



National Disability Insurance Scheme Reforms

Department of Health, Disability and Ageing



The policy problem and preferred policy approach

- The NDIS plays a critical role in supporting people with permanent and significant disability, but it continues to grow at a far higher rate than any other comparable program and participants are not always receiving high quality care.
- Successive governments have introduced NDIS reforms aimed at stabilising Scheme costs and attempting to better define the boundaries of what is and is not an NDIS support based on the original scheme design. While these reforms have had some impact, the cost of the Scheme has continued to increase and the scheme has drifted from its original intent.
- The objective of the reforms is to secure the future of the NDIS by ensuring it is sustainable and can continue to provide life changing support to Australians with disability.
- A balanced approach of eligibility and support changes for the NDIS (Option 2) will help restore the scheme to be in line with the original intent and better align with other social support programs funded by the Commonwealth. It will do this by tightening Scheme eligibility requirements and providing more clarity about the reasonableness of funding levels for participants.
- Establishing an NDIS-commissioned panel of plan management providers (Option 2) and commissioning support coordination services with capped funding (Option 3) will address key issues around service quality, integrity and efficiency.



Impact Analysis

Impacts

- The measures will reduce the number of NDIS participants and some of the supports participants can receive through the NDIS, while still enabling those with permanent and significant disability to access the Scheme and receive reasonable and necessary supports. These measures will contribute to Scheme sustainability and help achieve National Cabinet’s target of 5 to 6 per cent growth.
- The reforms to intermediary functions will improve quality and enable greater oversight of support coordination and plan management services available to NDIS participants. It will leverage economies of scale to deliver more efficient services, and reduce duplication between intermediary functions.
- The estimated average annual regulatory burden is \$32.24 million. These costs relate to plan management and support coordination reforms. At this time, there are no further known regulatory burdens for remaining reforms covered in this impact analysis.

Who is impacted

Individuals

The number of participants in the NDIS will reduce and some participants may have a lower plan budget. Reforms to intermediaries will benefit participants through better connection to supports, service quality and integrity.

Businesses

These reforms will impact NDIS Providers. Fewer participants and reduced plan budgets may impact provider revenue. Providers will need to register and be approved to provide plan management and support coordination services.

Community organisations

Community organisations would not be impacted under the reforms.



Other considerations and implementation

- Alternative policy options of reforming NDIS access and supports were considered, including reforming only access or supports. These options were considered suboptimal as reforms to both were considered necessary to restore the Scheme to its original intent. Alternative options for reform to plan management and support coordination were also considered. However, they were considered to either not be optimal, because they would not sufficiently address known issues, or not feasible to implement at this time.
- These reforms form part of a broader suite of changes to the NDIS, not all of which are included in the Impact Assessment, but are intended to work as a package.