

Labor Senators' Dissenting Report

1.1 Labor Senators on this committee reject the recommendations contained in the majority report.

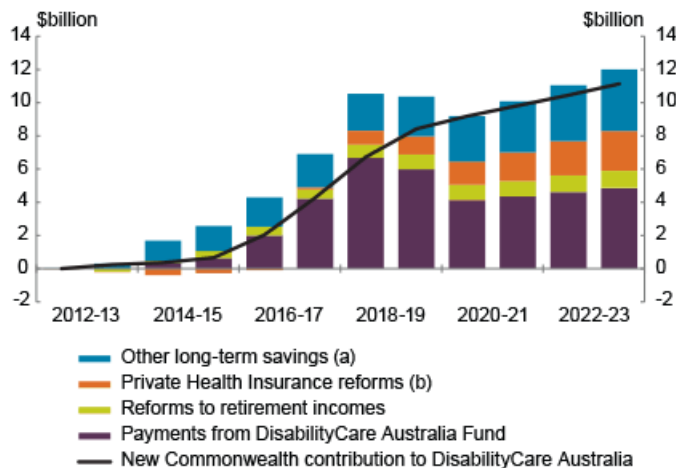
1.2 Labor Senators also reject the statement that 'evidence presented to the committee sets out the value of establishing the proposed special account'.

1.3 This legislation is based on the false premise that Labor did not fully fund the NDIS in Government. The NDIS is already full funded.

1.4 This plan included increasing the Medicare Levy by 0.5 percentage points to two per cent. Together with the contributions from State and Territory governments, and other savings measures, these measures covered the cost of the NDIS for ten years.

1.5 These saving measures included: \$6.5 billion in reforms to the Private Health Insurance Rebate; \$6.0 billion in retirement income reforms; and \$20.6 billion in other long term savings. These long term savings included: changes to tax concession for fringe benefits; changes to tax concessions for net medical expenses; changes to the indexation of tobacco excise; and increases to import processing charges.

From the 2013-14 Budget papers: Meeting the costs of DisabilityCare Australia



(a) Selected long-term savings from 2013-14 Budget and 2012-13 MYEFO. (b) Net of Dental Health Reform Package expenditure.

Concerns about funding for the special account

1.6 Submissions to the committee raised concern about the savings that will go into the Special Account, in particular that they will come from cuts to payments and services for vulnerable Australians.

1.7 As stated in the report in paragraphs 2.12 to 2.17, many stakeholders, including ACOSS, CYDA, QAI, AND and Tandem raised concern about the savings

that have already been identified to go into the fund and their impact on people with disability, carers and low income households.

1.8 Labor Senators do not believe that these concerns, from a range of stakeholders, should be ignored.

Concerns about the need for a special account

1.9 Evidence provided to this inquiry clearly demonstrated the clear lack of purpose for the proposed NDIS Savings Account beyond a political agenda from the Government to make the case for cuts within the social services portfolio.

1.10 During this inquiry the Government referring to a 'shortfall' in funding to the NDIS however this ignores the fact that consolidated revenue is used to fund Government expenditure in accordance with their priorities. This was confirmed by Departmental officials in the hearing.

1.11 Many stakeholder submissions to the inquiry overwhelmingly rejected the establishment of this special account, citing the clear lack of purpose as their top concern:

- "It is not obvious why this new fund is needed. Its purpose, apart from the generic one of funding the NDIS, is not clear and we don't believe it should be supported in its present form" Peter Davidson – ACOSS
- "The Alliance does not support the Savings Fund as constructed in the bill... the notion of a funding shortfall portrayed in the bill and Ministers speech is actually concerning and perplexing" – Alan Blackwood – Young People in Nursing Homes National Alliance
- "It is believed that the creation of this Special Account... places essential disability services and supports as non-core business of the Australian Government, with their full funding being dependent on other budget savings measures identified by the Government of the day" Stephanie Gotlib – Children and Young People with Disability

1.12 These submissions outline significant concerns with this bill and the political games being played with a significant social reform like the NDIS.

Concerns about the Minister's discretion

1.13 As noted in the report, stakeholders raised concern about the level of discretion the Minister will have in relation to the funding of the NDIS.

1.14 As stated by ACOSS in their submission:

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.¹

1.15 Labor Senators strongly agree with the weight of evidence presented through the course of this inquiry, that the bill be rejected.

1.16 This legislation attempts to create a smokescreen for further harmful cuts within the Social Services portfolio.

1.17 The establishment of a Special Account indicates the funding of the NDIS is non-core business of the Government. It makes the future funding of the NDIS uncertain especially given its reliance on cuts that have not and may not pass the parliament.

1.18 The bill itself does nothing to meet the stated purpose of the legislation, 'to assist the Commonwealth to meet its funding obligations in relation to the NDIS'.

1.19 The creation of this fund is just a mechanism. There is no fund raising element to this bill. As the report of the committee states at paragraphs 1.7 and 1.8, credits will come from other decisions of the Government and this proposed fund would sit within the Consolidated Revenue Fund.

Recommendation

1.20 Labor Senators recommend that the Senate reject the National Disability Insurance Scheme Savings Fund Special Account Bill 2016.

Senator Sam Dastyari

Senator Murray Watt

1 ACOSS, *Submission 11*, p. 2.

