



## SENATOR THE HON MITCH FIFIELD

ASSISTANT MINISTER FOR SOCIAL SERVICES

MC14-005893

12 JUN 2014

Mr John Coleman  
Federal President  
Superannuated Commonwealth Officers' Association Inc  
PO Box 107  
MAWSON ACT 2607

Dear Mr Coleman

Thank you for your letter of 28 April 2014 to the Minister for Health, the Hon Peter Dutton MP, about the National Disability Insurance Scheme (NDIS). Your letter was referred to me as this matter falls within my portfolio responsibilities.

The Productivity Commission's Disability Care and Support report confirmed that the current system of support for people with disability has to be reformed. The NDIS is a scheme to address the chronic unmet needs of people with significant non-age related disabilities. The scheme is not intended to replace the health or aged care systems. The Productivity Commission advocated that adequate support should be available in both the disability care and aged care systems.

The scheme design reflects the Productivity Commission's recommendation that there should be an age 65 threshold for entry to the NDIS. Those not eligible for the NDIS will be supported by the health or aged care systems. Part of the purpose of the trial sites is to examine interface issues between the NDIS and the health and aged care systems.

You also refer to the Medicare levy of 0.5 per cent legislated under the previous government. To implement the NDIS, a strong and sustainable funding stream is required. The increase to the Medicare levy, to commence from 1 July 2014, will raise approximately \$20.4 billion by 1 July 2019 when the full scheme comes into place. Every dollar raised by the levy increase will go directly to fund the scheme and, to ensure this happens, legislation has been enacted to create a dedicated fund. Revenue from the additional levy will be paid into the fund which will only be drawn upon to meet expenditure directly related to the scheme.

Low income earners will continue to receive relief from the Medicare levy through the low income thresholds for singles, families, seniors and pensioners. The current exemptions from the Medicare levy will also remain in place, including for blind pensioners and sickness allowance recipients.

Thank you again for writing.

Yours sincerely

MITCH FIFIELD

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