



Delivered by the
National Disability
Insurance Agency

NDIS Quarterly report to disability ministers

31 December 2023



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Introduction

Key highlights for Quarter 2, 2023–24

Improvements in outcomes for choice and control highlight the positive gains the National Disability Insurance Scheme (NDIS) helped participants, families and carers achieve in the December 2023 quarter.

- **More than 3 quarters** of all participants aged over 15 years reported greater choice and control in their lives, exceeding the 2023–24 target.
- There has been a **10 percentage point increase**, from 67% to 77%. This compares to a 2023–24 target of 75%.
- **41%** of participants aged 15 years and older reported increased participation in community and social activities – a relative increase of **19%**.
- Participation in work has **more than doubled** from 10% to 22% for participants aged 15 to 24 years.
- **Half** of all parents and carers are now reporting paid employment, reaching the 2023–24 target of 50%. This is a relative increase of **10%**.

The transformation of the National Contact Centre (NCC) also continued in the December 2023 quarter, including ongoing recruitment for the insourced contact centre. The NCC exceeded disability targets with 42% of the NCC Operations team identifying as having a disability.

Scheme financial experience

The growth rate of the NDIS is starting to stabilise through considered and targeted reforms, delivered in partnership with people with disability and the disability community.

Total Scheme expenses for the 6 months to 31 December 2023 were \$20.4 billion (on an accrual basis) or 1.9% higher than the estimate from the June 2023 projections. The main drivers of this difference are:

- **Number of participants** – the total number of Scheme participants at 31 December 2023 was **646,449**, which is 3,241 (0.5%) higher than the June 2023 projections. This is primarily driven by the total number of participants with developmental delay at 31 December 2023 which was 96,005 or 9,519 (11%) higher than the June 2023 projections.
- **Average payment per participant** – the average payment per participant for the 6 months to December 2023 was **\$63,000** (on a cash basis) or 2.1% higher than expectations after taking into account the actual mix of participants who have entered the Scheme since 30 June 2023. However, the average payment experience varies by disability type and other participant characteristics. The average payment per participant with developmental delay for the 6 months to December 2023 was \$14,000, which was \$2,300 (19%) higher than expectations based on the June 2023 projections.

Scheme financial experience

The NDIA continues to examine available data to understand the key risks to financial sustainability of the Scheme.

They include:

- High numbers of children with developmental delay entering the Scheme, as well as increasing numbers of adult new entrants with autism.
- Average plan budgets, which drive average payments per participant. Overall, plan budgets have increased by 14.4% (annualised) between June 2023 and December 2023 for participants already in the Scheme. Approximately 2.5% can be attributed to the combined effects of indexation, following the 2022–23 Annual Pricing Review (APR). The remaining 11.9% growth is over and above indexation and pricing impacts.

The measures announced in the 2023–24 Budget are aimed to support participant outcomes and the effective and sustainable operation of the Scheme. Through co-design, the NDIA is implementing a program of initiatives designed to improve early intervention outcomes for children in the Scheme, improve participant planning processes and consistency in home and living eligibility decisions for participants with complex and high support needs, which are expected to assist in addressing key risks to financial sustainability outlined above. Changes in settings arising from NDIS Review recommendations are also anticipated to lead to further moderation in Scheme growth, to achieve the target set by National Cabinet.

NDIS review

On 7 December 2023, the Minister for the NDIS released the independent NDIS Review. The report maps out 26 recommendations with 139 actions to help restore trust, ensure the Scheme’s sustainability, and deliver a better NDIS experience for participants.

The NDIA actively participated in the comprehensive NDIS Review to recenter the scheme around people with disabilities.

On December 6, 2023, the Australian Government and states committed to reforming the NDIS, agreeing to implement legislative changes and jointly design additional foundational supports.

The review examined the scheme’s design, operations, sustainability, and ways to build a more responsive market and workforce.

The review made 26 recommendations, including legislative reforms to improve participant experience and return the scheme to its original intent.

Changes will be implemented carefully over time, with no immediate changes for participants, their families, staff, or the broader disability community.

The NDIA and government will carefully consider all recommendations and expand work to include detailed design and implementation.

Disability Royal Commission

The Disability Royal Commission (DRC) was established in April 2019 in response to community concern about widespread reports of violence against, and the neglect, abuse and exploitation of people with disability.

The final report was tabled on 29 September 2023, consisting of 12 volumes and 222 recommendations for improving laws, policies, structures, and practices to create a more inclusive and just society. Key themes and outcomes in the final DRC report included:

- **Legislative and structural change to the disability landscape** – with the establishment of an Australian Disability Rights Act, a Disability Commission and a Department for Disability, Equality and Inclusion.
- **Regulatory improvements** – to ensure disability service providers have robust and transparent policies and procedures to detect and respond to violence, abuse, neglect and exploitation.
- **Ending segregation in mainstream settings** – including workplaces, educational facilities, group homes and criminal justice systems.

National expansion of the NDIA's new computer system

The national rollout of the NDIA's new computer system and processes started as planned on 30 October 2023.

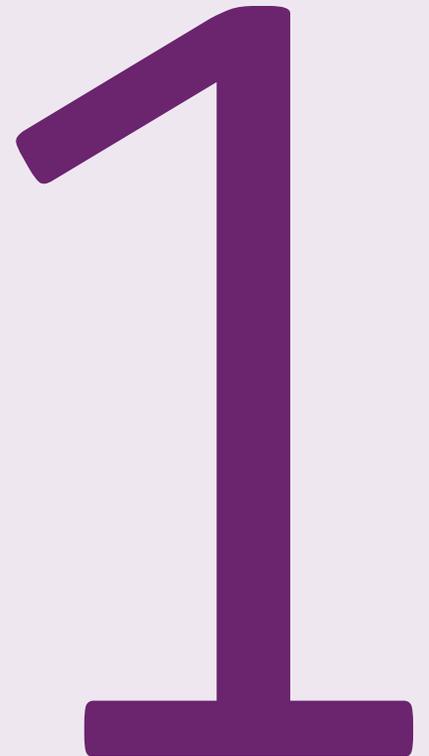
The NDIA's new computer system and improved processes will support the Government to deliver on its commitments and provide the NDIS experience participants expect to see.

- The NDIA is implementing a new computer system to enhance the NDIS experience.
- The transition to the new system is expected to take 18 months.
- The NDIA is providing necessary support and resources for the transition, available on improvements.ndis.gov.au.
- The new system will improve the way NDIA staff work and deliver a consistent NDIS experience for participants across Australia.

Further information about the national expansion can be found in section 6 of the report.

Section 1:

Participants and their plans



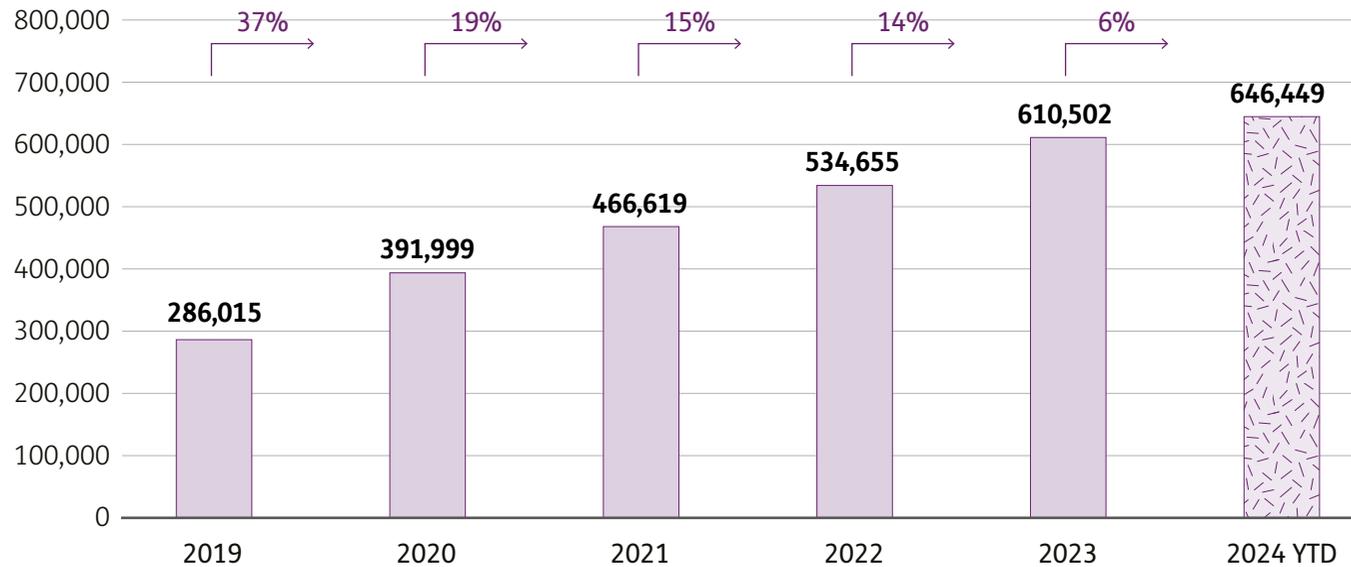
1.1 Number of participants in the Scheme



More than 640,000 participants are receiving support from the NDIS.

At December 2023, **646,449** participants had approved plans.¹ This represents a 2% net increase from last quarter (a net increase of **14,920** participants since September). The quarterly increase is lower than recent quarters due to processing volumes being temporarily impacted by migrating to the new computer system.

