3 July 2021

The National Disability Insurance Agency (NDIA) today released an interim update to the Annual Financial Sustainability Report (AFSR) Summary.

The AFSR provides an assessment of the financial sustainability of the NDIS and is prepared by Sarah Johnson, Scheme Actuary and reviewed by Guy Thorburn, Peer Review Actuary.

The release of the Report is part of the Agency's ongoing commitment to NDIS participants, the disability sector and the community for greater transparency, and provides greater insight into the sustainability pressures facing the Scheme.

NDIA CEO Martin Hoffman said while the Scheme has had a significant impact on the lives of over 460,000 Australians with disability – projections clearly show long-term challenges with the affordability of the NDIS.

The Report is based on forward looking assumptions, fully described, for participant entrant rates, participant exit rates and average spend growth rates that are set below current actual experience but above prior forecasts. It shows:

- NDIS expenditure could grow to $40.7 billion in 2024-25 which is $8.8 billion above the current Portfolio Budget Statement estimates.
- NDIS expenditure could be $22.6 billion higher than the Portfolio Budget Statement estimates over the four years from 2021-22 to 2024-25.
- Participant numbers could reach 682,760 at 30 June 2025 and 870,761 at 30 June 2030, compared to the Productivity Commission estimates of 582,860 at 30 June 2030.

"Like any budget, we have a responsibility to make sure that growth is affordable over the long-term so the Scheme is available for current and new participants well into the future," Mr Hoffman said.

"The NDIA is committed to both ensuring a better participant experience and the continued sustainable growth of the Scheme. This can only be achieved through ensuring the longevity of the Scheme.

"This is why a comprehensive suite of reforms has been proposed to improve the consistency, flexibility, choice and control, and affordability of the Scheme".

Minister for the National Disability Insurance Scheme, Senator the Hon Linda Reynolds CSC has provided this report to state and territory disability ministers ahead of the Disability Ministers Meeting next week, where these important issues will be discussed.

"As we enter the Scheme's ninth year, the Agency is working on reforms to deliver improvements to deliver a better and more consistent and flexible NDIS that's affordable and

will be in place for years to come," Mr Hoffman said.

Notes

The assumptions in the Annual Financial Sustainability Report Summary use both past Scheme experience and expectations of future Scheme performance.

The projection is not just an extrapolation of past Scheme trends, rather a forward-looking approach is taken, which assumes operational initiatives undertaken by the NDIA will mean that past trends will not necessarily continue.

This means there is still significant risk in the projection – that is, if Scheme experience was extrapolated, then Scheme costs would be even higher than projected.

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