
Submission to the COAG Select Council on Disability Reform on NDIS 'eligibility and reasonable and necessary support' criteria

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Submission COAG Select Council on Disability Reform consultation on 'eligibility and reasonable and necessary support' criteria

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This submission has been prepared by The Centre for Independent Studies (CIS) for the COAG Select Council on Disability Reform's consultation on National Disability Insurance Scheme (NDIS) 'eligibility and reasonable and necessary support' criteria. This submission responds in particular to the draft eligibility statement outlined on pp. 3–4 of the circulated discussion paper. Some of the issues outlined in this paper will also appear in a forthcoming publication from The Centre for Independent Studies, *The New Leviathan: A National Disability Insurance Scheme*.

Recommendations

- 1. The NDIS eligibility age *should* be aligned with the pension age; and as the pension age changes, so too should the eligible age for the NDIS.**
- 2. Eligibility for NDIS-funded supports *should not* be extended to people older than the pension age that have or acquire a disability.**

The Pension Age is variable

The circulated discussion paper makes the following claim:

The Productivity Commission proposed that an NDIS would be for people who have or acquire a disability before 65 years of age. The Productivity Commission further proposed that people who acquire their disability after age 65 will not be able to enter the scheme, but will instead be assisted by the aged care system.

This point is reflected in the draft eligibility statement:

2. The individual is less than 65 years of age on entry to an NDIS...

The first claim is technically incorrect so the subsequent draft eligibility statement is flawed. The commission recommended that the scheme should cover people from birth to the pension age (not the age of 65). People who acquire a disability after the pension age would not be covered by the NDIS.¹

The commission's use of the pension age as the key age eligibility criteria, rather than the age of 65, was to reflect the fact that the pension age is variable. This is important because the government announced as part of its pension reforms that the pension age would be increasing by six months every two years from July 2017 to July 2023, from 65 to 67.²

¹ Productivity Commission, *Disability Care and Support*, Report no. 54 (Canberra: 2011), 14.

² DHS (Department of Human Services), '[Eligibility for Age Pension](#).'

The scheduled increases in the pension age are particularly relevant to the NDIS as they will come into effect prior to 2018–19, which is the date the NDIS is expected to be fully operational. Effectively, if the pension age is the eligibility age for NDIS-funded supports, the scheme will cover people aged 0 to 65 and six months, not 65. By July 2023, the eligibility age for the Scheme would be 67, and therefore anyone who acquires a disability aged 0–67 would be eligible. The draft eligibility criteria, as they currently stand, do not reflect this important point because they refer only to the age of 65, which is a constant, and not the pension age, which is variable.

Using the age of 65 rather than the pension age to assess eligibility for the NDIS has the potential to control the overall cost of the scheme by excluding those who acquire a disability aged 65; these applicants would be forced to find support elsewhere, for example, in the aged care system. However, this would add to the ‘confusopoly’ that already exists in the disability care and support system—some people of working age would be covered by the NDIS, while others will not.

Furthermore, this eligibility method will take the NDIS out of step with the Disability Support Pension (DSP). Once people on DSP reach the pension age, they move off the DSP and onto the Age Pension. If the age eligibility criteria for the NDIS and DSP are disconnected, there is the potential for people to be eligible for the DSP but ineligible for NDIS-funded supports.

All people under the pension age who acquire a disability should be eligible to receive NDIS-funded supports on the proviso that they are assessed as needing supports most appropriately provided by the NDIS (and not, for example, the aged care sector). This would ensure that the NDIS fulfils its original intention as being a support scheme to help people with disability of working age enter or return to the workforce.

The Pension Age—A line in the sand

Given the importance of the pension age as a key factor in determining eligibility for the NDIS, it is also imperative that those older than the pension age and acquire a disability are *excluded* from the Scheme. This is to ensure that taxpayers and the Australian economy generate the maximum benefits possible from such a scheme. Many of the economic benefits of the NDIS are derived from people with disability moving off welfare and into work because the NDIS will provide them with adequate support to do so.³

However, the expectation to move from welfare to work only exists for those of working age, typically those eligible for DSP. Once people become eligible for the Age Pension, community expectations to work evaporate and so do the expected returns from increased workforce participation.

Restricting eligibility for NDIS-funded supports to those younger than the pension age will ensure taxpayers receive maximum return on their investment in the NDIS. To extend the scope of NDIS-funded support to those older than the Age Pension has the potential to undermine the long-term financial sustainability of the scheme and undermine many of the expected economic benefits of the NDIS.

³ Productivity Commission, *Disability Care and Support*, Report no. 54 (Canberra: 2011), chapters 6 and 20.

Furthermore, extending the scheme to include all those who acquire a disability over the pension age could potentially undermine the entire aged-care sector because of the strong correlation between ageing and disability.

The ABS' Survey of Disability, Ageing and Carers (SDAC) 2009 shows that the older people get, they are more likely to have a disability and that the proportion of those who have a severe or profound disability is higher than for other age groups.⁴ This is even more applicable once people are older than the pension age. For example, approximately 70% of all people aged 90 or more have a 'severe or profound' disability, while only 9% of those aged 65–69 are assessed with the same level of impairment.⁵

If people older than the pension age were allowed to move out of the aged care system and onto the disability care system, there would simply be a substantial movement of people claiming supports from one system to another, with no obvious welfare gains for the individuals receiving these supports or financial gains for the taxpayers who are paying for these supports.

If the government chooses to expand the eligibility for the NDIS to include people older than the pension age who acquire a disability, the government will need to establish a sound economic case for doing so because at present only the contrary is apparent.

⁴ ABS (Australian Bureau of Statistics), *Survey of Disability, Ageing and Carers, Australia: Summary of Findings, 2009*, Cat. No. 4430.0 (16 December 2010), 5–7.

⁵ As above, 7.

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