Active participants with approved plans and percentage increase over time for years ending 30 June²



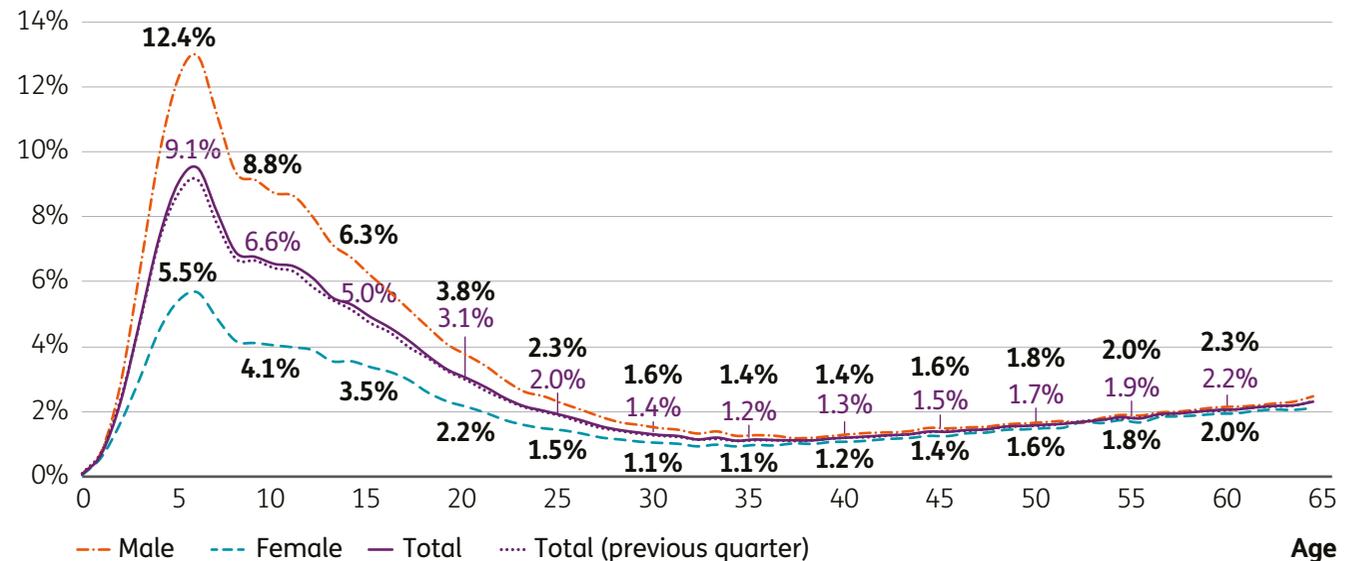
¹ 46,944 participants with approved plans have left the NDIS in the period between 1 July 2013 and 31 December 2023.
² This is the net increase in the number of active participants in the NDIS each period noting some participants have left the NDIS.

1.2 Participation rates

The number of NDIS participants as a proportion of the Australian population peaks between the ages of 5 and 7, with approximately 12% of 5 to 7 year-old males and 6% of 5 to 7 year-old females being NDIS participants.

- NDIS participation rate varies by age and gender.
- Peaks at roughly **9%** between the ages of 5 and 7, declines to around **1%** by age 35, and rises to **2%** by age 64.
- Over half of all NDIS participants are aged 18 or under.
- Participation rates for males and females differ considerably at younger ages.
- This difference is largely due to the higher prevalence of autism and developmental delay in males.
- Participation rates up to age 21 have slightly increased from the last quarter.

Participation rates^{3,4}



³ There were 8,703 participants aged 0 to 64 years with a gender of “Other” at 31 December 2023. The participation rates for this group are included within the total rates.

⁴ The 2021 Census population has been adopted since the March 2023 report, increasing the calculated participation rates, more so between the ages of 0 and 6, where participation rates are higher by 0.3 percentage points.

1.3 Participant characteristics

The NDIA continues to monitor the number of participants entering the NDIS who identify as First Nations Australians, Culturally and Linguistically Diverse (CALD), and participants who are from remote and very remote areas.

Of the **17,605** participants entering and receiving a plan in the quarter:

- **10.4%** were **First Nations peoples**⁵
- **7.7%** were **CALD**⁶
- **1.7%** were from **remote and very remote areas**⁷

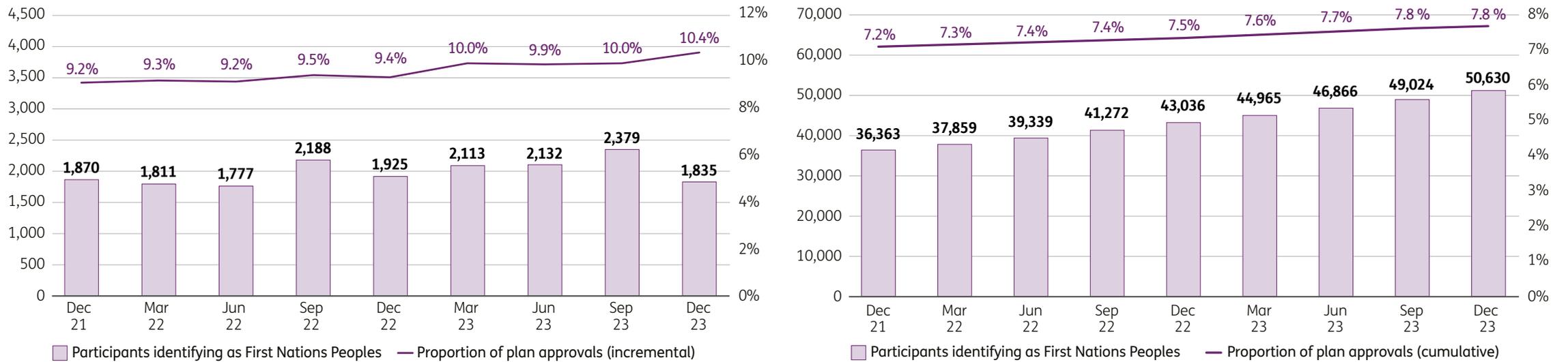
The NDIA is co-designing a new CALD strategy for 2024–2028 and has committed to co-design a new First Nations strategy.⁸

Trends in First Nations participants are shown in the following figures. The proportion of participants entering the Scheme this quarter who identify as First Nations people has increased to 10.4%, and the total proportion of First Nations participants in the Scheme has remained at 7.8% from last quarter. There are initiatives being deployed to support First Nations and remote participants to access, navigate and utilise the Scheme. These initiatives include the Remote Community Connectors (RCC) program and the Aboriginal Disability Liaison Officers program, which supports First Nations participants in urban areas. CALD and remote participation are similar to that observed in previous reports.

⁵ This compares to 8 per cent of the Australian population identifying as First Nations Peoples who have a need for assistance. Source: Census of Population and Housing 2021 (“Need for Assistance” variable), Persons Place of Usual Residence, by Indigenous Status.
⁶ The percentage of CALD participants excludes participants who identify as First Nations Peoples. Further, the NDIA published extra analysis on CALD participants in the September 2021 quarterly report (<https://www.ndis.gov.au/about-us/publications/quarterly-reports>). The analysis indicated that it is likely that CALD participants are joining the NDIS but have not been identified as CALD in the data collected, rather than a large number of CALD people with a disability not currently being in the NDIS. With the introduction of the new ICT system, the opportunity to collect improved data on participants should allow better identification of CALD participants.
⁷ This compares to 2 per cent of the Australian population living in remote or very remote areas. Source: Census of Population and Housing 2021, Persons Place of Usual Residence, by Remoteness Area.
⁸ Further information on these strategies can be found here: <https://www.ndis.gov.au/about-us/strategies/first-nations-strategy> and <https://www.ndis.gov.au/about-us/strategies/cultural-and-linguistic-diversity-strategy>.

1.3 Participant characteristics

Number and proportion of First Nations participants entering quarterly over time incrementally (left) and cumulatively (right)^{9,10}

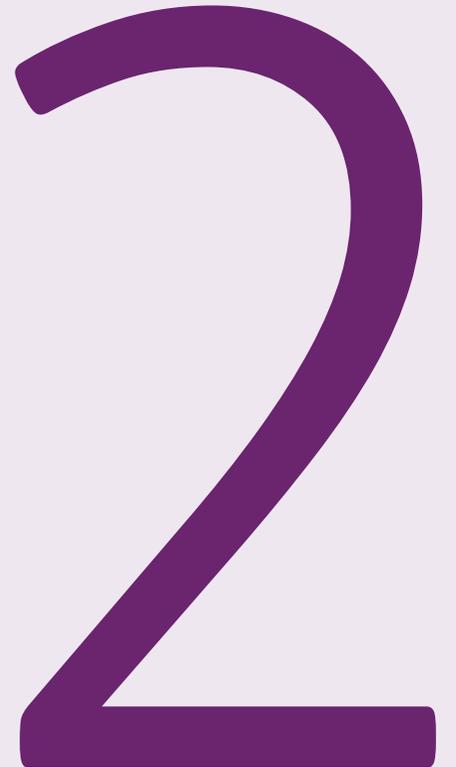


⁹ The incremental chart shows the distribution of new participants that have entered in each quarter. The cumulative chart shows the distribution of active participants as at each quarter over time.

¹⁰ <https://data.ndis.gov.au/explore-data> has detail on numbers of CALD participants and remote and very remote participants

Section 2:

Participant and family/carer outcomes



2.1 Participation in work and community and social activities^{11,12}

Despite COVID-19, participation rates in community and social activities have increased, while the overall rate of participation in work is stable.

Participation in community and social activities

Participants who have been in the Scheme for at least 2 years have seen their community and social participation increase, since they first entered. Specifically, comparing responses at the most recent plan reassessment (between 2 and 7 years after entry) with responses at Scheme entry¹³:

- **six** percentage point increase from **33%** to **39%** for participants aged 15 to 24 years
- **nine** percentage point increase from **35%** to **44%** for participants aged 25 to 34 years
- **seven** percentage point increase from **35%** to **43%** for participants aged 35 to 44 years
- **seven** percentage point increase from **35%** to **41%** for participants aged 45 to 54 years
- **five** percentage point increase from **35%** to **40%** for participants aged 55 to 64 years
- **five** percentage point increase from **36%** to **41%** for participants aged 65 years and older
- **seven percentage point increase from 35% to 41% for participants aged 15 years and older.**

The overall result of 41% compares to a 2023–24 target of 46%. In general, the increase in participation in community and social activities has improved the longer participants have been in the Scheme.

