THE SENATE

BILLS

National Disability Insurance Scheme Amendment Bill 2016

Second Reading

SPEECH

Wednesday, 4 May 2016

BY AUTHORITY OF THE SENATE
Senator FIFIELD (Victoria—Manager of Government Business in the Senate, Minister for Communications and Minister for the Arts) (12:30): I thank colleagues for their contributions. I want to make just a few quick points. It was never the government's intention, despite some of the coverage last year, that the board of the NDIS would be spilled. The government simply recognised that if nothing were done the terms of all board members would expire. Also, the government recognised that all positions expired at the same time and that, as good corporate governance practice, there should in fact be a staggering of the expiry dates of board members. Minister Porter has put forward a very good proposition to expand the size of the board so we can ensure that in the transition there is both continuity in the experience of board members and that there will be new board members as well as the scheme moves to the next phase of rollout.

I do need to respond to the issue of the funding of the NDIS. There are a range of sources of funding of the NDIS. There is existing state expenditure, which will be diverted to the scheme; there is existing Commonwealth expenditure, which will be diverted to the scheme; and there are also Medicare levy proceeds guaranteed for the scheme. When you put those funding sources aside, at full scheme there does remain about $5 billion a year for which funding was not carefully and particularly identified by our predecessors. Our predecessors did say that they had earmarked funding to cover that particular gap. I should point out that $2.4 billion of that supposed earmarked funding was in a table headed 'Other Long-Term Savings' in a previous Labor budget. Those other long-term savings were not identified and have never been identified.

Also, there were savings from private health insurance changes by the previous government, which the previous government actually counted for three different purposes. One was for the NDIS, one was to go towards what was then a budget surplus target, and one was to partially offset the cost of the dental health reform package. So, there were $2.7 billion of long-term savings which were never identified and other savings which were in fact counted three times, and Minister Porter has a proposition to address that funding gap.

With those few words, I commend the bill to the Senate.

Question agreed to.

Bill read a second time.