

**PRIME MINISTER
MINISTER FOR COMMUNITY
SERVICES
ASSISTANT TREASURER
PARLIAMENTARY SECRETARY FOR
DISABILITIES AND CARERS**

**PRODUCTIVITY COMMISSION'S FINAL REPORT INTO DISABILITY CARE
AND SUPPORT**

The Gillard Labor Government today announced that it will start work immediately with states and territories on measures that will build the foundations for a National Disability Insurance Scheme, following the release of the Productivity Commission's final report into the matter.

The Government asked the Productivity Commission to examine reform of disability support services because we believe that the system we have today is not delivering the kind of care and support Australians expect for people with disability.

The main recommendations of the Productivity Commission are:

- A National Disability Insurance Scheme should be created to provide all Australians with insurance for the costs of support if they or a family member acquire a disability. The scheme will provide individually tailored care and support to around 410 000 people with significant disabilities.
- A National Injury Insurance Scheme should be created to provide no fault insurance for anyone who suffers a catastrophic injury.

The Productivity Commission's report finds that it would take at least seven years to transform disability services.

The Australian Government supports the Productivity Commission's vision for a system that provides individuals with the support they need over the course of their lifetime, and wants reform of disability services that is financially sustainable.

The Productivity Commission outlines the creation of these schemes would ensure that every Australian can have confidence that they will receive the care and support they need if they acquire or are born with a disability.

However, the Productivity Commission makes clear that important work needs to be done before further progress can be made – and we want to get that under way.

While we have a lot of work to do before the Government could determine the design of a scheme, we believe it is important that work begins now to lay the foundations for this reform.

In line with the Productivity Commission's recommendations, the Government, with the States and Territories, will start work immediately on building the foundations for reform. We will:

- Deliver an immediate, additional \$10 million, consistent with the PC recommendations, to support this technical policy work;
- Move to establish a COAG Select Council of Ministers from the Commonwealth, States and Territories to lead reform in this area at COAG next month;
- Take steps to establish an Advisory Group to the Select Council, led by Dr Jeff Harmer, to provide expert advice on delivering the foundations for reform and preparation for launch.

The current system is not delivering the kind of care and support Australians expect for people with a disability.

Care and support should be based on people's needs, not a lottery of what kind of disability they have, how they acquired it or where they live.

That's why the Government put disability reform on the agenda and we thank the Productivity Commission for their work.

Future reform of disability services will require investment from all levels of Government.

Further policy work

The Productivity Commission recommended that foundation reforms were a necessary precursor to the establishment of a functional and efficient national scheme. Work is required to:

- develop common assessment tools to determine eligibility for support
- develop service and quality standards so that people with disability can expect high quality support irrespective of what disability they have or how they acquired it
- develop a national pricing structure
- build the capacity of the disability sector
- build workforce capacity

Work on these foundation reforms will recognise the roles and responsibilities of governments as outlined in the National Disability Agreement and recently reaffirmed in the National Health Reform Agreement.

Select Council

The Prime Minister will seek to establish a Select Council on Disability Reform at the next meeting of the Council of Australian Governments. This would bring together Commonwealth and State Treasurers and Disability Ministers to do the work needed to lay the foundations for change.

The Select Council would be chaired by the Treasurer and Minister Macklin, and would be supported by an Advisory Group of experts and leaders on disability reform.

In response to the Productivity Commission's recommendations for the states and territories to harmonise their approach to catastrophic injury, the Government will also convene a working group led by the Assistant Treasurer to work with State and Territory Governments, lawyers and other stakeholders to progress this important complementary reform.

Advisory Group

The Advisory Group will be led by Dr Jeff Harmer AO, and the Commonwealth will nominate highly regarded national disability advocates Mr Bruce Bonyhady AM and Dr Rhonda Galbally AO to this Advisory Group.

Suggestions for additional nominees to this group have also been sought from the states and territories.

These reforms will be delivered in a way that is consistent with the Government's fiscal strategy.

For a copy of the Productivity Commission report visit <http://www.pc.gov.au/projects/inquiry/disability-support/report>

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