¹¹ This section compares baseline indicator results when participants entered the Scheme, with results measured at the most recent participant plan reassessment for each respondent. Trial participants are excluded.

¹² The participant age reported in this section is as per their latest plan reassessment.

¹³ Figures have been rounded to the nearest whole percentage; differences are calculated from unrounded metrics.

2.1 Participation in work and community and social activities

Participation in work

The percentage in a paid job for those in the Scheme for at least 2 years continues to be relatively stable overall. However, the percentage and the change over time in the Scheme differs by age group. For instance, the largest percentage increase was for participants in the 15 to 24 age group, consistent with participants entering the workforce for the first time. The percentage in a paid job remains stable or declines for all other age bands. Specifically, comparing responses at the most recent plan reassessment (between 2 to 7 years after entry) with responses at Scheme entry:¹⁴

- **eleven** percentage point increase from **10%** to **22%** for participants aged 15 to 24 years¹⁵
- **two** percentage point increase from **27%** to **29%** for participants aged 25 to 34 years
- **one** percentage point decrease from **28%** to **27%** for participants aged 35 to 44 years
- **two** percentage point decrease from **25%** to **23%** for participants aged 45 to 54 years
- **four** percentage point decrease from **19%** to **15%** for participants aged 55 to 64 years¹⁶
- **four** percentage point decrease from **13%** to **8%** for participants aged 65 years and older¹⁷
- **two percentage point increase from 21% to 22% for participants aged 15–64 years.**

¹⁴ Figures have been rounded to the nearest whole percentage; differences are calculated from unrounded metrics.

¹⁵ Some of the increase is due to participants leaving school and starting work. As the Scheme matures it will be possible to analyse the extent to which the percentage gap increases.

¹⁶ Some of the decrease for older age groups is due to participants retiring from the workforce.

¹⁷ Ibid.

2.2 Perceptions of whether the NDIS has helped

Participants have positive perceptions across most domains and different age groups. However, the percentage of positive responses varies by domain and age group.

At each plan reassessment, participants are asked whether the NDIS has helped with areas related to each domain. For these questions, longitudinal change is measured from first plan reassessment, since the Scheme has not had an opportunity to help at baseline. Results shown in this section compare responses provided at the first plan reassessment with those from later reassessments, for participants entering the Scheme since 1 July 2016 and who have been in the Scheme for at least 2 years.

2.2 Perceptions of whether the NDIS has helped

Participant choice and control

The choice and control metric for participants aged 15 and over is based on the question “Has the NDIS helped you have more choices and more control over your life?”. Positive perceptions of whether the NDIS has helped with choice and control have increased for the latest reassessment compared to the first reassessment across all age bands. Older participants tend to have higher levels of satisfaction than the 15 to 24 age group. Specifically, the percentage who think that the NDIS has helped them have more choices and more control over their life showed¹⁸:

- **nine** percentage point increase from **61%** to **70%** for participants aged 15 to 24 years
- **eleven** percentage point increase from **66%** to **78%** for participants aged 25 to 34 years
- **ten** percentage point increase from **69%** to **79%** for participants aged 35 to 44 years
- **ten** percentage point increase from **70%** to **80%** for participants aged 45 to 54 years
- **ten** percentage point increase from **71%** to **82%** for participants aged 55 to 64 years
- **twelve** percentage point increase from **71%** to **83%** for participants aged 65 years and older
- **ten percentage point increase from 67% to 77% for participants aged 15 years and older.**

The overall result of 77% compares to a 2023–24 target of 75%.

¹⁸ Figures have been rounded to the nearer whole percentage; differences are calculated from unrounded metrics.

2.2 Perceptions of whether the NDIS has helped

Other “Has the NDIS helped?” questions

For children aged from birth to before starting school, results have improved across all domains.

Figure 9 shows the percentages responding positively at first assessment and at latest reassessment, as well as the change between the 2 time points.

“Has the NDIS helped?” – participants aged from birth to before starting school¹⁹

Domain	First assessment %	Latest reassessment %	Percentage point change
Daily living: child’s development	91	94	+3
Daily living: access to specialist services	92	95	+3
Choice and control (child’s ability to communicate what they want)	83	87	+4
Relationships (fitting into family life)	77	83	+6
Social, community and civic participation (fitting into community life)	63	70	+7

Improvements were slightly stronger for fitting into family and community life (although results for these domains started off at a lower level and hence had more scope to improve).

For children aged from starting school to age 14, results are generally less positive than for the younger age group but show stronger improvement over time.

¹⁹ Figures have been rounded to the nearer whole percentage; differences are calculated from unrounded metrics.

2.2 Perceptions of whether the NDIS has helped

The figure below shows the percentages responding positively at first assessment and at latest reassessment, as well as the change between the 2 time points.

“Has the NDIS helped?” – participants aged from starting school to age 14²⁰

Domain	First assessment %	Latest reassessment %	Percentage point change
Daily living (independence)	62	73	+12
Lifelong learning (access to education)	42	51	+10
Relationships (with family and friends)	50	60	+10
Social, community and civic participation (social and recreational life)	46	53	+7

²⁰ Figures have been rounded to the nearer whole percentage; differences are calculated from unrounded metrics.

2.2 Perceptions of whether the NDIS has helped

For young adults aged 15 to 24 years, figure below shows the percentages responding positively at first assessment and at latest reassessment, as well as the change between the 2 time points.

“Has the NDIS helped?” – participants aged 15 to 24²¹

Domain	First assessment %	Latest reassessment %	Percentage point change
Choice and control	61	70	+9
Daily living	61	72	+11
Relationships	50	54	+5
Home	22	21	-1
Health and wellbeing	44	51	+7
Lifelong learning	36	37	+2
Work	18	17	-1
Social, community and civic participation	55	62	+7

The largest improvement over time in the Scheme has been observed for the daily living domain (+11 percentage point change). Strong improvements have also been observed for choice and control (+9), relationships (+5), health and wellbeing (+7) and social, community and civic participation (+7). Lifelong learning showed a marginal increase (+1), and there were slight declines for home and work.

²¹ Figures have been rounded to the nearer whole percentage; differences are calculated from unrounded metrics.

2.2 Perceptions of whether the NDIS has helped

For participants aged 25 years and over, perceptions tend to be more positive than for those aged 15 to 24. The older adult group also shows a stronger improvement over time. The figure shows the percentages responding positively at first assessment and latest reassessment, as well as the change between the 2 time points.

“Has the NDIS helped?” – participants aged 25 and over²²

Domain	First assessment %	Latest reassessment %	Percentage point change
Choice and control	69	80	+11
Daily living	73	84	+11
Relationships	53	62	+9
Home	31	35	+5
Health and wellbeing	52	61	+9
Lifelong learning	30	32	+2
Work	19	19	0
Social, community and civic participation	59	70	+10

From the figure on the left, the largest improvements over time in the Scheme have been observed for daily living (+11), choice and control (+11), relationships (+9), health and wellbeing (+9), and social, community and civic participation (+10). There was an improvement for the home domain (+5) for the older adult group, while lifelong learning showed a marginal increase (+2) and there was no material change for work.²³

Results continue to improve with time in Scheme

The longer a participant has been in the Scheme, the more positive their responses tend to become. However, there are areas where outcomes could be improved, such as for participants aged 25 and over, only 19% agreed that being in the NDIS had helped them find a suitable job after at least two years in the Scheme. The NDIA is actively working to improve participation in work.

²² Figures have been rounded to the nearer whole percentage; differences are calculated from unrounded metrics.

²³ Noting that the education and housing systems have a major role to play in the lifelong learning and home domains.

Section 3:

Participant experience



3

3.1 Participant Service Guarantee

The Participant Service Guarantee (PSG) sets clear timeframes for key NDIS processes.

The Participant Service Charter includes timeframes for our processes – set out under the PSG.

Performance against the service standards is not available for the December 2023 quarter due to the NDIA's transition to its new computer system. Reporting for the majority of PSGs will be available in the March 2024 quarter.

3.2 Hospital discharge

The NDIA is continuing to focus on the safe and timely discharge of NDIS participants from hospital.

The NDIA is working with the Commonwealth and State and Territory governments on a continued commitment to improving the safe and timely discharge of NDIS participants from hospital. In the December 2023 quarter:

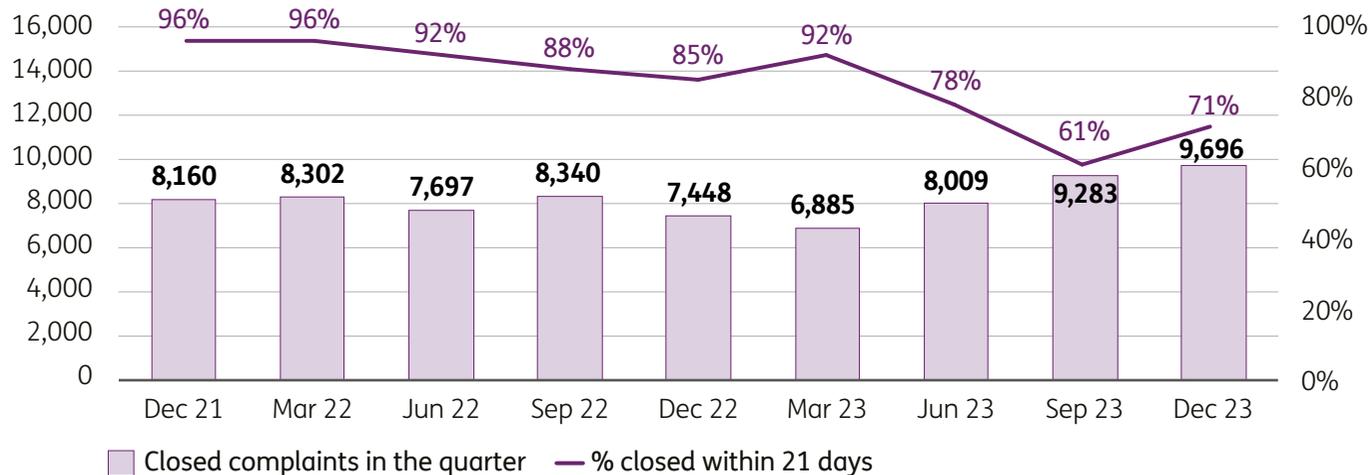
- The NDIA target of contacting NDIS participants within 4 days of the NDIA being notified of a participant's admission was **75%** in the December 2023 quarter, a reduction from **92%** in the September 2023 quarter. This drop is attributed to the introduction of a new Hospital Interface – collaborative access team (HI-CAT) pathway, which led to higher than expected request volumes.
- The average number of days between a NDIS participant being medically ready for discharge and being discharged was **21 days** in the December 2023 quarter, reducing from **24 days** in September 2023 quarter and **27 days** in June 2023.

