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### ADJ Consultancy Services

To: The Hon. Joe Hockey MP, Treasurer  
From: Adam Johnston, Proprietor, ADJ Consultancy Services  
CC:  
Date: 6<sup>th</sup> February 2015  
Re: Pre-Budget Submission

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### Executive Summary

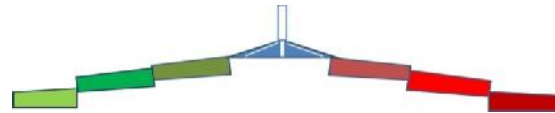
This submission argues that:

1. The tax and transfer system needs to be simplified urgently;
2. All governments support too many rent-seekers, on the basis of short term political motives;
3. Charitable and not-for-profit entities should no longer be tax exempt;
4. Gifts to such entities should not be claimable as tax deductions;
5. The Government should recommit to funding the Scientific Research Future Fund, even if this slows the "rollout" of the Disability Insurance Scheme;
6. With the Disability Insurance Scheme as the most recent example of the Medicare Levy being raised to fund non-clinical goods and services, the Government should not be reluctant to make the case for the Scientific Research Future Fund being financed by a co-payment;
7. The Commonwealth and State Governments alike should urgently review their policies to outsource the delivery of goods and services (particularly to vulnerable communities). In my experience, I am less than confident that many NGOs are fit for purpose. Appendix 5 is a submission outlining my experience with a major NGO, which is now a provider of NDIS services in the Hunter Region

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of NSW. I leave it to Treasury to determine whether to publish it (the NSW Parliamentary Committee the submission was sent to originally, declined publish it.)<sup>i)</sup> In any event, the document should raise questions about the governance and propriety of the NGO sector; particularly that of the organisation named. Treasury should keep under very close review those NGO agencies receiving public funds and, whether such funds are truly being deployed in the interests of individual clients, or in the wider public interest.

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Figure 1: The late Margaret Thatcher, former Prime Minister of the United Kingdom<sup>ii</sup>

Dear Mr. Hockey,

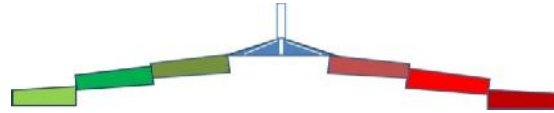
The quotation above aptly summarizes the problem that the Government has in successfully implementing any fiscal reform. However, it seems to me that all governments have become de-facto socialist governments. There does not seem to be an interest group, a corporation, a lobby, a charity or indeed an individual, who does not look to the state for a subsidy at some point. All too readily, the subsidy is received.

And indeed, I have to count myself among that number as a current disability pensioner. My employment has involved a series of periods holding temporary, contract work.<sup>iii</sup>

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During one of these times in the paid workforce, one made several observations to the Rudd Government's *Henry Review*. In particular, I suggested:

1. Abolish allowable deductions while raising the tax thresholds to compensate taxpayers for the loss of the deductions. This has been advocated for some time by the head of Access Economics, Geoff Carmody. I particularly like the idea because it would excuse many people (including me) from filing a tax return;
2. Set the top marginal tax rate at 30%, matching the corporate rate and, thus minimising the incidence of tax avoidance, as you take away the incentive to "hide" assets in companies.
3. Act to make the Medicare levy a less regressive and unfair tax, particularly on those with low incomes. Again, as Mr. Carmody said in the same speech:

"...For most of us, the Medicare Levy is a 1.5% 'flat tax' on all income: but not for all. You see, there are low income exemptions that are means tested and 'clawed back'. The basic 1.5% Medicare Levy applies to all taxable income when you earn more than \$17,191. If you earn less than \$15,903, there's no Levy. What about in between? Here, things turn nasty. Every extra dollar of income here means 20c in Medicare Levy. So the 1.5% Levy is really a 20% marginal tax for some poorer people. But there's more. The 20% Levy occurs where income tax is 15%. Here, the effective tax rate is really 35%..."<sup>iv</sup>

