



Australian Council of Social Service

5 October 2016
Committee Secretary
Senate Standing Committee on Community Affairs
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretariat,

Re: Inquiry into the National Disability Insurance Scheme Savings Fund Special Account Bill 2016

ACOSS appreciates the opportunity to comment on the *National Disability Insurance Scheme Savings Fund Special Account Bill 2016* (the Bill). ACOSS is a national voice in support of people affected by poverty, disadvantage and inequality. Our vision is for a fair, inclusive and sustainable Australia where all individuals and communities have the opportunities and resources they need to participate fully in social and economic life.

ACOSS opposes the Bill.

The Bill creates a Savings Fund for the National Disability Insurance Scheme (NDIS). A proportion of its funding will be derived from moving up to 90,000 Disability Support Pensioners from the Disability Support Pension (DSP) onto Newstart Allowance after subjecting them to medical reviews. ACOSS strongly opposes linking savings in the area of social security for people with a disability to funding of the NDIS, not least because it creates a false economy. Moving people from DSP onto Newstart will result in them losing \$175 per week and plunge them into poverty.

We have instead developed a detailed set of tax reform proposals to raise the revenue needed to meet the future costs of social services, including the NDIS, and refer the Committee to our 2016 Budget Priorities Statement.¹

Australia has a high rate of unemployment for people with a disability who struggle to find suitable and secure employment. This measure will see some people with disability who gain access to long overdue NDIS supports be forced to live in poverty because they are no longer eligible for DSP (which is only just sitting on the poverty line). The costs associated with disability have been well established and ACOSS is concerned that despite the NDIS, many people moved onto Newstart will be unable to afford healthcare, medications and other essentials related to their disability that are not covered by the NDIS.

¹ See ACOSS, Budget Priorities Statement 2016 from page 16, available at: http://www.acoss.org.au/wp-content/uploads/2016/02/ACOSS_Budget-Priorities-Statement_2016-17_web.pdf.



ACOSS understands that there has been no consultation with people with a disability or representatives from the disability sector regarding the establishment of the fund. There is also confusion as to why an additional fund outside the remit of the independent National Disability Insurance Agency is required.

The Minister for Social Services will be solely responsible for policy and management of the fund, which gives greater control to the Commonwealth and removes independence from the management of part of the Scheme's funding base. This has rightly caused concern amongst the disability sector, as a core part of the NDIS is the independent management of Commonwealth and State government funds by the NDIA. In addition, the funding cap sends a message that funding for the NDIS could be restricted, and consequently services and supports made available under the scheme would be limited. There is already a level of unease amongst the community and the disability sector that means-testing and tightening of the definition of 'reasonable and necessary' supports could take place if the scheme is inadequately funded.

The Bill provides for a review of the operation of the fund before 2027. Waiting for up to ten years before reviewing what appears to be a key part of the NDIS to ensure it complies with the NDIS Act is too long and could lead to perverse outcomes.

ACOSS recommends that the Committee rejects the Bill.

Yours sincerely,

Cassandra Goldie
ACOSS CEO