



# 'NDIS Cost Blowout' \$8.0 billion now needed

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Julia Gillard based her campaign for retaining her job as prime minister on her self proclaimed reputation for "trust and getting things done". Her high personal opinion of her credibility in these areas is not currently shared by the disability sector which is becoming increasingly disillusioned with her handling of NDIS, in particular the lack of crisis and additional funding and the unnecessary delays in proposed implementation

To establish such trust it is now time for Gillard to come clean on NDIS, to talk from the heart and not the ALP script, to drive rapid change, not interminable delays. On the front page of the Australian newspaper on Tuesday 28<sup>th</sup> February Gillard described NDIS as "her next big task!" but on page 3 of today's Adelaide Advertiser we find the cost has already blown out to \$8.0 billion

Please see copy of the article attached.

Disability speaks is reliably informed that the cost of NDIS as proposed by the Australian Productivity Commission has ballooned to an estimated \$8.0 billion dollars per annum due to the February 1<sup>st</sup> announcement by Fair Work Australia of salary increases of 19 - 41 % for NGO disability sector workers. This mandated cost blowout has been widely discussed at The Select Council on Disability Reform and the Senior Officials Working Group, groups which include all State Disability Ministers, Treasurer representatives and Senior State & Federal Government Officials who are regularly meeting in Canberra trying to pull together an NDIS agreement that will be acceptable to COAG. Advice was sought by these groups which included an actuarial assessment confirming the cost jump.

While such sector salary increases were widely applauded by some, the reality now faced in Canberra is that NDIS has ballooned in estimated cost to \$8.0 billion. The original cost was repetitively detailed in the productivity commission report and has been widely quoted by

Shorten and Macklin. Readers will understand that the bulk of the recurrent expenditure on disability services is salaries and significant salary increases automatically expand the cost of services.

Given that Gillard has previously stated that NDIS will define her leadership as Prime Minister it is now time for her to come clean and explain in detail

- Why has her government not fully endorsed the Productivity Commission Report and ordered it's urgent implementation
- What plan is the National Disability Insurance Authority drafting (NDIA) and what are the proposed differences from the productivity recommendations. Who will be excluded?
- Is the estimated cost now \$8.0 billion dollars and how does she intend to fund NDIS
- What additional immediate crisis funding will be provided forthwith as recommended by the Productivity Commission, recommendation 19.3
- How she can fast track NDIS as any further delay is unacceptable and unnecessary

At this point in time Gillard is very positive on rhetoric towards NDIS , vague in explanation and detail and as yet she has not committed even one dollar of additional funding for critical disability services despite recommendation 19.3.

If Ms Gillard wants the trust of the disability sector (and their votes at the 2013 election) she is going to urgently need to put actions and funding behind her rhetoric. A public meeting will be held in Adelaide on Monday 30<sup>th</sup> of April to push for NDIS, please put this date in your diary, further details to follow.

We hope she does so as a matter of priority, otherwise her self proclaimed history of trustworthiness and getting things done may prove to be as flimsy as screen doors fitted to a submarine or her governments re election prospects in 2013. The failure of her re election may see the end of NDIS

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