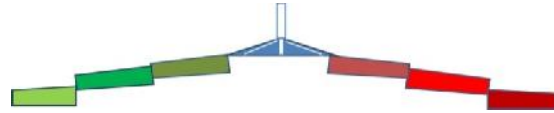
It is still my view that such reform should take place. However, in the face of analysis like that of Mr. Carmody, the Medicare Levy was lifted most recently to partially fund the National Disability Insurance Scheme,<sup>v</sup> despite the fact that the tax increase represented a broken promise on the part of the then Gillard Government.<sup>vi</sup> Here is an example of the Medicare Levy being raised for non-medical purposes (which then Opposition Leader Tony Abbott ended up supporting<sup>vii</sup>), yet savings proposed by the current Government (part of which were to go to a Scientific Research Future Fund), were derided as damaging to the general health of the community and 'anti-Medicare.' This is despite the fact that since the time of the 2014 Federal Budget there have been those putting very cogent arguments that a co-payment was neither a bad policy, nor an unjust impost on most people.<sup>viii</sup>

Looking even further, other authors point out that Medicare has never supported all Australians' potential health care choices. For example, as noted by Taylor and Hill:

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Perhaps the most vexed issue in understanding consumer expectations of healthcare is that of expectations around healthcare financing. This has played out in graphic detail most recently in relation to the debate around the proposed \$7 co-payment for GP consultations under Medicare. From this debate, it is clear that Australian consumers have very specific expectations around healthcare financing, particularly about what services should be funded. It goes without saying that this expected "core" of services includes GP consultations.

*Other types of health (or health-related) services provoke vigorous debate in the opposite direction. For example, public financing of homeopathy in Australia would likely create substantial debate similar to that occurring in the United Kingdom, where such services are currently subsidised under the National Health Services Directory (NHSD). Such services are examples of those outside the core expectations for public financing. (my emphasis)*

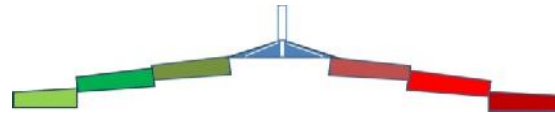
Between the two extreme examples of GP services and homeopathy lies a continuum of services where consumer expectation and policy are constantly shifting. Perhaps the foremost example of the shifting dynamics of consumer expectation and financing is that of Medicare subsidy for psychology (and like) services under Medicare. The introduction of these services (almost a decade ago) was in response to increasing consumer expectation for more readily accessible mental health services. This response to consumer expectations has then created greater consumer expectations around access to allied health services under Medicare; the ultimate extension of this being the Denticare proposal.<sup>ix</sup>

A big part of the problem is highlighted in the last sentence of the quotation; and it is clear, these expectations are being placed mainly on the public purse and not on any notion of private or personal provision. The need for some sort of rationing or price-signaling is not a new idea.<sup>x</sup> I tried to support new funding models, which gave individuals more choice over their healthcare and, more control in its management, backing similar ideas advocated by Dr. Kevin Cox in *On-Line Opinion* a number of years ago.<sup>xi</sup> It would be fair to say that both our pieces received very mixed comments in response; my call for health savings accounts and targeted incentives for more people to maintain and use private insurance received one negative and one positive response. The comments of Vern Hughes are particularly pertinent to current circumstances. He wrote in part:

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Politically, it is probably best to have created the (health savings) accounts first through (a) prior initiative like this one, then begin shifting resources that might otherwise be earmarked as tax cuts. Shifting resources from the providers to the consumers will be a process that will be resisted strongly by the provider interests (doctors, hospitals, state governments).<sup>xii</sup>

This year, we have seen the Government back down in front of the Australian Medical Association (AMA), an all-too-powerful provider lobby, to invoke Mr. Hughes words. However, it is also an appropriate moment to recall another quip from the Iron Lady, who observed:

“When I'm out of politics I'm going to run a business, it'll be called rent-a-spine”<sup>xiii</sup>

