NDIS $1 billion dollars better off than forecast, Scheme on track to hit growth target

1 November 2024

Reforms led by the Minister for the National Disability Insurance Scheme (NDIS) Bill Shorten MP are contributing to Scheme expenditure in the world-leading Scheme being $1 billion lower than forecast in the 2024-25 Budget.

The new Annual Financial Sustainability Report (AFSR) projections, released as a summary in the NDIA Annual Report this week, show total projected Scheme expenses are now expected to be $210.3 billion for the four years to June 2028. This is $2.3 billion lower than previous AFSR projections in June 2023, and a $1 billion lower than for the same four-year period in the 2024-25 Budget.

The reforms are expected to stabilise the growth in Scheme expenses by $19 billion over the next 4 years.

At the same time, Scheme growth for 2024-25 is now forecast to be 12 per cent, down from 19 per cent in 2023-24 and 23 per cent the year before Minister Shorten became NDIS Minister.

This confirms the NDIS remains on track to hit the 8 per cent growth target the Australian Government and National Cabinet committed to less than 12 months ago.

As a result of the recent legislation passed by Parliament, NDIS Bill No.1, which came into effect on 3 October 2024, we also expect to see a continued reduction in plan inflation – often driven by NDIS funding being exhausted too quickly, at the encouragement of unscrupulous providers

“I am extremely proud that we are well on our way to getting the NDIS back on track,” Minister Shorten said,

“The NDIS will continue to grow, but we had to make sure it worked better for all Australians and didn’t continue to grow at a rate of knots.

“The Scheme now has more than 660,000 people with disability who are participants and is supporting and changing lives.

“Ensuring Scheme sustainability was never about cutting participant’s plans, what we have done is got much, much better at managing plan growth and ensuring every dollar is getting to the people for whom it was intended.

“While there is a lot of work to go, this is significant proof that the Scheme growth and expenditure is stabilising and reducing where it needs to.

“These figures show the outstanding work being done by the Government to keep the Scheme sustainable for future generations of Australians.

“I am also extremely pleased at the amount of work done by the Agency, participants, advocates, states and territories to get to this position.

“This Government has been determined to improve the NDIS for participants and to make the NDIS stronger with recent legislative changes in the Getting the NDIS Back on Track Bill No 1 (NDIS Bill No.1) helping to return the NDIS to its original intent.”

The latest projections also incorporate the strengthening of the NDIS through the Crack Down on Fraud program’s focus on integrity measures, which has stopped more than $56 million in fraudulent claims since June 2024.

The AFSR projections build on the recent green shoots in NDIS cost stabilisation including:

- Scheme expenses for the 12 months to 30 June considerably improved to be approximately $600 million less than the 2024-25 Budget estimate.
- A continued trend of stabilising plan inflation - with levels remaining lower than those observed since September 2022.
- More people leaving the NDIS as their support needs stabilise. This reflects more participants realising the benefits of early supports.
- Fewer participants at risk of overspending their plans.

The NDIA Annual report also highlights how the Agency is boosting its workforce to better support participants and help improve timelines as part of the Participant Service Guarantee.

During last financial year, the NDIA engaged 1,210 new APS employees, with more than 55 per cent of the new employees in participant-facing roles in the Service Delivery group. The NDIA’s planner workforce increased by 8.4 per cent in 2023-24 and represents 41.3 per cent of the NDIA’s APS workforce.

Almost a quarter (22 per cent) of NDIA staff identify as having disability, well above averages across other APS organisations.

“The reforms and legislative changes this Government has introduced is putting participants back at the heart of what we’re doing, and these results show we are making significant steps towards a stronger NDIS, one that benefits us all.”

The full Annual Financial Sustainability Report will be released later this year.

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