

Disability

A commitment to a Victoria that is liveable, sustainable and supports social inclusion should be the basis for investment to support all Victorians with a disability.

There is a need to increase choice and self-determination. Investment is also necessary to deliver required levels of supported accommodation and to allow for the provision of a range of sustainable supports.

While VCOSS has welcomed the increased disability services investment in the 2008-09 Budget - particularly for individual supports - there is a further requirement for targeted investment coupled with long-term planning in some key program areas, most notably accommodation.

Supported Accommodation

Most people would regard the ability to access housing appropriate to one's needs as an essential aspect of liveability, but this is something currently denied many people with a disability.

For many people with high support needs and their families, supported accommodation is currently the most appropriate housing option. Current levels of investment in supported accommodation, however, will not meet the needs of people with a disability who currently require accommodation, and those who will require it in future.

In addition, there has been no investment to create new supported accommodation places for many years, and while there has been an overall increase in disability services funding in the 2008-09 State Budget, funding for supported accommodation actually fell by almost four per cent in real terms⁶³. As of June 2008, 1,358 people were on the supported accommodation waiting list - and this is considered to be an underestimate of the real demand⁶⁴.

The pressures on family members of caring long-term for children with a disability are widely recognised, and impact on other parts of the disability service system. VCOSS is, for example, aware that the lack of suitable permanent accommodation options is preventing access to respite services as a result of parent carers leaving their adult children in respite because they can no longer care for them. With the ageing of many family members caring for people with a disability at home, such demand pressures will only get worse unless immediate action is taken.

While the Parliamentary Inquiry into Supported Accommodation for People with a Disability

⁶³ Accounting for inflation and projected growth in demand of five per cent per annum. Projected demand growth estimate in KPMG, *Final Report of the Review of the Aids and Equipment Program*, report prepared for Department of Human Services, 2007, p 49

⁶⁴ Department of Human Services, Disability Support Register as at June 2008, http://www.dhs.vic.gov.au/disability/supports_for_people/information_planning_and_advocacy/how-we-provide-services-to-people, viewed 20 August 2008

or Mental Illness is a positive step towards addressing systemic accommodation issues, a commitment by the Government to resource a strategic planning process, as well as concrete investment in accommodation options is required to affect real change.

VCOSS recommends the Victorian Government commit resources to a long-term plan for disability support and accommodation, to be developed in partnership with the non-government disability and housing sectors.

In addition, to ensure that the Victoria does not fall further behind in funding supported accommodation, VCOSS recommends that investment in supported accommodation in the 2009-10 Budget increase at a minimum of five per cent per annum above inflation to account for projected demand growth.

Individual Supports and Services

The 2008-09 Budget saw a welcome increase in funding for individual support to enable people with a disability to live independently in the community, yet demand for support packages by people with disability continues to grow.

Investment in disability support is an investment in Victoria's liveability for many people with a disability and there is a direct correlation between the amount of support a person receives and the extent to which they can participate in employment, social events and other activities.

In order to provide for the viability and sustainability of the non-government disability sector it is also essential to ensure that disability supports are accessible, sustainable and of a high quality. To date, levels of funding for non-government disability organisations has fallen short of what is necessary to enable them to adapt to policy and legislative changes, including the reorientation of disability services towards an individualised funding model.

Without significant investment in the base price of funding for service delivery as well as fair indexation, the sustainability of the disability service sector is at risk.

Accessible and Adaptable Housing

For many people with a disability, their liveability is severely compromised by the lack of universal housing - that is housing designed for use by all people to the greatest extent possible.

VCOSS has called for regulation for universal design features to be included in all new homes and major home renovations as the only means of significantly increasing Victoria's universal housing stock. The Paper *Universal Housing, Universal Benefits* also outlines how the Government can save at least \$75 million per annum in the costs of home and community care and hospital admissions, by implementing its recommendations.

Until this happens, home modifications will continue to be required over time to allow a people with a disability or chronic illness to continue living in their home and remain in their community. Home modifications can cost up to tens of thousands of dollars, imposing a significant cost burden on people with a disability.

