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The National Disability Insurance Scheme Act 2013 – An Overview

The *National Disability Insurance Scheme Act 2013* (Cth) (**Act**) was passed through federal parliament with several amendments on 21 March 2013.

The purpose of the Act is to give effect to Australia's obligations as a party to the United Nations Convention on the Rights of Persons with Disabilities and to support the independence and social and economic participation of Australians with a disability.

What does the Act do?

The Act provides for the National Disability Insurance Scheme (**NDIS**), which has been renamed DisabilityCare Australia. It also establishes the NDIS Launch Transition Agency (**Agency**), which will implement the scheme from 1 July 2013 in the Barwon region of Victoria, South Australia, Tasmania and the Hunter Valley in New South Wales. The Agency will also be responsible for facilitating innovation and best practice in the disability sector as well as increasing awareness of disability in the community.

What is the function of the NDIS?

When fully implemented, the NDIS will adopt a nationally consistent approach in the provision of:

- referral services and activities for people with disabilities;
- funding for individuals or entities to enable them to assist people

with disabilities to participate in economic and social life; and

- individual plans under which reasonable and necessary supports will be funded for scheme participants.

The operation of the scheme is supported by administrative provisions in the Act, which will include provisions relating to children, nominees, confidentiality, the review of decisions and the treatment of compensation.

To participate in the scheme, a potential participant must meet various requirements regarding age, place of residence and either disability or early intervention.

How will it be funded?

The provision of support under the NDIS will not replace existing entitlements to compensation. The Act enables the Agency to conduct legal proceedings on behalf of persons with disabilities and to recover costs funded by the NDIS prior to a compensation claim being settled.

The NDIS will take an insurance-based approach, informed by actuarial analysis, to the funding and provision of support.

It is estimated that the first stage of the scheme will have a cost to the Commonwealth of \$1 billion over a four year period.



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