With the disappearance of the Medicare co-payment, what happens to the Scientific Research Future Fund? I fear it will have the rarity of the Bunyip and the funding to match. To me, this is both personally and professionally galling. As someone who has lived with physical disability all my life, the Future Fund was that lighthouse on the headland; Bill Shorten and Dr Brian Owler have rushed up the lighthouse stairs (something I could never do) to extinguish the lamp and the ‘light of hope’ the Fund was set to be, not only for me but for so many others. However else Dr. Owler<sup>xiv</sup> or Mr. Shorten may seek to justify their advocacy, this is an undeniable consequence of their action.

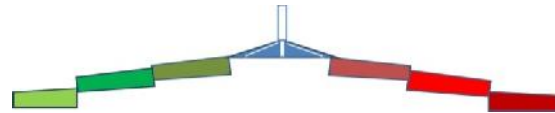
Again, one had hoped that the Future Fund would begin to deliver a world where chronic illness and disability of all forms could be eliminated from the human condition, through therapeutic interventions. Years ago, one might have hoped to benefit from such advances and wrote impatiently to the *Lockhart Review*<sup>xv</sup> and the 2006 Senate inquiry into stem cell research,<sup>xvi</sup> as well as any other inquiry that seemed relevant.<sup>xvii</sup> Sadly, ten years on, and the science is still hobbled by the tepid religious and moral objectors who opposed it a decade ago. As such, despite hopeful advances all over the world,<sup>xviii</sup> such advances are unlikely to impact on my life, or those of other Australians blighted by chronic illness and disability.

Instead, we are asked to settle for a disability insurance scheme. This will no doubt bring many to my consultancy,<sup>xix</sup> but I doubt they will be happy about dealing with the complexities of yet another *Centrelink*-like bureaucracy in the form of the National Disability Insurance Agency.<sup>xx</sup> However, I told you much of this in my 2014 submission

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(here attached as Appendix 1), while also highlighting the deteriorating budgetary position. Calls to withdraw subsidies and tax concessions to charities, churches and others who claim to be “not for profit” are still going largely unheeded.<sup>xxi</sup> Yet the grants, subsidies and tax relief routinely offered to these bodies would represent significant savings; as would bringing an end to tax deductibility for charitable donations, be they corporate or individual.

Similar savings could also be found if the Government was prepared to critically review the employment services regime hoisted upon the disabled<sup>xxii</sup> and the unemployed more generally.<sup>xxiii</sup> This too remains a regime full of NGOs happily living off taxpayer-funded subsidies. Similarly in NSW, we await legislation to ensure NGOs receiving State grants can have their books audited by the State Auditor General, despite a clear recommendation from the Public Accounts Committee, dating to 2013.<sup>xxiv</sup>

I cannot avoid a conclusion that the welfare and charitable lobbies are so strong they can eschew scrutiny. Equally, one has to concede that over the past several years, my engagement with the charitable sector has caused me to lose much confidence in the form, particularly at the corporate end and, especially where there is a flow of public grants involved.<sup>xxv</sup> Many organisations take on the form of miniature government or corporate entities, with ever more salaried bureaucratic types, running marketing, fundraising and grant-seeking campaigns. In a very *Animal Farm*-like metamorphosis it can become difficult to see where Government ends and charity/NGOs begin.

For those of us who are frail, aged, disabled, or otherwise *deemed* disadvantaged, we are supposed to be happy (and even grateful) for this union of state expedience and, corporate social responsibility; better described as either a tax deduction or a thinly veiled tax minimisation strategy. As I told the Lavarch Review, if the charitable gifts are dependent on the tax deductions, then let us forgo the charity here and now. This will recoup funds which should now go to the Scientific Research Future Fund. Again, with the promise of science, no-one should be obliged to easily settle for care and charity as a lifelong outcome. In the 1970s US TV series the *Six Million Dollar Man*<sup>xxvi</sup> it was foretold: ‘*We have the technology, we can rebuild him*’. Today, this does not seem too far-fetched, whether we are talking robotic technology and exo-skeletons<sup>xxvii</sup> or cellular and stem-cell therapies.

