



\$288million 'Failure Fund'

MEDIA RELEASE: December 2nd, 2014

Right across the country unmet need disability waiting lists continue to grow (see current SA data attached)

Tony Abbott can fix this without hurting the federal deficit and we are asking him to do so.

The above add will appear in the Adelaide Advertiser today.

While the NDIS pilot started in July 2013 reality is things have got worse for thousands and thousands of people with disability around the country who desperately need services now. When the Australian Productivity Commission in 2011 released its working paper on NDIS it strongly recommended that additional crisis funding be pumped into the system immediately while NDIS was developed. That has not happened.

Instead money for disability services willingly committed by tax payers via the NDIS 0.5% levy is being put away in an ALP designed "Disability Care Future Fund" This is a crazy situation given the current crisis lists that exist nationally.

Starting from July 2014 (5 months ago) SA will contribute \$288 million per annum to the Medicare levy "Disability Future Fund" 75% will go to fund NDIA and help the Federal Government with its share of future service costs. So far it is all being spent on hiring public servants

Under the NDIS 0.5% Levy agreement the remaining 25% of the levy collected is earmarked for return eventually to SA for delivering disability services but the return schedule is as follows

- 2014 financial year NIL
- 2015 \$6.0 million
- 2016 \$13.0 million
- 2017 \$13.0 million
- 2018 and going forward \$72.0 million per annum

These return numbers are based on SA hitting rollout targets. However the National Disability Insurance Agency controls roll out not the states

This really poor result is a best case scenario and assumes NDIS schedule stays on schedule. 20,000 people were supposed to be covered in trial sites in the first 12 months and they did not even get close

There are 462,000 people earmarked for full participation eventually. Can you imagine how long that will take? Think National Broadband rollout? Late Friday NDIS put out an update which said current approved clients was 8,800 odd after 15 months and claimed to be on target. Phooey to that?? Many of these approved applicants have not even started receiving services they just have a forward plan approved

The big problem here is the Federal Government is stacking away "for later on" \$72.0 million annually from the levy just for SA in the "Disability Care Future Fund. It will only start returning to SA when full rollout targets are met which are more likely to be in 2019 or 2020 or even later.

That is of course assuming the NDIS Levy money is actually not being pilfered for other Federal bills or cost blowouts. Is it protected?

By 2018 the Federal government will have taken \$1.152 billion in Disability levy from SA and returned just \$32.0 million and in reality it will be sitting on nearly \$288 million earmarked for disability service in SA which is desperately needed now to deliver services to desperate people on the waiting lists.

When Australian taxpayers embraced with little complaint this new NDIS tax they did so on the expectation it was going to help fix the disability crisis that engulfs our country. They would not be pleased to find the funds are not being spent now.

This future fund is a bizarre and stupid plan. The money is sitting in the Federal government bank (we hope) and it would cost Mr Abbott absolutely nothing to release it to SA now. All other states would also benefit by similar support. The need is now and money should be released.

A future fund is a "Failure Fund" in these circumstances and Mr Abbott should intervene now showing the statesmanship and leadership and ensuring that disability unmet need waiting lists are reduced as soon as humanly possible and he will be widely applauded for doing so.

Let's hope Mr Abbott does

David Holst

Chair - Disability Speaks Steering Committee & Chair, Intellectual Disability Association of S.A (IDASA)

Mob. 0418 555 683

Web. www.disabilityspeaks.com.au

Email. disabilityspeaks@internode.on.net



Disability Speaks is run by the Intellectual Disability Association of South Australia (IDASA) and will distribute on behalf of any organization that meets suitable criteria online information that is of wide disability community interest via our database that now numbers nearly 4,000 recipients for Government, advocacy groups and other major disability organizations. We aim in the lead up to elections, state or federal, we can distribute policy and support information from political groups. Such distribution is not in any way endorsement by Disability Speaks. **From time to time Disability Speaks will also distribute media releases commenting on developments in the disability sector.** We strongly encourage you to forward all releases to your friends, clients and disability supporters and encourage them to subscribe direct. To do so simply send an email with the subject "subscribe" to the address below, to unsubscribe please use "unsubscribe" in the subject line instead.