3.3 Complaints, Review Requests and AAT Cases

Around **75%** of complaints have been closed within 21 days in the past four quarters. This proportion has declined from levels seen in 2021. The NDIA is monitoring workloads and is working to close complaints as soon as possible. Work is underway to enhance complaint handling practices and systems which will contribute to more timely complaint resolutions in line with the PSG in coming quarters.

Complaints open for over 21 days rose from 10% in Sep 2023 to 42% in Dec 2023 due to new system adaptation and process integration. The NDIA is prioritising resolving these complaints and enhancing workforce capability with the new system.

Closed complaints and percentage completed within 21-day timeframe²⁴



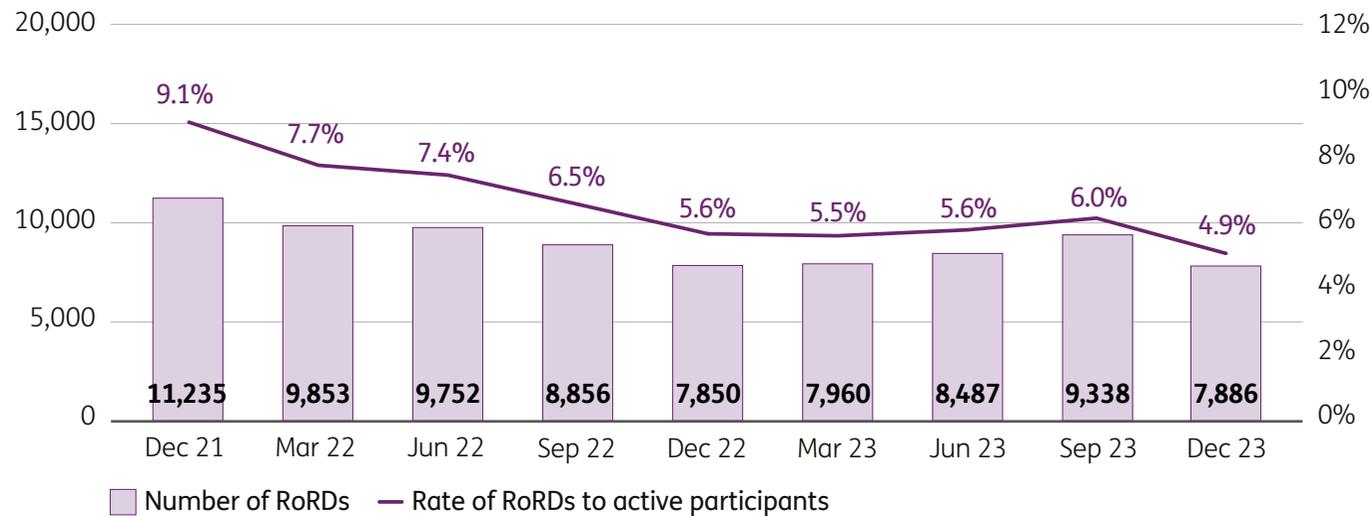
²⁴ The numbers of complaints reported for the most recent quarter may still increase to the extent there is a lag in data collection. However, any increase is not expected to have a material impact on the results.

3.3 Complaints, Review Requests and AAT Cases

Review of a Reviewable Decision (RoRD)

The number of RoRDs as a percentage of active participants has decreased from **9.1%** in the December 2021 quarter to **4.9%** in the December 2023 quarter. The drop in RoRDs in Dec 2023 is due to a seasonal decrease and the adaptation to a new computer system and processes.

Requests for a RoRD



In the December 2023 quarter, 7,763 RoRDs were closed with 1,682 requests withdrawn. Of the remaining closed RoRDs, 4,332 confirmed the Agency's decision and 1,749 decisions were amended or set aside. Decisions are often varied or set aside as further evidence is obtained during the review process.

3.3 Complaints, Review Requests and AAT Cases

Administrative Appeals Tribunal (AAT)

- A person may apply to the AAT for review of a decision made by a reviewer if they are not satisfied with the outcome of their review.
- The NDIA is committed to acting as a model litigant in the AAT and works with applicants and their legal representatives to resolve their matters as early as possible in the AAT process.^{25,26}
- There were **1,146** new AAT cases in the December 2023 quarter, relating to **1,125** participants.
- The number of new AAT cases (as a proportion of active participants) has decreased since the December 2021 peak of **1.52%** to **0.72%** in the December 2023 quarter.
- The decrease is also a result of the Independent Expert Review (IER) trial which is one of the Alternative Dispute Resolution (ADR) initiatives introduced to reduce the AAT case backlog and improve dispute resolution processes.

²⁵ As part of the AAT process, it is not uncommon for new requests to be made and for new evidence to be provided by applicants while their matters are in progress. This contributes to NDIS decisions being varied in the AAT.

²⁶ Further information about the AAT process can be found on the AAT website: <https://www.aat.gov.au/apply-for-a-review/national-disability-insurance-scheme-ndis/can-we-help>.

3.4 Participant satisfaction

Participant satisfaction has remained in line with previous quarters.

This quarter, **86%** of participants rated the planning process as either good or very good, with a further **9%** rating the experience as neutral. **79%** of the participants in the quarter rated the access process as either good or very good, **79%** rated the pre-planning process as either good or very good, and **65%** rated the plan reassessment process as either good or very good.²⁷

Rating of experience with the NDIS (1 October 2023 to 30 November 2023)

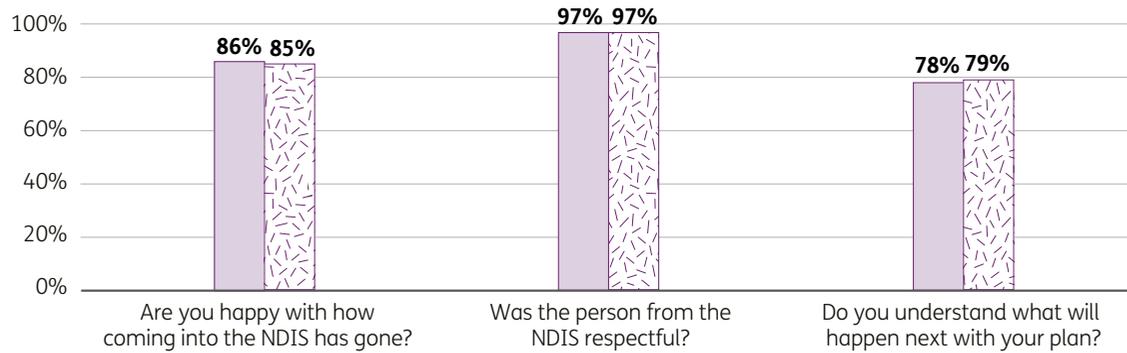
	Access	Pre-Planning	Planning	Plan Reassessment
Very good/good	79%	79%	86%	65%
Neutral	9%	13%	9%	15%
Poor/very poor	11%	8%	5%	20%

²⁷ These results are based on 793 surveys at access, 606 at pre-planning, 3,252 at planning and 6,167 at plan reassessment, which is 10,818 in total.

