

Fast-track disability plan a 'cruel hoax'

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The NSW and Victorian governments have criticised the federal government over the lack of funding arrangements for the national disability insurance scheme.

Julia Gillard and Wayne Swan have been accused by the Victorian government of perpetrating a "cruel hoax" on disabled Australians by talking up a national disability insurance scheme before any funding deal has been put to the states.

And the West Australian government has cited the proposed NDIS as evidence federal Labor is in the habit of "committing fully to projects without having much idea how much the projects will cost".

The comments came as a meeting between Mr Swan and state treasurers in Canberra on Wednesday emerged as a roadblock to plans to fast-track the NDIS.

The stoush also indicates the growing challenge to federal Labor by conservative governments in the five wealthiest states, following the Liberal National Party's landslide election win in Queensland last weekend.

On Saturday The Weekend Australian revealed Ms Gillard's plan to make disability insurance a central feature of the May budget, burnishing the the Prime Minister's credentials as a can-do leader with "true blue" Labor values.

But with the scheme due to cost about \$13.6 billion a year following the scheduled commencement in 2018, incorporating the \$7.1bn already allocated each year to disability support, the states are claiming Ms Gillard and Mr Swan are all talk.

Their opposition comes as the states face deteriorating budgets due to contraction in GST receipts and amid fears Mr Swan will try to shift other costs to the states as he struggles to return the federal budget to surplus.

A Victorian government spokesman said the government was "proactively working with the federal government on the details of the operation of an NDIS".

"However, the federal government is refusing to discuss how an NDIS will be funded," the spokesman said. "Without a substantive discussion and agreement between all Australian jurisdictions on a funding model, the federal government's

promise of an NDIS risks amounting to nothing more than a cruel hoax on some of our neediest and most deserving citizens."

NSW Treasurer Mike Baird echoed those remarks, saying: "We all support the NDIS but we need to understand the financial detail.

"My hope is that the consultation will be genuine and that the commonwealth doesn't just present another invoice to the states."

Incoming Queensland Treasurer Tim Nicholls said: "Until we see the figures we aren't in a position to know if (NDIS) represents good value for Queensland taxpayers."

"The federal government should pick up the lion's share of the total cost given it's their policy and responsibility."

West Australian Treasurer Christian Porter said he would "carefully consider any nationally harmonised disability scheme".

"However, at present there is nothing other than a general idea to consider. There is no modelling or detail from the commonwealth whatsoever on what criteria will be applied for participants, which will in turn determine how many people are eligible and therefore how much it might cost. Likewise there is no modelling on the cost and structure of the bureaucracy necessary to manage it or who will fund it.

"The present commonwealth government seem to have gotten themselves into the habit of committing fully to projects without having much idea how much the projects will cost, but state governments cannot afford to do business this way."

While Ms Gillard declined to discuss budget details yesterday, her comments were calculated to flag NDIS as a key reform she hopes to claim as an achievement at the federal election due next year. "I am passionately committed to seeing us as a nation doing better by people with a disability," Ms Gillard said. "An NDIS is a very complicated thing to build. We are talking about a social reform at least as big as Medicare.

"As Prime Minister I believe, using all of my Labor heritage and Labor values, that it is Labor that can get these big things done and we are continuing to work on an NDIS."

However, Wednesday's meeting arrives with state treasurers in no mood for signing blank cheques.

As revealed in The Australian last week, they are concerned Mr Swan plans to pull back from "national partnerships" agreements under which the commonwealth assists the states in areas such as literacy and homelessness.

The Victorian government's comments come as it prepares to hand down a brutal budget with sweeping expenditure and job cuts. The government will impose the cuts to help pay for future infrastructure projects that have been shelved because of the deteriorating surplus.

Victoria posted a \$341 million deficit for the first six months of the financial year, seriously testing the government's commitment to a minimum \$100m surplus over the full year. The state's finances were mugged last year by a multi-billion dollar hit to GST revenue and any further federal hits would potentially put the government into the red next financial year.

NSW Treasury figures released on Friday show a \$4.7bn deterioration in unfunded superannuation as a result of flagging international equities markets.

Mr Baird said Wednesday's meeting would discuss whether public finance problems across the country were "cyclical" or "structural".

"Front of mind is the federal Treasurer's comment that he's looking to cut programs to meet his election commitment on the surplus," he said. "It's a collective hope across all the states that he's not taking aim at the national partnerships scheme."

Mr Baird said the addition of Mr Nicholls to the meeting would alter the dynamic, because Queensland would now join NSW in demanding more compensation from the commonwealth for the cost of the carbon tax to state-owned utilities.

Tony Abbott said yesterday NDIS was "a necessary and overdue reform", but it could only be delivered through the Coalition's sound fiscal management.

LISA Comment: As we said, "No way, no how, will the NDIS be reflective of the intentions of the Productivity Commission, in the near future!"

When the Productivity Commission produced its extensive proposals, state government direct care management and staff saw their comfort zone and safe employment disappearing with the Productivity Commission's proposal of a shift from state government-funded and provided services, to services provided by a wide range of organisations.

State government direct care management and staff no longer see the NDIS as a threat to their captive market comfort zone, where consumers and their families are frequently seen as a disruption to the well being of service management and staff.

It's back to bureaucratic business as usual. Consumers and their families have no service entitlement, and are made to feel they are bludging on government services if they dare to question any aspect of the service they receive as a 'charity hand-out'.

The 'Disability Services Commissioner' – Victoria, identifies the number-one reason why consumers and their families do not complain, as being, "The fear of intimidation of their vulnerable family member and themselves". Where consumers, vulnerable people, have no choice of service provider, intimidation can be, and often is rife.

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