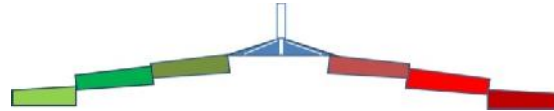
Yet, the subsidised charity and care model is perpetuated by policy makers, business leaders and many others, including the charities themselves. All are receiving something out of this convenient and not-so-little arrangement, whether it’s passing a problem to a

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third party, a grant or a tax deduction. However, the loss of revenue cannot ever advantage the taxpayer, while those of us who are service recipients can hardly miss our place in this world; as “worthy” charity cases. And this is exactly where we are likely to stay in the absence of the Scientific Research Future Fund.

Moving away from dependence on benevolence towards health, independence and cures was exactly what the Fund promised people like me. By contrast, the NDIS and related initiatives, which are seeing State and Federal authorities outsource care and support services to the NGO sector at a rapid rate, do the exact reverse. These reforms also continue funding the NGO ‘bunyip aristocracy’. I can only underline my concerns about this growing trend, citing all the accompanying appendices, particularly Appendix 5 where I outline my experience as a former board member of a major charity. The events described in Appendix 5 were the reasons I began to lose much confidence in the NGO sector. It was also the time I began questioning the level of public funding to NGOs.

It is to be hoped that Treasury will now ask just as many questions of NGOs.

Yours faithfully

Adam Johnston  
Proprietor, ADJ Consultancy Services

### **Endnotes**

<sup>i</sup> I stand by every word in the document as being accurate and, something I have always been prepared to stand by in public

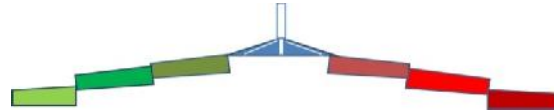
<sup>ii</sup> Quote sourced from

[https://www.google.com.au/search?q=quotes+margaret+thatcher&tbm=isch&imgil=vk3Da9KAKQI\\_pM%253A%253BzbZt55p24HjbXM%253Bhttp%25253A%25252F%25252Fwww.quote-coyote.com%25252Fquotes%25252Fauthors%25252Ft%25252Fmargaret-thatcher%25252F&source=iu&pf=m&fir=vk3Da9KAKQI\\_pM%253A%252CzbZt55p24HjbXM%252C\\_&usg=\\_zTjpCYjGJ8pCYDEUKWzLICt1ASE%3D&biw=1280&bih=578&ved=0CDwQyjc&ei=6Bi3VIm2Go6luAS75oLQCA#imgdii=vk3Da9KAKQI\\_pM%3A%3BqpiP\\_XgqW\\_ZHuM%3Bvk3Da9KAKQI\\_pM%3A&imgrc=vk3Da9KAKQI\\_pM%253A%3BzbZt55p24HjbXM%3Bhttp%253A%252F%252Fwww.quote-coyote.com%252Falbum%252Fsmall%252FMargaret-Thatcher-woman-quotes.jpg%3Bhttp%253A%252F%252Fwww.quote-coyote.com%252Fquotes%252Fauthors%252Ft%252Fmargaret-thatcher%252F%3B300%3B250](https://www.google.com.au/search?q=quotes+margaret+thatcher&tbm=isch&imgil=vk3Da9KAKQI_pM%253A%253BzbZt55p24HjbXM%253Bhttp%25253A%25252F%25252Fwww.quote-coyote.com%25252Fquotes%25252Fauthors%25252Ft%25252Fmargaret-thatcher%25252F&source=iu&pf=m&fir=vk3Da9KAKQI_pM%253A%252CzbZt55p24HjbXM%252C_&usg=_zTjpCYjGJ8pCYDEUKWzLICt1ASE%3D&biw=1280&bih=578&ved=0CDwQyjc&ei=6Bi3VIm2Go6luAS75oLQCA#imgdii=vk3Da9KAKQI_pM%3A%3BqpiP_XgqW_ZHuM%3Bvk3Da9KAKQI_pM%3A&imgrc=vk3Da9KAKQI_pM%253A%3BzbZt55p24HjbXM%3Bhttp%253A%252F%252Fwww.quote-coyote.com%252Falbum%252Fsmall%252FMargaret-Thatcher-woman-quotes.jpg%3Bhttp%253A%252F%252Fwww.quote-coyote.com%252Fquotes%252Fauthors%252Ft%252Fmargaret-thatcher%252F%3B300%3B250) as at 15 January 2015