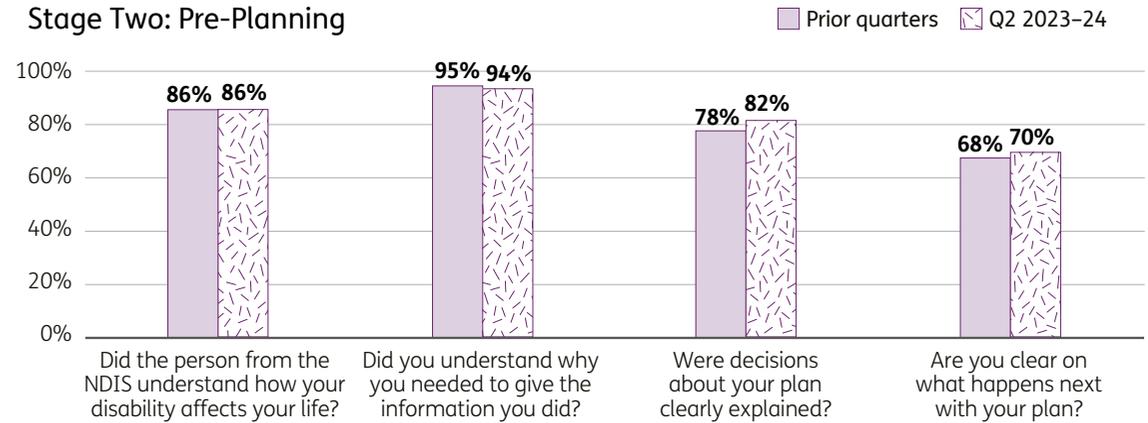
3.4 Participant satisfaction

Satisfaction across the four stages of the pathway²⁸

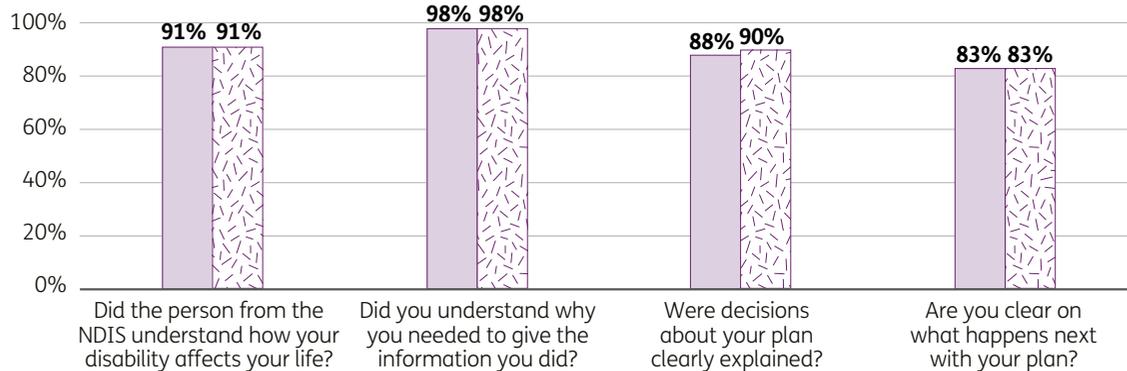
Stage One: Access



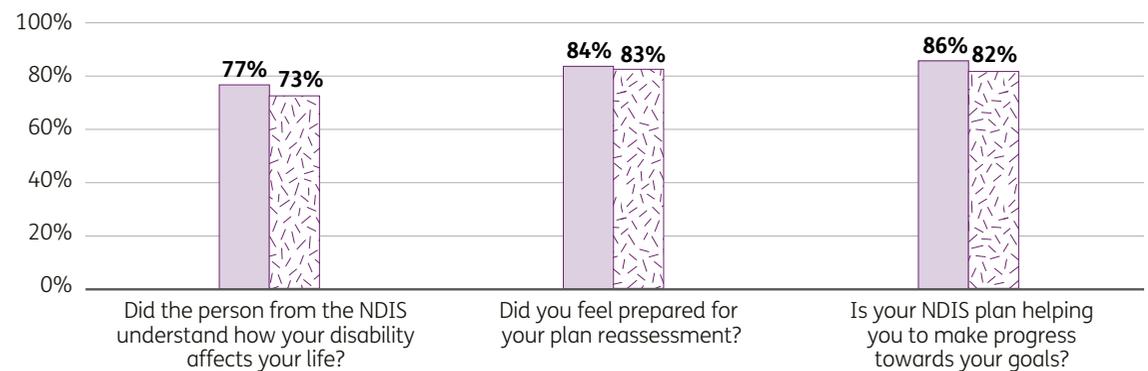
Stage Two: Pre-Planning



Stage Three: Planning



Stage Four: Plan Reassessment



²⁸ Prior quarters include responses from 1 October 2020.

3.5 The NDIS National Contact Centre

The NDIS National Contact Centre (NCC) provides personal and high-quality services and information about the NDIS for people with disability, their family and carers, and service providers. In the December 2023 quarter, the transformation of the NCC continued. Key highlights included ongoing recruitment for the insourced contact centre, transition of the NCC outsourced partner onto the new Agency-managed contact centre technology platform, as well as additional process changes to improve first contact resolution.

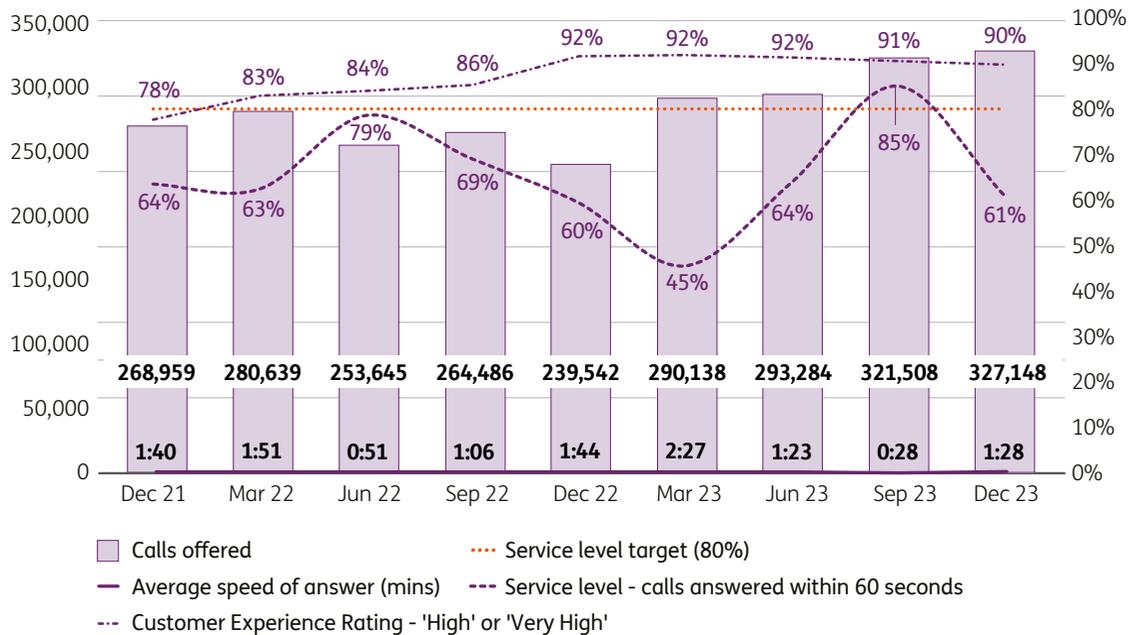
The National Contact Centre (NCC) has been implementing its transformation strategy, including insourcing operations across three sites, exceeding disability targets, and transitioning to a new technology platform. However, due to this transition, data on 'telephony customer experience' and 'webchats' since 20 November 2023 is not yet available. The NCC is working to ensure consistency in reporting and these results will be available next quarter.

For the whole of quarter results:

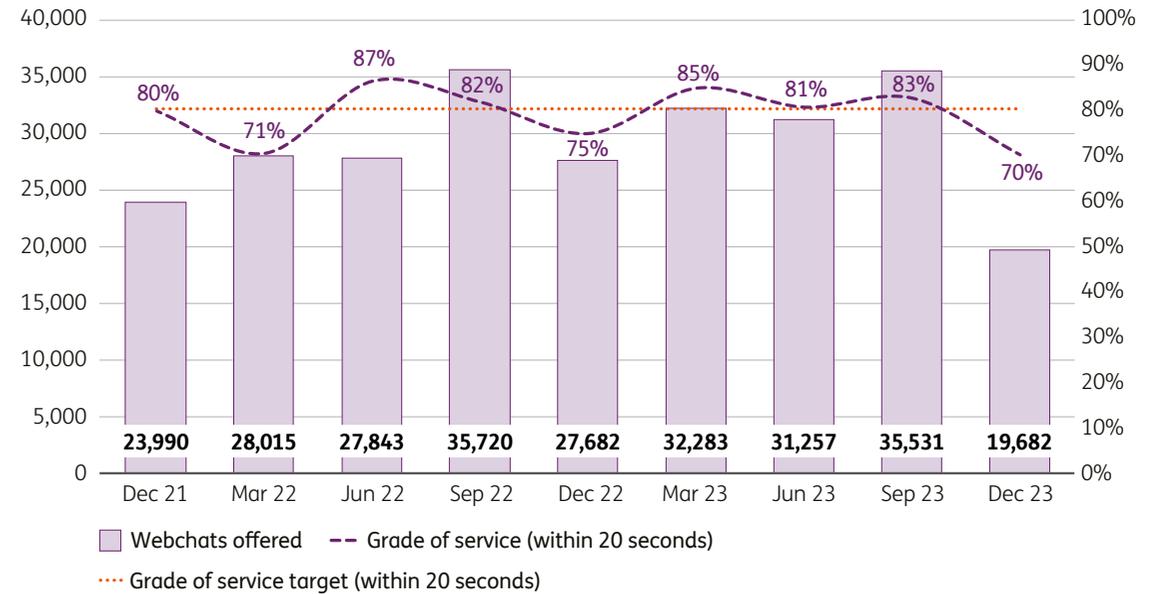
- Call volumes were **12%** above forecast with **327,148** calls, a **2%** increase from the previous quarter.
- Increased contact rate due to planning-related calls and new processes, leading to longer handle time.
- NCC is recruiting more resources to meet demand.
- **60.8%** of calls were answered within 60 seconds, with an average answer speed of 88 seconds.
- **90%** of survey respondents rated their experience as 'High' or 'Very High'. **70%** of 19,682 webchats were answered within 20 seconds.
- **256,589** emails were received, up 13.8% YoY. **27%** were responded to within 2 days, with an average wait time of 7 business days.

3.5 The NDIS National Contact Centre

Telephony grade of service, average speed of answer, call volume and customer experience results²⁹



Webchat grade of service and offered chat volume³⁰



²⁹ Results from 20 November 2023 are not available.

³⁰ Ibid.

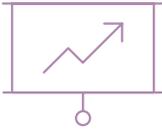
Section 4:

Providers and the growing market



4

4.1 Support categories



The provider market continues to grow. The largest support categories are core

support for daily activities, core support for social and community participation, and capacity building for daily activities.

