sector. We strongly encourage you to forward all releases to your friends, clients and disability supporters and encourage them to subscribe direct. To do so simply send an email with the subject "subscribe" to the address below, to unsubscribe please use "unsubscribe" in the subject line instead.