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<sup>iii</sup> This experience has caused me to be highly sceptical of the value of superannuation. The concept appears heavily reliant on continuous, long-term employment, for sufficient funds to accumulate. This is an employment and financial fiction for many including me; see e.g.: Adam Johnston, *Submission: Default Superannuation funds in Modern Awards*, <http://www.pc.gov.au/inquiries/completed/default-super/submissions/sub054-default-super.doc>; similarly, note my submission to the *Financial System (Murray) Inquiry* at [http://fsi.gov.au/files/2014/04/Johnston\\_Adam.pdf](http://fsi.gov.au/files/2014/04/Johnston_Adam.pdf); *The Better Regulation Inquiry* at [http://treasury.gov.au/~media/Treasury/Consultations%20and%20Reviews/Consultations/2013/Better%20regulation%20and%20governance/Submissions/PDF/Johnston\\_Adam.ashx](http://treasury.gov.au/~media/Treasury/Consultations%20and%20Reviews/Consultations/2013/Better%20regulation%20and%20governance/Submissions/PDF/Johnston_Adam.ashx) as at 25 January 2015

<sup>iv</sup> See generally, Adam Johnston, *Submission to Henry Tax Review*, [http://taxreview.treasury.gov.au/content/submissions/pre\\_14\\_november\\_2008/Adam\\_Johnston.pdf](http://taxreview.treasury.gov.au/content/submissions/pre_14_november_2008/Adam_Johnston.pdf) as at 17 January 2015

<sup>v</sup> See *Frequently asked questions about the levy*, <http://www.ndis.gov.au/about-us/federal-budget/frequently-asked-questions-about-levy> as at 17 January 2015

<sup>vi</sup> See e.g.: Gemma Jones, *News - Julia Gillard breaks promise to keep Medicare levy down*, The Daily Telegraph, May 02, 2013 12:00AM, <http://www.dailytelegraph.com.au/julia-gillard-breaks-promise-to-keep-spending/story-e6freuy9-1226633468224> as at 17 January 2015

<sup>vii</sup> See e.g.: Cortlan Bennett, *Abbott backs national disability scheme*, Date: April 30, 2012, <http://news.smh.com.au/breaking-news-national/abbott-backs-national-disability-scheme-20120430-1xumn.html> as at 17 January 2015

<sup>viii</sup> See e.g.: Terry Barnes, *Shorten's war cry over Medicare is misguided*, Opinion, The Drum, Updated 16 May 2014, 11:50am, <http://www.abc.net.au/news/2014-05-16/barnes-shortens-war-cry-over-medicare-is-misguided/5456678> as at 17 January 2015

<sup>ix</sup> Dr Michael Taylor and Dr Sophie Hill, *Consumer expectations and healthcare in Australia*, date: 23/06/14, Deeble Institute Issues Brief, [http://ahha.asn.au/system/files/docs/publications/deeble\\_issues\\_brief\\_nlcg-3\\_consumer\\_expectations\\_and\\_healthcare\\_in\\_australia.pdf](http://ahha.asn.au/system/files/docs/publications/deeble_issues_brief_nlcg-3_consumer_expectations_and_healthcare_in_australia.pdf) as at 31 December 2014, pp.5-6 (8-9 of 19 Adobe numbering)

