



A snowflakes chance?

**SA NDIS BLACKHOLE IS \$200 million
every year**

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The chance of snowflakes landing in Victoria Square in SA on Christmas day is not good. Those wanting a white Christmas should be planning on moving elsewhere we think?

Tomorrows mid-year budget review will be an icy blast for those looking for an NDIS Christmas gift from SA treasurer Jack Snelling.

The chance of the SA Government agreeing to the same financial deal that Prime Minister Gillard and the NSW Premier announced last week "as the benchmark for future NDIS funding" ***is lower than a real snowman appearing on my front lawn on Christmas Day! Or Mr Snelling making a big NDIS announcement.***

Disability Speaks calculates that the SA government would need to increase annual funding (recurrent money) by between \$185 to \$200 million dollars per annum to reach the same relative funding levels that will apply in NSW in 2018.

The euphoria that was evident in government and disability circles in May this year when the 2012 SA Budget delivered \$28 million dollars per annum in additional funding over the next four years (\$112 million in total) was palpable. That was the biggest boost in funding in a budget in decades for SA and while it has done little to reduce the chronically long disability service waiting lists, it did at least assist a small number of clients achieve a better life and enhanced the reputation of SA Premier Jay Weatherill and his government as of good disability intent.

But good intent only goes so far?

It will not matter what is said by the Prime Minister about her level of commitment to NDIS if the future of NDIS is dependent on the deal down last week being a benchmark.

States like SA will not fit the funding model when they

- Have a higher proportion of residents with a disability than national average
- Are coming off a low base of funding per client in the system
- Are midrange in their funding per capita
- Are financially stretched already

For example SA currently receives \$101.2 million or 26.5% of its annual expenditure (\$387.6 mill ,2010/2011) on disability services from the federal government

NSW receives just 19.5% of its annual funding from Federal sources (Source 2012 ,Report on Government Services, dated 31.01.2012,Table 14A.5)

SA despite spending just 6.7% of national expenditure on Disability support receives 9.6% of Federal government allocations.

States like South Australia has, as the Productivity Commission already identified in their 2011 report no hope of providing the stability of funding for NDIS.

Julia Gillard may want to explain how she believes a state like SA can move from contributing \$286.4 Million in 2010/2011 and increase that to nearly \$500 million per annum or 70% by 2018 because it is not going to happen we believe.

We do note that in the six golden business years between 2004/2005 and 2010/2011 that State Government contributed funding in SA increased from \$243.2 mill to \$286.4 mill or just 17% or \$43.2 million. This era was of course the golden economic boom the likes of which we are unlikely to see again for decades.

The announcement by Campbell Newman on Wednesday that Queensland will boost funding by \$868 million to 2018 has been described by Federal Disability Minister Jennifer Macklin as "Falling far short" as the QLD Premier has been flagging a 56/44% split with the Federal Government paying the extra. Macklin may well be displaying her angst that Qld has not signed on for a pilot NDIS program but more likely she is confirming strongly that the Federal Government is looking for the 50/50 benchmark to be non negotiable which is not good news for SA.

Putting pressure on the states is an interesting tactic to move responsibility to the states

But then again maybe Julia does believe in Father Christmas??????

SA up \$200 million by 2018??

Sorry Julia, there is no such thing as Santa!

But then again we do know a funding agreement signed last week by a Prime Minister and a NSW Premier to do a deal in 2018, when neither of them are likely to be still around is probably not worth the paper it is written on?

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