



Submission to the Senate Community Affairs Legislation Committee: National Disability Insurance Scheme (NDIS) Savings Fund Special Account Bill 2016

The National Disability Insurance Scheme is a major reform which responds to the Productivity Commission's conclusion in its 2011 report that "The current disability support system is underfunded, unfair, fragmented and inefficient, and gives people with a disability little choice and no certainty of access to appropriate supports." The NDIS will double the funding for disability supports and create improved opportunities and well-being for many Australians with severe disability and their families.

In the Second Reading Speech for this Bill (31 August, 2016), Minister Porter states: "The government is fully committed to properly, adequately and sustainably funding the NDIS." NDS applauds this commitment.

The establishment of the National Disability Insurance Scheme Savings Fund Special Account will help the Government meet this commitment. During the trial phase of the NDIS, delays between the allocation of funds to the National Disability Insurance Agency and the expenditure of those funds have been longer than expected, reflecting, in part, the time between people requesting access to the Scheme and the activation of their plans. The NDIS Savings Fund Special Account will prevent funds unspent because of a timing lag from being returned to consolidated revenue and lost to the NDIS. The Special Account, in effect, quarantines these funds for their original intended purpose. NDS supports the creation of such an Account.

Importantly, the Bill allows the Government to identify savings from any portfolio, not just the Social Services portfolio. Identifying significant and justified savings from the Social Services portfolio to fund the NDIS will be difficult. In principle, NDS supports welfare savings that are achieved through assisting people who can work to gain employment, but we would not support cuts that adversely affect disadvantaged groups, such as carers and people with disability, by reducing their income. We therefore urge the Government to look across all portfolios for potential savings. While the funding of the NDIS is—and deserves to be—a high priority for the Government, NDS will judge savings measures on their merits, not on their purpose.

Additionally, savings for the Account should not be sourced from reduced investment in improving mainstream services for people with disability. At its recent meeting, COAG's Disability Reform Council reaffirmed its commitment to the National Disability Strategy. It is crucial that mainstream services be accessible and welcoming for all people with disability. There is no specific funding package attached to the National Disability Strategy, meaning that measures to advance its objects must be found from within each portfolio's budget. It is

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essential that the social inclusion of people with disability be treated as part of the core business of every portfolio and not seen as discretionary spending.

NDS notes that the Savings Account will build up over several years until 2019-20, following which time it will be fully expended in each year, with any funds not required for the NDIS in that year to be returned to consolidated revenue. A reserve fund established for a specific purpose would normally have more flexibility than this, allowing funds to be secured when the opportunity arises and expended over multiple years as required. The restriction applying to the Savings Account from 2019-20 which requires funds to be fully expended in each year should be re-considered.

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National Disability Services is the peak industry body for non-government disability services. Its purpose is to promote and advance services for people with disability. Its Australia-wide membership includes 1100 non-government organisations, which support people with all forms of disability. Its members collectively provide the full range of disability services—from accommodation support, respite and therapy to community access and employment. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Federal governments.