<sup>x</sup> See e.g.: Jeremy Sammut, *How! Not How Much: Medicare Spending and Health Resource, Allocation in Australia*, CIS Policy Monograph 114, © 2011, Centre for Independent Studies, Papers in Health and Ageing (11), <https://www.cis.org.au/images/stories/policy-monographs/pm-114.pdf> as at 25 January 2015

<sup>xi</sup> See Dr Kevin Cox, *A new way to fund health*, On-Line Opinion, posted Wednesday, 19 December 2007, <http://www.onlineopinion.com.au/view.asp?article=6741>; my response and broad endorsement was published as Adam Johnston, *Take two aspirins and call for more reform*, posted Tuesday, 8 January 2008, <http://www.onlineopinion.com.au/view.asp?article=6832> as at 26 January 2015

<sup>xii</sup> Posted by **vern\_hughes**, Monday, 14 January 2008 10:50:18 AM, The Forum, <http://forum.onlineopinion.com.au/thread.asp?article=6832> as at 26 January 2015

<sup>xiii</sup> Goodreads – Quotes by Margaret Thatcher, <http://www.goodreads.com/quotes/224182-when-i-m-out-of-politics-i-m-going-to-run-a> as at 5 February 2015

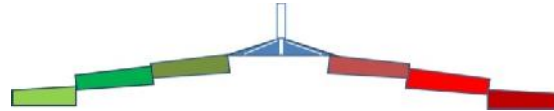
<sup>xiv</sup> Particularly in the case of Dr. Owler, I acknowledge to being aggrieved by his actions and public statements. However, with the virtual implosion of the funding source for the Scientific Research Future Fund, have I (and others) been vicariously harmed by the loss of the Fund and the medical advances its research could have brought? One would have expected better from a neurosurgeon; see <http://www.sydneyneurosurgeon.com.au/> as at 2 February 2015. The doctors' union and its President, in my opinion, has opted for short term gain at the expense of the long-term welfare of their patients

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<sup>xv</sup> See my second submission to the *Lockhart Review* available at <http://www.pc.gov.au/inquiries/completed/health-workforce/submissions/subpp304/subpp304.pdf> as at 27 January 2015. Also note Justice Lockhart's Report at [http://www.nhmrc.gov.au/files/nhmrc/file/research/embryos/review/legislation\\_review\\_reports\\_full\\_doc\\_19dec05.pdf](http://www.nhmrc.gov.au/files/nhmrc/file/research/embryos/review/legislation_review_reports_full_doc_19dec05.pdf) as at 27 January 2015

<sup>xvi</sup> See my submission at [http://www.aph.gov.au/~media/wopapub/senate/committee/clac\\_ctte/completed\\_inquiries/2004\\_07/leg\\_response\\_lockhart\\_review/submissions/sub53\\_pdf.ashx](http://www.aph.gov.au/~media/wopapub/senate/committee/clac_ctte/completed_inquiries/2004_07/leg_response_lockhart_review/submissions/sub53_pdf.ashx) as at 27 January 2015

<sup>xvii</sup> See e.g.: Treasury, *Governance of the Not-For-Profit Sector* (my submission) <http://www.treasury.gov.au/~media/Treasury/Consultations%20and%20Reviews/Consultations/2011/Review%20of%20not-for-profit%20governance%20arrangements/Submissions/PDF/Johnston%20Adam.ashx>; *Competition Policy Review submission*, <http://competitionpolicyreview.gov.au/files/2014/07/ADJ.pdf> as at 29 January 2015.