\$38.3bn in support has been provided in the 12 months to 31 December 2023.³¹ The largest support categories are core daily activities (52% of total payments), core social and community participation (23% of total payments), and capacity building daily activities (13% of total payments). Core daily activities includes participants in Supported Independent Living (SIL). \$9.9 billion of the \$19.8 billion payments on core daily activities in the 12 months to 31 December 2023 was for payments for participants in SIL.

Total payments from 1 January 2023 to 31 December 2023

Support category	Total payments (in \$m)	% of total payments
Core – daily activities	19,827	51.8%
Core – community	8,657	22.6%
Core – consumables & transport	1,467	3.8%
Capacity building – daily activities ³²	4,842	12.6%
Capacity building – other	2,446	6.4%
Capital	1,042	2.7%
Total³³	38,288	100.0%

³¹ This represents total payments on a cash basis (including payments made under in-kind arrangements). On an accrual basis, total payments were \$38.9 billion.

³² Includes therapy services.

³³ Total includes \$8 million of payments with no support category.

4.2 Plan management types

There has been a significant shift in plan management, with an increasing number of participants choosing to use a plan manager rather than have the Agency manage their plan.

Over the past 2 years, the proportion of participants who:

- **Self-manage** all or part of their plan has decreased from **30%** to **29%**
- Use a **plan manager** has increased from **53%** to **62%**
- Have an **Agency-managed** plan has decreased from **17%** to **9%**.

4.2 Plan management types

Out of 198,777 active providers in the December 2023 quarter, 8,766³⁴ providers provided support to Agency-managed participants, 179,172³⁵ providers provided support to plan-managed participants and 46,492³⁶ providers provided support to self-managed participants.

Over the past 2 years, the proportion of participants who self-manage all or part of their plan has remained relatively stable, with a slight decrease from 30% to 29%. The NDIA continues to support participants to decide whether self-management is right for them, including recently releasing an updated guide to self-management. The guide explains the benefits of self-management, roles and responsibilities and how to self-manage effectively.

There have also been changes in payments over the past two years across these three plan management types:

- **Self-managed** payments remained between **12%** and **13%**
- Payments managed by a **plan manager** increased from **44%** to **56%**
- **Agency-managed** payments decreased from **44%** to **32%**.

³⁴ The number does not include plan managers who received only payment for plan management fees.

³⁵ The number includes plan managers who are providing Agency-managed supports.

³⁶ The number is understated as provider information for self-managed participants is provided on a voluntary basis. In the December 2023 quarter, provider information was provided for 15% of all self-managed payment transactions.

4.2 Plan management types

In the December 2023 quarter, of the \$10.2 billion in payments, \$1.2 billion was self-managed (12%), \$5.7 billion was managed by a plan manager (56%), and \$3.3 billion was Agency-managed (32%).³⁷

The proportion of plan management types differs by support category, in the second quarter of 2023–24:

- Payments for **participants in SIL receiving core daily activities support** were **\$2.6bn**.
 - Of this, **\$2m** was self-managed (**less than 1%**), **\$629m** was managed by a plan manager (**24%**), and **\$2.0bn** was Agency-managed (**76%**).
- Payments for **participants not in SIL receiving core daily activities support** were **\$2.6bn**.
 - Of this, **\$379m** was self-managed (**14%**), **\$1.9bn** was managed by a plan manager (**72%**), and **\$353m** was Agency-managed (**13%**).
- Payments for **participants receiving core social participation support** were **\$2.3bn**.
 - Of this, **\$204m** was self-managed (**9%**), **\$1.8bn** was managed by a plan manager (**75%**), and **\$373m** was Agency-managed (**16%**).
- Payments for **participants receiving capacity building daily activities support (therapy supports)** were **\$1.3bn**.
 - Of this, **\$375m** was self-managed (**29%**), **\$831m** was managed by a plan manager (**64%**), and **\$89m** was Agency-managed (**7%**).

³⁷ Includes cash and in-kind payments.

Section 5:

Financial sustainability



5

5.1 Participants and cost projections



A financially sustainable Scheme achieves participant outcomes across their lifetimes, and is affordable now and into the future.

On 8 December 2023, the NDIA Board released the Annual Financial Sustainability Report (AFSR), and the Peer Review Report.

The NDIA Board released the AFSR for 30 June 2023 on 8 December 2023. Prepared by the Scheme Actuary, the AFSR assesses the financial sustainability of the NDIS as required by the NDIS Act. The report, which is independently peer-reviewed by the Australian Government Actuary, is based on data up to 30 June each year and a summary is included in the NDIA Annual Report.

The 2023-24 Budget was based on Scheme projections using data up to 31 December 2022. These projections, included in the 2022-23 AFSR, account for the expected impact of Budget measures aimed at enhancing the NDIA's capability, capacity, and systems to better support participants. However, they do not consider the potential impact of future changes to the Scheme resulting from recommendations by the NDIS Independent Review Panel.

5.1 Participants and cost projections

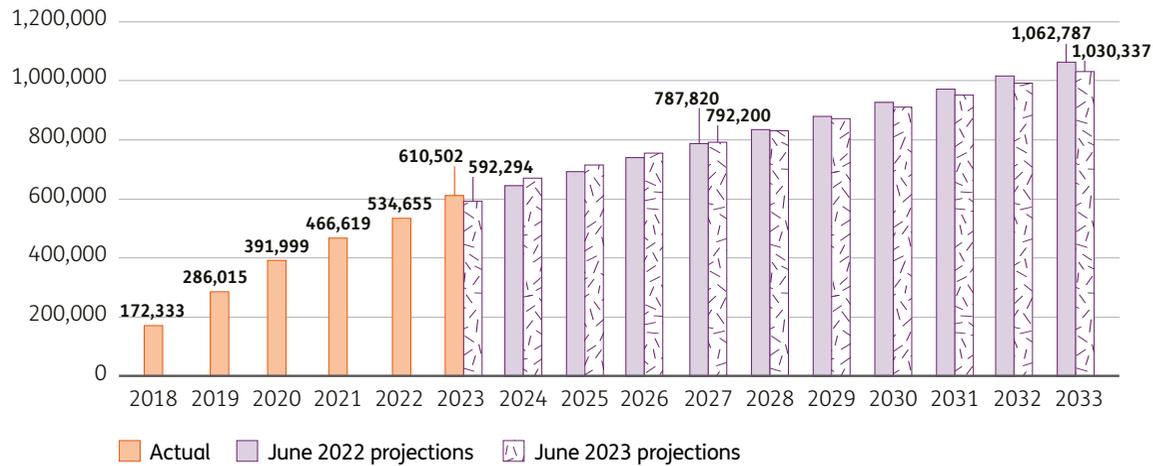
The AFSR projects that:

- There will be 792,200 participants in the Scheme at the end of June 2027 (of which 744,040 are under the age of 65 years), and 1,030,337 at the end of June 2033. The June 2023 projections indicate a higher rate of growth in projected participant numbers until 30 June 2027, compared to the June 2022 projections, and a lower rate of growth thereafter.
- The AFSR indicates that the growth rate of the NDIS is beginning to stabilise. Long-term projections are \$1.8 billion lower in 2032-33 compared to December 2022. This stabilisation is achieved through targeted reforms in partnership with people with disabilities and the disability community.
- Changes in legislative and policy settings due to NDIS Review recommendations are expected to further moderate Scheme growth from 2026-27 onwards. This is to achieve the target set by the National Cabinet, which aligns with the 2023 Intergenerational Report.
- The NDIA has collaborated with participants and the wider disability community to initiate an operational reform program to reshape the NDIS. This includes a \$720 million government investment in the NDIA to improve the Scheme's administration. This funding will help reduce additional growth in Scheme expenses by \$15.3 billion, moderating additional growth to \$1.9 billion over 4 years from 2023-24.

These measures are aimed to support participant outcomes and the effective and sustainable operation of the Scheme.

5.1 Participants and cost projections

Actual and projected participants as at 30 June (June 2023 and June 2022 projections)



Projected Scheme expenses on an accrual basis

Scheme expenses (\$m)	2023–24	2024–25	2025–26	2026–27	2032–33
Scheme expenses (aged 0 to 64 years)	37,635	41,678	45,133	48,553	78,865
Scheme expenses (aged 65 years and over)	3,725	4,698	5,655	6,655	13,476
Total Scheme expenses	41,360	46,376	50,788	55,207	92,341
Total Scheme expenses (% of GDP)	1.61%	1.76%	1.83%	1.89%	2.33%

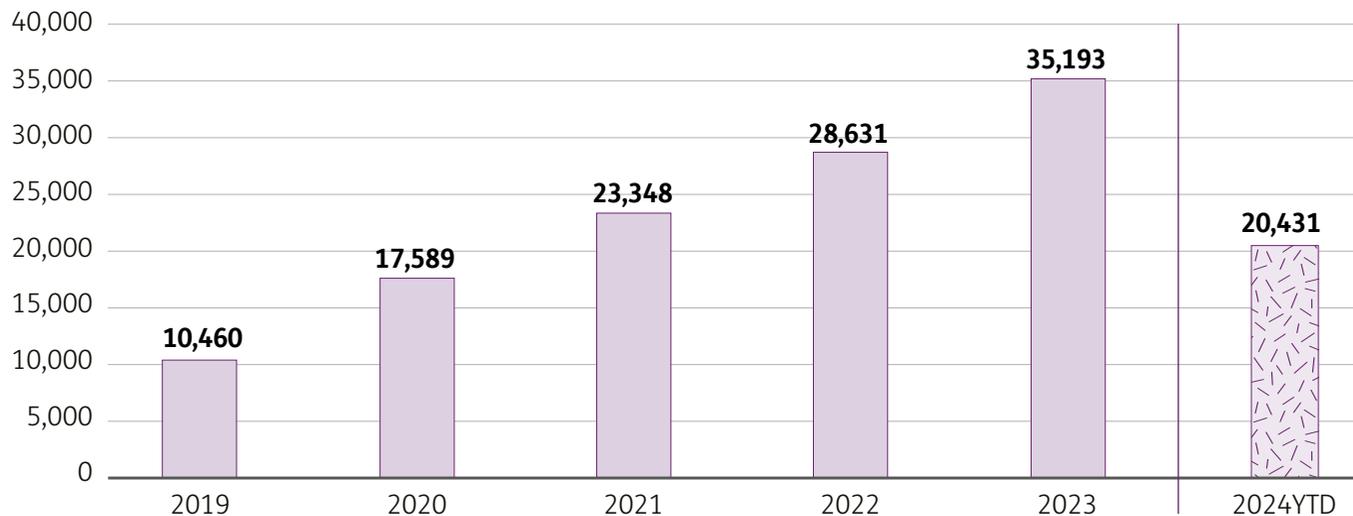
Total Scheme expenses are estimated to be \$41.4 billion in 2023–24, growing to \$55.2 billion in 2026–27, and \$92.3 billion in 2032–33.

