



Senate Economics Legislative Committee Inquiry into the Medicare Levy Amendment (National Disability Insurance Scheme Funding) Bill 2017

In May, NDS welcomed the Federal Government's decision to fully fund its share of the NDIS by increasing the Medicare Levy. The revenue from the announced 0.5 per cent increase should put funding for the NDIS beyond doubt. In 2013, Parliament approved an increase to the Medicare Levy to partly fund the NDIS, without dissent, and it was met with great support by the general public.

Importantly, the increase in the Medicare Levy will remove NDIS funding from battles in Cabinet and Parliament about spending and savings priorities and end the uncertainty associated with the Government's need to find savings to fund this important reform for Australia. Relying on savings inevitably pits the NDIS against other worthwhile programs and initiatives.

The Federal Budget reveals a gap in 2019–20 of \$3.8 billion in Commonwealth funding required for the NDIS. The gap expands to almost \$5 billion the following year. The increase in the Medicare Levy will bridge this gap. It will add to existing savings, the Commonwealth's share of the DisabilityCare Australia Fund (also funded through the Medicare Levy) and existing Commonwealth expenditure on disability services.

In its response to the 2017 Budget, the Labor Party proposed an alternative tax mix which restricts the proposed increase in the Medicare Levy to people with incomes above \$87,000 and retains the 2% Temporary Budget Repair Levy for people with incomes in the top tax bracket.

NDS is pleased that both sides have reiterated their commitment to fully fund the NDIS. NDS has no view about which tax mix is preferable, but believes that a political argument over tax equity should not be allowed to jeopardise the securing of a funding stream for the NDIS.

The NDIS is an insurance scheme for all Australians; it recognises that disability can happen to anyone. The Medicare Levy is an appropriate channel through which Australians can share the cost of the NDIS. In the long-term, as the Productivity Commission determined, the economic and social benefits of the NDIS will far outweigh the costs.

National Disability Services

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With funding secure, the focus must turn to ensuring the NDIS is implemented well to deliver on its great promise for people with disability. NDS is keen to work with all governments to smooth the road to the NDIS.

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National Disability Services is the peak industry body for non-government disability services. It represents service providers across Australia in their work to deliver high-quality supports and life opportunities for people with disability. Its Australia-wide membership includes over 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.