While assistance with home modifications for people with a disability is available through the Victorian Aids and Equipment Program (VAEP), as highlighted by the recent KPMG Review of the Program, the structure of the program itself is outdated and assistance is limited.

The eligibility criteria do not reflect actual demand for home modifications by people at different stages of life or the real cost of modifications. Assistance is limited to non-structural modifications, is capped at \$4,400 and access is restricted to once a lifetime. Even given these restrictions, most applicants receive far less than what they are entitled. The most recent available figures show that, on average, applicants received around \$850 per application for home modifications assistance⁶⁵, leaving an average gap of \$3,200 between the subsidy received and the actual cost of the modification⁶⁶.

With over 2,000 funded applications for home modifications assistance in 2004-05, it would cost at least \$7 million, not taking into account inflation, to 'close the gap' between subsidy levels and the real cost of home modifications for those already in the Program.

In order to achieve broader liveability objectives for many Victorians with a disability, VCOSS recommends the Victorian Government commit resources to the staged implementation of universal housing regulations for all new homes and major home renovations.

In the interim, VCOSS recommends that the Victorian Government reform the home modifications assistance scheme in accordance with the recommendations of the KPMG Review, reflecting the real extent of demand and best practice in other jurisdictions.

Aids and Equipment

Adequate assistance with the costs of aids and equipment items such as communication devices, wheelchairs and hoists is vital to enhance liveability for many people with a disability and to enable their inclusion and participation in social and economic opportunities. This is emphasised by a VCOSS stakeholder who has noted that in relation to her electric wheelchair: "This chair is my legs. Without it, I don't leave the house"⁶⁷.

Due to under-funding of the Victorian Aids and Equipment Program and increasing equipment costs, many people with disability must wait years for the equipment they need

65 Based on Figure 2: Funded applications and expenditure by item in 2005 in KPMG, *Final Report of the Review of the Aids and Equipment Program*, report prepared for the Department of Human Services, 2007, p 20

66 Based on supplementary graph of Figure 6: Average gap per item in 2004-05 in KPMG 2007, p 25, supplied by Rina Sherry, Manager Resource Optimisation, Community and Individual Support, Disability Services Division, Department of Human Services, August 2008

67 Doherty B, *Disabled call for better funding*, The Age, 18 January 2008

and most receive only a fraction of the assistance they require. Contributing to demand pressure on the Program is the expanding number of applicants as a result of the ageing of the population – yet funding has not increased to reflect this demographic change.

Although the Victorian Aids and Equipment Program receives varying amounts of additional one-off funding each year, recurrent base funding for the Program has not increased significantly over successive budgets⁶⁸.

While regular one-off funding allocations in each budget may serve as 'de facto' recurrent funding, this practice highlights the unsustainable nature of the baseline funding levels for the VAEP.

The allocation of additional funds for the Program on a non-recurrent basis each budget also means that funds are not available during the year for spending as part of the normal process of subsidising aids and equipment. This is problematic as it increases the wait time for people with disability for vital aids and equipment items. Research has shown that the consequences of long wait times include increased social isolation, the exacerbation of disabling conditions and the deterioration of the physical health of family members⁶⁹.

Based on the most recent figures available for 2004-05, at least \$10 million additional recurrent funding is necessary to close the gap between subsidy levels and the actual cost of equipment for those already receiving assistance from the program⁷⁰. Costs, taking into account additional years since 2004-05, would be somewhat greater.

In the 2009-10 State Budget, VCOSS recommends the Victorian Government commit sufficient recurrent funding to close the gap between subsidy levels and the actual cost of equipment for people already receiving assistance. VCOSS notes that a proportion of this funding may come from cost savings resulting from proposed reforms of elements of the VAEP.

Vehicle Modifications

VCOSS, many Victorians with a disability and their families have welcomed the establishment of a vehicle modifications scheme in 2008-09 to provide assistance with private vehicle modifications. Assistance with costly vehicle modifications is important to enable many people with a disability, and families with children with a disability, to maintain their independence and participate more fully in the community.