5.2 Total payments

Total Scheme payments³⁸ continue to increase due to both increased participant numbers and higher average cost per participant.

Total payments have increased over the last four years, from \$10.5 billion in the year to 30 June 2019 to \$35.2 billion in the year to 30 June 2023. The payments in the 6 months to 31 December 2023 were \$20.4 billion.³⁹ The increasing number of participants benefitting from the Scheme contributes to the increase in payments.

Total payments (\$m) for financial years ending 30 June



³⁸ Total Scheme costs are presented by financial year on an accrual basis, sourced from the NDIA Financial Accounts. The Scheme costs figure is made of total Scheme expenses, less Scheme grant payments, write-downs and write-offs.

³⁹ This compares to \$16.8 billion in the 6 months to 31 December 2022.

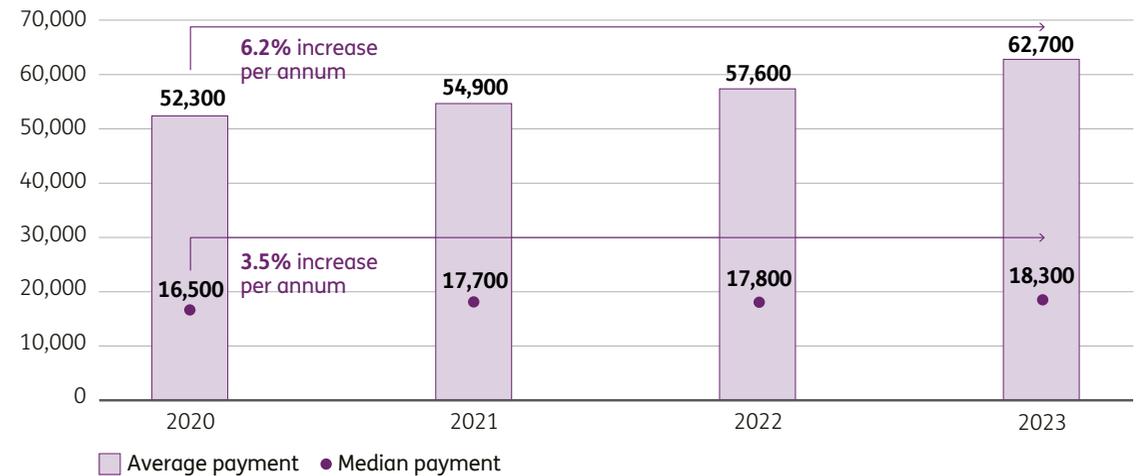
5.3 Average and median payment trends

Average and median payments per participant have increased by 6.2% and 3.5% per annum respectively over the last 3 years.

In the NDIS, the average payment is much higher than the median payment because there is a skewed distribution with a small number of participants receiving very high cost supports, and a large number receiving low cost supports. Trends in average and median payments per participant between 1 January 2020 and 31 December 2023 indicate that average payments have increased by 6.2% per annum, and median payments have increased by 3.5% per annum.

The Scheme's average and median payments are influenced by participant profiles. Payments are 9 times higher for SIL participants and nearly 4 times higher for adults than children. Over 4 years, the proportion of participants under 15 increased from 41% to 43%, while SIL participants decreased from 6.0% to 5.2%. This shift reduces the average and median payment.

Average and median payments for years ending 31 December



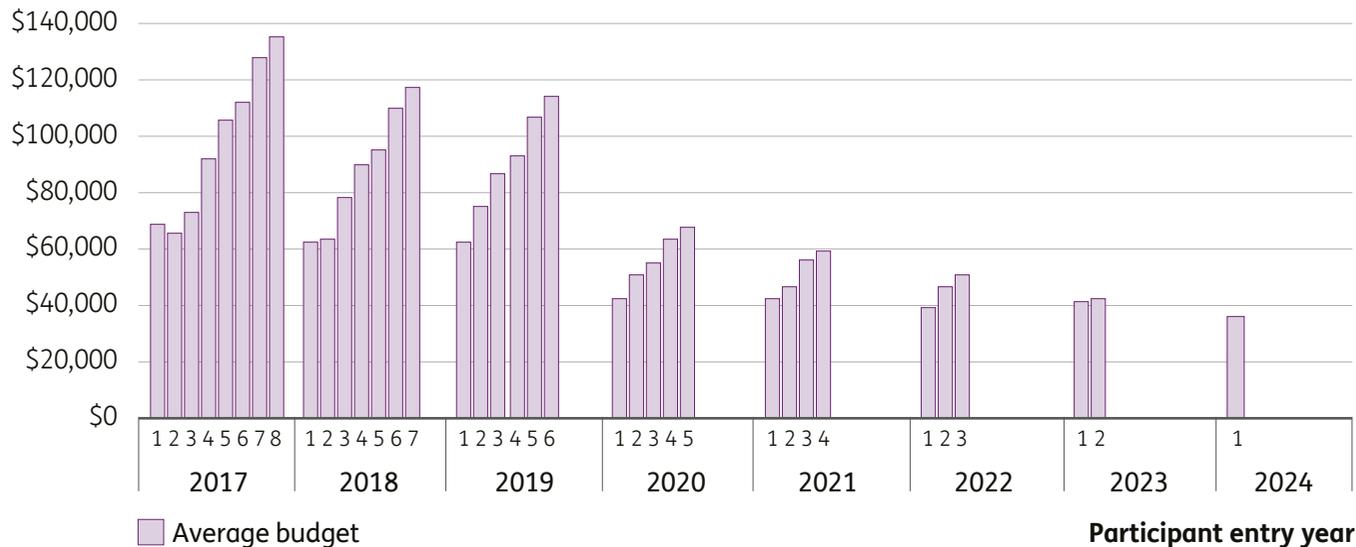
5.4 Average plan budget trends

Average plan budgets have also increased over time for the same cohort of participants.

The mix of participants has changed over time, so it's important to understand trends in average plan budgets for the same group of participants. Figure below shows that average plan budgets increase for each subsequent plan.

For example, average plan budgets for participants who have entered the Scheme in the year ending 30 June 2018, increased from \$61,700 for their first year to \$116,600 for participants who have been in the Scheme for 7 years.

Average plan budgets by years of entry ending 30 June, and number of years in Scheme



5.4 Average plan budget trends

Plan reassessments and plan budgets variations

Plan reassessments result in plan budgets varying for a variety of reasons – for example, one-off capital items in one plan and not the next. Another example is investment in capacity building (such as behavioural supports) resulting in less need for core support over time. The NDIA has published an [operational guideline on plan reassessments](#)⁴⁰ which details the reasons why a new plan could be different to a current plan.

Plan inflation

In the December 2023 quarter, total plan inflation was 2.7% (11.2% per annum). Of the 11.2% per annum total plan inflation in the quarter, 4.2% was due to changes at plan reassessment, and 7.0% was due to changes occurring within a plan between reassessments.

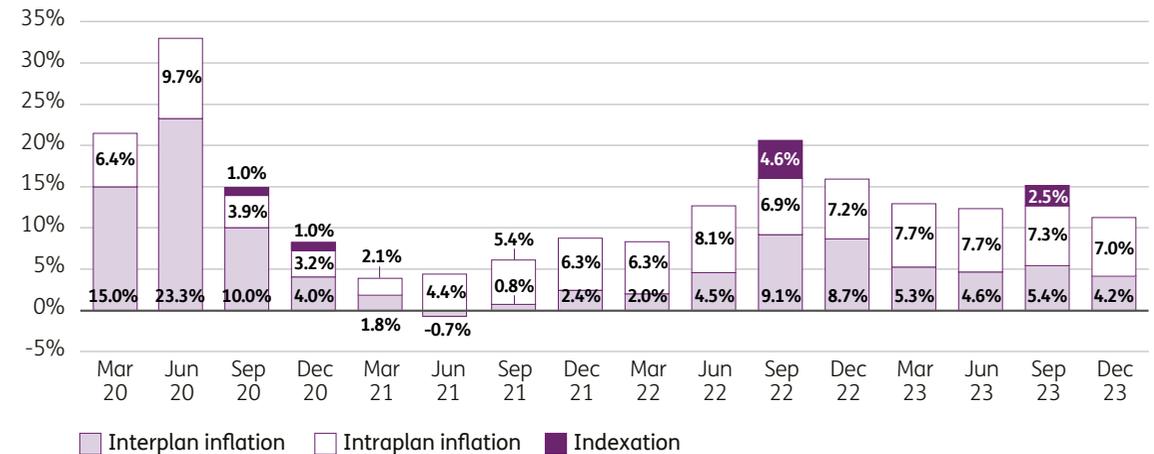
The plan inflation of 11.2% per annum in December 2023 compares with plan inflation of 15.1% per annum in September 2023 (12.7% excluding indexation)^{41,42}, and 12.3% per annum in June 2023. Inflation occurring at plan reassessment (interplan inflation) was 4.2% per annum which compares with 5.4% per annum in September 2023, and 4.6% per annum in June 2023. Inflation occurring within a plan, between reassessments, (intraplan inflation) was 7.0% per annum which compares with inflation of 7.3% per annum (excluding indexation) in September 2023 and 7.7% per annum in June 2023.

