



**“Gillard fails NDIS vision test”
and makes another bad call!**

MEDIA RELEASE: December 7th, 2012

“Judgment Failure” or a need for “maximum political brownie points NOW”? They are the only two possible interpretations of the announcements made about NDIS funding yesterday.

Julia Gillard appears to have learnt little from history. The 1990’s Commonwealth State Disability Agreement (CSTDA) was the major precursor to the proposed NDIS. CSTDA shared funding responsibility between the state and federal governments on agreed responsibilities with the states assuming major responsibility for funding of accommodation, respite and in-home support and the federal government managing supported employment underpinned CSTDA.

CSTDA, undermined by states that habitually and systematically underfunded the increasing demand for disability services, has led to the national disability crisis that exists today. Eight states and territories, changing Premiers and leaders regularly, while making short term decisions on priority funding decisions for their jurisdictions, largely focused on getting themselves re elected has decimated disability services nationwide. CSTDA funding being split largely 75/25% with the states funding the majority does not sound very different to yesterdays announcement of a 50/50 split. The Federal/ NSW joint venture does little to change the long term funding future funding certainty that is so desperately needed for the NDIS to succeed.

A shudder has gone through the wise old heads in national disability community with Thursday’s announcement because above all else what is needed in NDIS is certainty of funding for the long term, not a return to arrangements that have so spectacularly failed in the past where the state and federal government share responsibility and end up playing the blame game. Many will not want to speak out in case they are seen as ungrateful or exposed to the political venom that contrarians can attract from politicians on a mission being challenged. The state premiers however need to unite and speak out!! THIS IS A BAD FUNDING MODEL FOR THE LONG TERM!

And make no mistake, the announcement made Thursday is for just one year only (2018) between just one state NSW and the Federal Government. Then this arrangement is to be reviewed by the Productivity Commission which is very strange given the Gillard Government has ignored the major recommendations of the 2011 Productivity Commission report in setting up this unsatisfactory 2018 funding plan.

Gillard's vision on the so vitally important NDIS is fundamentally flawed and against the key recommendations that underpin the most recent funding announcements. Let's hope the other states unite and demand a better long term funding outcome. The hopes and dreams of 400,000 people with disability depend on better negotiated certainty.

The funding announced Thursday has the very same long term issues and risks attached as the disability support models of the past that have spectacularly failed. Do you trust your State/Treasurer/ Premier for the next 40 years??

We wait now to see how Mr Abbott will meet his funding NDIS commitments?

The Australian Productivity Commission report, released Aug 10th 2012 on Disability funding was explicit in its recommendations. (Recommendation 14.2 page 85, Recommendations section)

“The Australian Government should be the single funder of NDIS. It should direct payments from consolidated revenue into a National Disability Insurance Premium Fund, using an agreed formulae entrenched in legislation that;

- Provides stable revenue to meet the independent actuarially-assessed reasonable needs of NDIS
- Includes funding for adequate reserves.

The Productivity Commission continually explained other funding options as (page 13)

- “these are inferior options”
- “only the Commonwealth has the revenue base to provide certainty”

There is no recommendation in the Australian productivity Commission report that a 50/50 plan has any future for NDIS. And the wording of the 2011 Productivity report is vitriolic in being against state funding involvement

While it can be rightfully argued that the Federal Government putting in additional \$3 billion funding in 2018 is good (we agree) a visionary politician, statesman or person with a disability will not see this funding arrangement as appropriate. The question is not if a funding fight between states will start after 2018 but when?

CSTDA proved beyond doubt that joint federal/state funding on expensive, mushrooming disability services did not engage state Treasurers and Premiers. Why do we need to go there again? The benchmark now claimed is very low.

Certainty for the long term is essential, not a return to the historical failures of the past

Over to you Mr Abbott and Mr Hockey

How will you fund NDIS???

Yesterday's press release is as per below:

Fed, NSW governments agree on NDIS funding

THE federal and NSW governments have agreed to spend \$3 billion apiece for the longer term support of a National Disability Insurance Scheme (NDIS) in the state.

Prime Minister Julia Gillard said the governments had already agreed on an NDIS launch site in the NSW Hunter Valley from mid-2013. "And then when it comes time to move from that launch site to the full scheme in 2018 we have reached an agreement about funding shares and mechanisms for that full scheme," she told reporters in Canberra.

"The commonwealth and the state will share around half of the burden.

"The commonwealth and the state will each put in an extra \$3 billion more for care and support of people in NSW."

This would help about 140,000 people with disabilities in NSW, Ms Gillard said during a joint media conference with NSW Premier Barry O'Farrell.

She said under the deal struck with Mr O'Farrell, the federal government would contribute 51.4 per cent of the total cost of the NDIS in NSW from 2018/19 - or \$3.319 billion - while NSW will put in \$3.133 billion.

"We have worked hard on this arrangement together and I want to thank Premier O'Farrell for his leadership and for being the first premier to enter such an agreement with the federal government," he said. "I do want to reinforce that this deal now sets the benchmark "It shows to the other states and territories that it can be done and I am determined that it will be done."

Mr O'Farrell said it was an important day for 120,000 disabled people, their carers and their families in NSW.

"This delivers to them the NDIS, which has long been sought after," he said. The premier said he was proud NSW was the first state to strike a bipartisan "fair and appropriate" deal with the federal government.

"This should be above politics and I think this agreement today demonstrates this is above politics," Mr O'Farrell said, "This will ensure that for those families, those individuals, those carers who are affected by disability, that this long term support beyond the launch will continue."

Ms Gillard said this would mean both the Commonwealth and NSW would need to make some tough budget choices.

"I have been very clear with the nation that I will be saying to people we need to make some tough choices, some good choices, in order to find the money to back the rollout of the NDIS," she said. "But I am determined to do it.

"Premier O'Farrell is determined to do it and here we are today getting it done." Mr O'Farrell said as NSW had demonstrated, this required bipartisan support. "We have \$2 billion worth of growth funding sitting there waiting for this scheme," he said.

<http://www.news.com.au/breaking-news/national/fed-nsw-govts-agree-on-ndis-funding/story-e6frku9-1226531265491>

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