<sup>xviii</sup> See e.g.: A cell transplant has enabled a paralysed man to walk again, <http://www.sciencealert.com/news/20142110-26373.html>; Sarah Boseley (Health Editor), The nose cells that may help the paralysed walk again, *The Guardian*, <http://www.theguardian.com/science/2005/nov/30/medicineandhealth.health>; Fergus Walsh, Nose cell transplant enables paralysed dogs to walk, *BBC Online*, <http://www.bbc.com/news/health-20365355>; WORLD FIRST: Scientists have turned skin cells into pain-sensitive nerve cells, <http://www.sciencealert.com/world-first-scientists-have-turned-skin-cells-into-pain-sensitive-nerve-cells>; Public Release: 8-Jan-2015 Insulin nasal spray shows promise as treatment for adults with dementia and Alzheimer's, [http://www.eurekalert.org/pub\\_releases/2015-01/wfbm-ins010815.php](http://www.eurekalert.org/pub_releases/2015-01/wfbm-ins010815.php) as at 27 January 2015

<sup>xix</sup> As a lawyer and former State bureaucrat who has, by necessity, done much self-advocacy, I am well placed to assist others navigate the mountain of red tape that will be the NDIA (National Disability Insurance Agency) and related entities

<sup>xx</sup> My submissions to the Senate are available at: <https://senate.aph.gov.au/submissions/comitees/viewdocument.aspx?id=dc64c892-b41d-48b5-9916-7f4b90e71ee3>; and (the supplementary submission) at: <https://senate.aph.gov.au/submissions/comitees/viewdocument.aspx?id=c59725d8-263e-48d8-8fb4-60303c4280a8> as at 29 January 2015

<sup>xxi</sup> Refer generally to Appendix 2, my submission to Linda Lavarch's *Not for Profit Tax Concessions Working Group*. Here, I called upon the Government to limit tax-free or concessional status to scientific research alone, abolishing all other categories

<sup>xxii</sup> Several years ago, the Senate held an inquiry into: *The administration and purchasing of Disability Employment Services in Australia*, to which I provided this submission: <https://senate.aph.gov.au/submissions/comitees/viewdocument.aspx?id=a6fa4e6a-eb31-49de-bb0f-c9f11849c86c>. Little seems to have improved or changed, as one explained to the Senate Education and Employment Legislation Committee's inquiry into the *Social Security Legislation Amendment (Strengthening the Job Seeker Compliance Framework) Bill 2014*. My submission is available at [http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Education\\_and\\_Employment/Strengthening\\_Job\\_Seeker/Submissions](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/Strengthening_Job_Seeker/Submissions) (submission 12) as at 29 January 2015

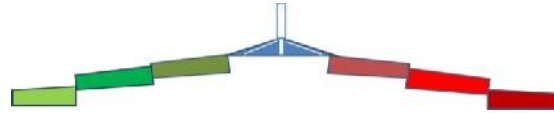
<sup>xxiii</sup> Refer generally to Appendix 3, which is my submission to the McClure Review into Welfare Reform

<sup>xxiv</sup> See generally, Jonathan O'Dea MP (Chair), Public Accounts: *Efficiency and Effectiveness of the Audit Office of NSW* (Inquiry), Report 11/55, September 2013, Parliament of NSW

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[https://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/bddedc83e0a9ff20ca257bcf000c442c/\\$FILE/Submission%20No%207.pdf](https://www.parliament.nsw.gov.au/prod/parlment/committee.nsf/0/bddedc83e0a9ff20ca257bcf000c442c/$FILE/Submission%20No%207.pdf) as at 29 January 2015

<sup>xxv</sup> It is my fear that the NGO sector is now so entrenched when it comes to both public funding and the delivery of goods and services on behalf of government, that it is virtually to extricate your life from their ambit; particularly if you are elderly, disabled, or otherwise vulnerable. We have now created a virtual 'bunyip aristocracy' ([http://en.wikipedia.org/wiki/Bunyip\\_aristocracy](http://en.wikipedia.org/wiki/Bunyip_aristocracy) as at 5 February 2015) of NGOs, who wield incredible power over vulnerable individuals and their families, as well as governments who become equally dependent, having often mothballed their own delivery infrastructure (and dismissed their staff). In NSW currently, the State Government is set to outsource its Homecare Service *allegedly* to Bupa. As a service recipient, I am concerned about an increase in cost, a parallel reduction in services, loss of many staff and, the hiring of a (less costly) immigrant workforce. In this scenario, it may be more appropriate to receive care from robots: see e.g.: *Robots in aged care - RECCI Robots in Aged Care - ABC 7pm News*, <http://www.latrobe.edu.au/reccsi/media-releases/robots-in-aged-care>; also see: Davide Brugali, Jan Broenink, Torsten Kroeger, Bruce MacDonald (eds), *Simulation, Modeling, and Programming for Autonomous Robots: 4th International Conference, SIMPAR 2014, Bergamo, Italy, October 20-23, 2014. Proceedings* (Google eBook)

