

Chapter 1

Purpose of the bill

1.1 The purpose of the National Disability Insurance Scheme Savings Fund Special Account Bill 2016 (the bill) is to assist the current and future governments in ensuring funding commitments are met by providing financial protection in the event of a funding shortfall.

1.2 The National Disability Insurance Scheme (NDIS) is one of the largest social and economic policy reforms in Australia's history. The scheme supports Australians with disability to lead a more independent life—empowering them to make choices about the support they need by providing financial support directly, not through service providers.¹

1.3 Increasing social inclusion through the NDIS will also boost productivity and create new economic opportunities. It is estimated that the NDIS will be supporting 460 000 Australians with disability by 2019–20, at which point the scheme will be fully rolled out and injecting growth into the economy.²

1.4 Sustainable funding will be critical if the NDIS is to succeed and flourish. The government has stated its firm commitment to ensuring funding is both adequate and sustainable.³

NDIS Savings Fund Special Account

1.5 The bill would assist in meeting NDIS funding commitments by establishing a new ongoing special account under section 5 for the purposes of the *Public Governance, Performance and Accountability Act 2013*.⁴ The purpose of the special account is outlined in section 6:

- a) to assist the Commonwealth to meet its funding obligations in relation to the National Disability Insurance Scheme Act 2013;
- b) to make payments to the National Disability Insurance Scheme Launch Transition Agency for the purposes of the Agency;

1 The Hon. Mr Christian Porter, Minister for Social Services, *House of Representatives Hansard*, 31 August, p. 104.

2 The Australian Productivity Commission estimates that the economic benefits brought by the NDIS will outweigh the costs, and will contribute close to one per cent to gross domestic product (GDP). The Hon. Mr Christian Porter, Minister for Social Services, *House of Representatives Hansard*, 31 August, p. 104.

3 The Hon. Mr Christian Porter, Minister for Social Services, *House of Representatives Hansard*, 31 August, p. 104.

4 Section 5(2), National Disability Insurance Scheme Savings Fund Special Account Bill 2016.

- c) to reduce the balance of the Account (and, therefore, the available appropriation for the Account) without making a real or notional payment.⁵

1.6 Responsibility for management of the account would rest with the Minister for Social Services.⁶ Section 8 would empower the Minister to delegate any of his powers to the Secretary of the Department of Social Services or a Senior Executive Service (SES) employee within the department.⁷

Credits to the account

1.7 Credits to the account would be committed for a period of ten years and made from a number of Commonwealth sources, while debits would be made for the specific purpose of funding Commonwealth shortfalls related to the NDIS.⁸ Sources of credit may include:

- underspends and net savings from the NDIS and other portfolio savings, as determined by the Minister for Social Services;
- discretionary decisions by the Prime Minister or the Cabinet (for example, to establish a starting balance at the special account's commencement); and
- decisions by the Prime Minister or the Cabinet about identified savings from other Commonwealth portfolios.⁹

1.8 The government states the bill would have a negligible financial impact over the forward estimates. The special account would sit within the Consolidated Revenue Fund and as such would not incur any Public Debt Interest or management costs.¹⁰

Legislative scrutiny

1.9 The bill's explanatory memorandum states that the proposed legislation is compatible with the human rights recognised or declared through international instruments listed in subsection 3(1) of the *Human Rights (Parliamentary Scrutiny)*

5 Section 6, National Disability Insurance Scheme Savings Fund Special Account Bill 2016.

6 Explanatory memorandum, National Disability Insurance Scheme Savings Fund Special Account Bill 2016, p. 1.

7 Section 8, National Disability Insurance Scheme Savings Fund Special Account Bill 2016.

8 Explanatory memorandum, National Disability Insurance Scheme Savings Fund Special Account Bill 2016, p. 3.

9 Explanatory memorandum, National Disability Insurance Scheme Savings Fund Special Account Bill 2016, p. 1.

10 Explanatory memorandum, National Disability Insurance Scheme Savings Fund Special Account Bill 2016, p. 1.

Act 2011.¹¹ The Parliamentary Joint Committee on Human Rights considered the bill in its 37th report of the 44th Parliament and made no comment.¹²

1.10 The bill was also considered by the Senate Standing Committee for the Scrutiny of Bills in its Alert Digest No.5 of 2016, and no comment was made.

Conduct of the inquiry

1.11 The bill was referred to the Senate Community Affairs Legislation Committee on 15 September 2016, for inquiry and report by 7 November 2016.¹³

1.12 The committee received 15 submissions and held a public hearing in Canberra on 14 October 2016. Submitters and witnesses are listed in Appendices 1 and 2 respectively.

1.13 The committee thanks the submitters and witnesses who contributed to this inquiry.

11 Explanatory memorandum, National Disability Insurance Scheme Savings Fund Special Account Bill 2016, p. 3.

12 Parliamentary Joint Committee on Human Rights, 37th report of the 44th Parliament, 2 May 2016, p. 9.

13 Senate Standing Committee for Selection of Bills, *Report No. 6 of 2016*, Appendices 7 and 8. The bill was introduced in March 2016, but lapsed due to the prorogation of Parliament. See http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r5642.