The 2007-08 Budget only allocated \$2.2 million over three years for the Scheme, however,

68 KPMG 2007 p 19

69 A Pate and M Horn, *Aids and equipment for Victorians with disabilities – entitlement or a hand-out?*, Research and Social Policy Unit, Melbourne CityMission, 2006

70 Calculation based on Figure 2: Funded applications and expenditure by item in 2005, in KPMG 2007 as above, and supplementary graph of Figure 6: Average gap per item in 2004-05 in KPMG 2007 supplied by Rina Sherry, as above, excluding home modifications

with a \$10,000 maximum subsidy available per individual. Demand for the scheme already exceeds the available resources – with most modifications costing well over \$10,000 - and the scheme is only funded to assist around 75 applicants per year.

Service providers note that around four times the number of people with a disability urgently requiring assistance, and the \$10,000 cap means that those requiring more substantial modifications – often those with the most severe disability – are disadvantaged. While the scheme is an important and welcome initiative, inadequate resources means that it cannot meet its objectives of increasing independence and social inclusion for Victorians with disability.

VCOSS recommends that the Victorian Government commit at least an additional \$2.3 million in recurrent funding to the vehicle modifications scheme in the 2009-10 Budget. In addition to the \$750,000 already committed for 2009-10, this would enable most people with a disability currently requiring vehicle modifications to receive some assistance.

VCOSS also recommends the Government allocate resources to explore options for increasing the level of available assistance in order to make the scheme more equitable and ensure that those people with higher costs are able to receive meaningful assistance.

Disability Insurance Scheme

It is widely recognised that the distribution of funding for long-term accommodation and support for people with a disability is inequitable and fragmented. Under the existing system, the way in which a person acquires a disability is of greater significance than the effect. This results in inequality in the treatment of people with similar disabilities, but different causes.

One way of addressing this inequity and providing for more sustainable long-term funding, for people with an acquired disability, is a National Disability Insurance Scheme that would provide an extension of existing no-fault insurance schemes to all people who are catastrophically injured.

Such a scheme would be economically responsible, creating a sustainable funding source for a proportion of people who acquire a disability and will require support in future and redressing the current cost shifting arrangement under which those who are not covered by the insurance system must be taken into account within the government system.

While the Commonwealth Government is currently engaged in exploring options for a universal disability insurance scheme, it is imperative that state and territory governments commit to extend no-fault catastrophic injury insurance schemes as a first step towards developing a broader disability insurance framework.

Victoria already leads the way with the Transport Accident Commission (TAC) scheme. Extending the TAC scheme to cover all catastrophic injuries would provide strong leadership to other states and territories.

Such a commitment would cost Victoria an estimated \$80 million⁷¹ – which could be met easily within the existing, highly profitable scheme or by an additional \$20 per annum to the cost of TAC premiums.

Recommendations

1. VCOSS recommends that the Government invest in increasing liveability for Victorians with a disability and in the sustainability of disability services by:
 - committing at least an additional \$44 million per annum for supported accommodation to account for projected growth in demand of five per cent per annum (above inflation);
 - committing resources to a long-term plan for disability support and accommodation, to be developed in partnership with the non-government disability and housing sectors;
 - investing in individualised supports and services taking into account:
 - inflation;
 - growth in demand; and
 - the findings of the price review process undertaken by DHS in regard to pricing of disability services;
 - committing resources to the staged implementation of universal housing regulations for all new homes and major home renovations;
 - resourcing reform of home modifications assistance in line with the KPMG Report, the extent of real demand and best practice in other jurisdictions;
 - committing \$7 million (in 2004/05 dollars) of additional resources for home modifications assistance to close the gap between subsidy levels and the real cost of modifications;
 - committing sufficient additional recurrent funding to the Victorian Aids and Equipment program to close the gap between subsidy levels and the real cost of aids and equipment and to account for inflation and demand growth;
 - committing a minimum additional \$2.3 million per annum to the vehicle modifications scheme;
 - allocating resources towards exploring options for increasing the level of available assistance from the vehicle modifications scheme; and
 - allocating resources to extend the TAC scheme to create a catastrophic injury insurance scheme in Victoria.

⁷¹ Walsh J, Dayton A, Cuff C and Martin P, *Long-Term Care – Actuarial Analysis on Long-Term Care for the Catastrophically Injured*, Price Waterhouse Coopers, 2005, p 59