[https://books.google.com.au/books?id=8mSSBAAAQBAJ&pg=PA579&lpg=PA579&dq=elderly+happy+to+receive+care+from+robots&source=bl&ots=TA\\_Ttlc2WB&sig=EJia\\_0iF32Ao5\\_nuG6J9-RwQpSM&hl=en&sa=X&ei=e\\_rSVOWkFtLHsQS7joGYCA&ved=0CE0Q6AEwBw#v=onepage&q=elderly%20appy%20to%20receive%20care%20from%20robots&f=false](https://books.google.com.au/books?id=8mSSBAAAQBAJ&pg=PA579&lpg=PA579&dq=elderly+happy+to+receive+care+from+robots&source=bl&ots=TA_Ttlc2WB&sig=EJia_0iF32Ao5_nuG6J9-RwQpSM&hl=en&sa=X&ei=e_rSVOWkFtLHsQS7joGYCA&ved=0CE0Q6AEwBw#v=onepage&q=elderly%20appy%20to%20receive%20care%20from%20robots&f=false); also see: *Domestic service robots*

*Seal of approval*, *The Economist*, Mar 29th 2014 | From the print edition,

<http://www.economist.com/news/special-report/21599528-robot-around-house-doesnt-just-have-be-handy-it-has-be-likeable-too-seal>; also see: Victoria Turk (Editor, UK), *Robots Are Caring for Elderly People in Europe*, *Motherboard*, May 6, 2014 // 06:50 AM EST, <http://motherboard.vice.com/read/robots-are-caring-for-elderly-people-in-europe>; and for an academic view, see: Sparrow, R., and Sparrow, L. 2006. *In the hands of machines? The future of aged care*. *Minds and Machines* 16: 141-161, May,

[http://profiles.arts.monash.edu.au/rob-sparrow/download/InTheHandsOfMachines\\_ForWeb.pdf](http://profiles.arts.monash.edu.au/rob-sparrow/download/InTheHandsOfMachines_ForWeb.pdf) as at 5 February 2015. The academics (Sparrow and Sparrow) are critical of any concept which sees a robot replacing human friendships, or their effectiveness as interpersonal communicators in care. I contest this, on the basis of experiences with care staff with very limited written or spoken English skills.

In my own view, NGOs must be made directly accountable to Parliament when they can be called before its committees, as de-facto State agencies. This was an argument I put to the Panel of Constitutional Experts Inquiring into Recall Elections in NSW; see pages 6-9 of 9 at

[http://www.dpc.nsw.gov.au/\\_data/assets/pdf\\_file/0003/166008/Submission\\_19\\_-\\_Adam\\_Johnston.pdf](http://www.dpc.nsw.gov.au/_data/assets/pdf_file/0003/166008/Submission_19_-_Adam_Johnston.pdf) as at 5 February 2015

<sup>xxvi</sup> See generally, [http://en.wikipedia.org/wiki/The\\_Six\\_Million\\_Dollar\\_Man](http://en.wikipedia.org/wiki/The_Six_Million_Dollar_Man) as at 5 February 2015

<sup>xxvii</sup> Several years ago, I attempted, unsuccessfully, to bring exo-skeletons to Australia. This could be revisited via the Scientific Research Future Fund. See generally, Appendix 4, which outlines my attempts to bring Hybrid Assisted Limb or HAL to Australia

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