⁴⁰ <https://ourguidelines.ndis.gov.au/your-plan-menu/changing-your-plan>

⁴¹ The annualised calculation of inflation excludes the impact of plan indexation in July following the Annual Pricing Review. The impact of this indexation is then explicitly added to the annualized calculation of 2.5% one-off increase.

⁴² The Annual Pricing Review saw price limit increases from 1 July 2023. Unspent portions of plan budgets were increased in line with new price limit to maintain the purchasing power of remaining plans. Due to this, there has been a one-off increase in intraplan and total inflation during the month of July 2023.

Annualised percentage change in plan budgets for active participants



5.4 Average plan budget trends

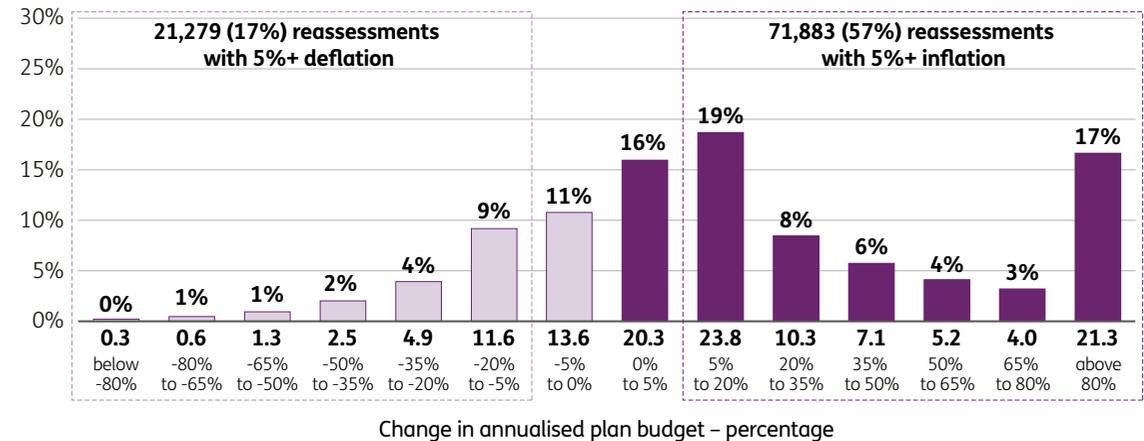
At the individual level, plan budgets can vary significantly. When looking at experience from 1 July 2023 to 31 December 2023, taking account of total plan inflation, plans were more likely to increase rather than decrease.

During the 6 month period to 31 December 2023, 19% of active participants had a plan reassessment. Out of the plans reassessed:⁴³

- **57%** of plans increased at reassessment by more than 5% (compared to 51% in the year to 30 June 2023)⁴⁴
- **17%** decreased by more than 5% (compared to 19% in the year to 30 June 2023)
- **27%** remained within 5% (compared to 30% in the year to 30 June 2023).

17% of the plans reassessed increased by more than 80% during these 6 months, compared to 14% in the year to 30 June 2023.

Distribution of the percentage change in annualised plan budgets for plans reassessed between 1 July 2023 and 31 December 2023⁴⁵



⁴³ Numbers may add to more than 100% due to rounding.

⁴⁴ The distribution at 30 June 2023 and 31 December 2023 are partially comparable given the difference in plan indexation applied during the September 2022 and September 2023 quarter.

⁴⁵ The number of plan reassessments (in thousands) in each inflation percentage band is shown at the bottom of each bar in the chart. The corresponding percentage of plan reassessments in each band is shown at the top of each bar in the chart.

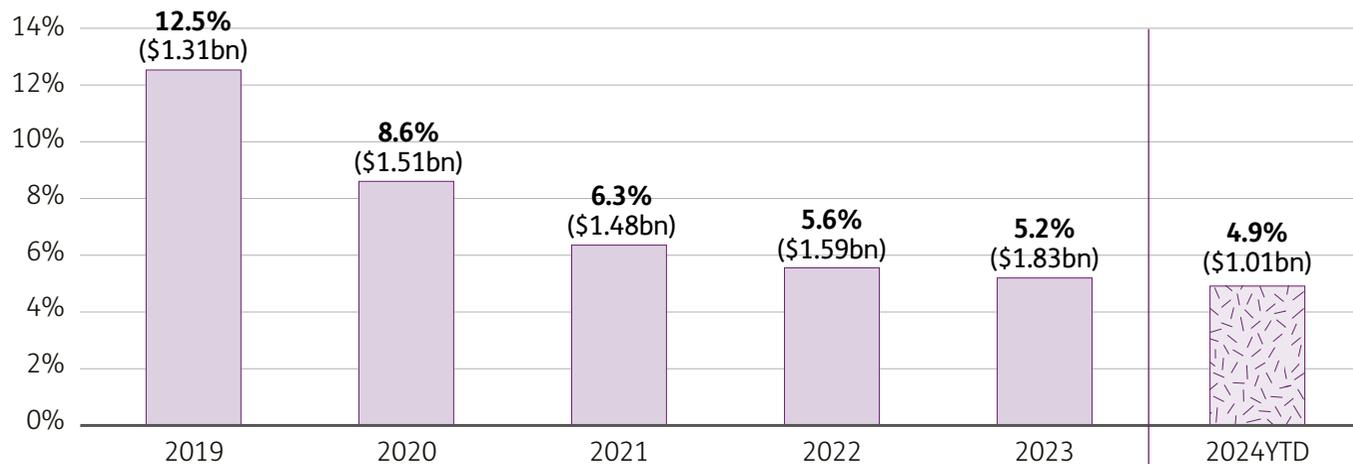
5.5 Operating expenses

Operating expenses per participant have reduced over the last 4 years.

In addition to the money spent through participant plans on supports for participants, the NDIA receives funding for its operating expenses, including paying staff wages. NDIA operating expenses have increased from \$1,310 million in 2018–19 to \$1,830 million in 2022–23.⁴⁶

As a percentage of participant expenditure, operating expenses have decreased from 12.5% in 2018–19 to 5.2% in 2022–23. For the 6 months to 31 December 2023 the expense percentage decreased slightly to 4.9% due to seasonality in operating expenses. The Productivity Commission in their 2017 Study report⁴⁷ suggest a range of 7% to 10% as an appropriate benchmark for NDIA operating costs.

Operating expenses as a percentage of participant costs for years ending 30 June



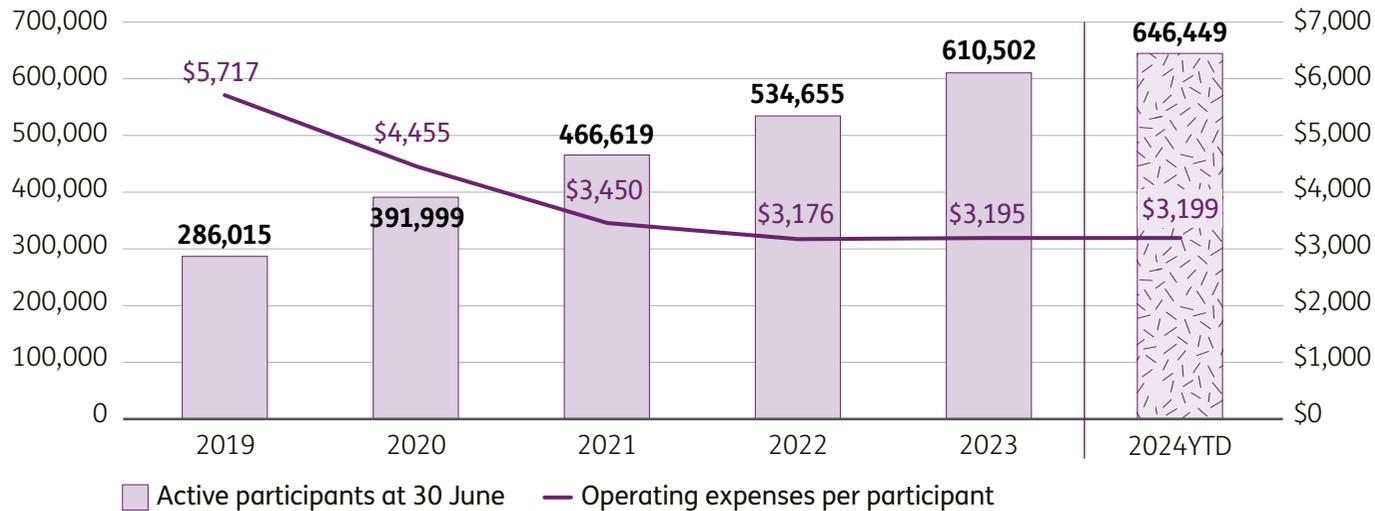
⁴⁶ Total operating expenses are based on an accrual basis.

⁴⁷ <https://www.pc.gov.au/inquiries/completed/ndis-costs#report>

5.5 Operating expenses

The annualised operating cost per participant has reduced by 44% since 2018–19 from \$5,717 to \$3,195 in 2022–23. Annualised operating cost per participant for the 6 months to 31 December 2023 is similar to last financial year.

Operating expense per participant for years ending 30 June^{48,49}



48 The annualised operating cost per participant for 2024YTD is expected to drop given the seasonality in operating expenses.

49 The average number of participants is taking a simple average of the two periods (opening and closing) on active participants. Cost per participant uses these average participant numbers as the denominator.



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