

NIIS Advisory Group

Discussion note

Developing a NIIS for general accidents

4 April 2013

This note has been prepared to assist Advisory Group members discuss a NIIS for general accidents. It is not intended for circulation outside the Group.

The Productivity Commission's (PC) report into disability care and support found that the current disability support system is underfunded, unfair, fragmented, and inefficient, and gives people with disability little choice and no certainty of access to appropriate supports. The current arrangements require fault to be proved and, even when it is, compensation can be insufficient to meet a person's lifetime needs.

The Commission recommended the establishment of two schemes – the National Disability Insurance Scheme (NDIS) and the National Injury Insurance Scheme (NIIS). The NIIS would provide nationally consistent, no-fault lifetime care and support to people newly affected by catastrophic injury from an accident.

The Intergovernmental Agreement for the NDIS Launch (IGA) commits jurisdictions to endeavour to agree minimum benchmarks for general accidents by commencement of the NDIS full scheme.

One goal of the NIIS is to deter high risk behaviour and reduce local risks that can contribute to accidents. In relation to catastrophic injury, the PC considered that there is an opportunity to change behaviour, systems or protocols which could lead to reductions in the number of catastrophic injuries over time.

The PC recommended that the NIIS should be implemented through a federated model of separate, state based, no-fault schemes – that would be controlled and managed by the States and Territories. These would be underpinned by a set of nationally consistent minimum standards to ensure that those people who acquire a catastrophic injury are not at risk of falling through the cracks.

However, designing a NIIS for general accidents is a significant task because, unlike motor vehicle accident schemes and work cover, no comprehensive state based schemes can be expanded.

It is important to draw out any concerns at the outset. This will leave us in a better position to develop options and to analyse the feasibility and effectiveness of these options. The following questions should help guide today's discussion.

Can behaviour be influenced to reduce catastrophic general accidents over time?

How does the rationale for a NIIS apply to general accidents?

What existing general accident schemes exist?

What lessons have been learnt in the past relating to levies?

What options could be considered?