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**29 October 2021**

The Hon. Kevin Andrews MP

Chair

Joint Standing Committee on the National Disability Insurance Scheme

PO Box 6100

Parliament House

Canberra ACT 2600

Delivered by email to [ndis.sen@aph.gov.au](mailto:ndis.sen@aph.gov.au)

Dear Chair Andrews

### **Inquiry into Current Scheme Implementation and Forecasting for the NDIS**

[People with Disability Australia](http://www.pwd.org.au) (PWDA) is a leading disability rights advocacy and representative organisation and the only national cross-disability organisation representing the interests of people with all kinds of disability. We are a not-for-profit and non-government organisation, and our membership is comprised of people with disability and organisations primarily constituted by people with disability.

We are funded both as the national cross-disability peak disability representative organisation and as the New South Wales cross-disability peak body to undertake systemic advocacy. PWDA has extensive experience in providing advocacy and outreach to people with disability, including people living in closed or hard-to-reach settings. We deliver individual advocacy support through the National Disability Advocacy Program across NSW and parts of Queensland.

PWDA commends the [Joint Standing Committee on the National Disability Insurance Scheme](#) (JSC on the NDIS) on its decision to launch an inquiry into [Current Scheme Implementation and Forecasting for the NDIS](#). The NDIS is part of Australia's commitment to implement the [United Nations Convention on the Rights of Persons with Disabilities](#) (CRPD).



We wish to emphasise the Independent Assessments and Human Rights report prepared by Dr Piers Gooding and Annabelle West from the University of Melbourne for PWDA in regard to Australia's obligations to the CRPD and the NDIS:

The very first object of the NDIS Act is to 'give effect to Australia's obligations under the Convention on the Rights of Persons with Disabilities'. Other stated aims and purposes of the [[National Disability Insurance Scheme Act 2013](#)] also convey the values and objectives of the CRPD, promoting dignity and respect for disabled people.

One key objective of the NDIS Act is to 'protect and prevent people with disability from experiencing harm arising from poor quality or unsafe supports or services provided under the National Disability Insurance Scheme.'

PWDA has long supported a sustainable and fully funded NDIS that provides supports and services equitably for people with disability in Australia.

We will take this opportunity to highlight some of our key concerns outlined in the [Terms of Reference](#) (TOR) for the inquiry.

Following this letter, we will also undertake a full consultation with our members and the disability community on all aspects of the TOR and provide a full report to the JSC in February 2022.

### **We have four key recommendations**

1. As intended, Tier 2 NDIS supports and [Department of Social Services Information, Linkages and Capacity Building](#) grants should support people with disability to access mainstream services, not deliver more research funding to universities.
2. As planned, there should be a singly funded, fully underwritten National Disability Insurance Premium Fund. People with disability have the right to a fully funded sustainable NDIS to ensure their supports and services are delivered equitably.





3. The financial and actuarial modelling and forecasting of the NDIS being relied upon by governments must be accessible, completely publicly available and transparent, and available for full probity under Australian freedom of information (FOI) laws.
4. The NDIS must be a strong scheme for people with disability.

### **The original intentions for Tier 2 supports and ILC grant funding are being ignored**

Tier 2 services or supports for the NDIS were intended to be supplements to the primary personalised packages that were to be available under the NDIS. The objectives of Tier 2 were in line with last decade's [National Disability Strategy](#) (NDS) to ensure people with disability could access mainstream services.

However, this feature became diluted by its successor the Information, Linkages and Capacity Building (ILC) grants program which put very few short-term grant packages out to tender.

Many of these ILC grants did not go to disability organisations but were instead taken up by tertiary institutions such as universities, which used the grants as a supplementary income source to fund erstwhile research on what is known as best practice for service providers. This was far from the original intention of Tier 2 supports and meant vital funds were directed away from supporting people with disability to access mainstream services.

Grant assessors for Tier 2 ILC grants should require a far more rigorous examination of applications and recipients to ensure their purpose will directly benefit people with disability to access mainstream services (education, health and so on). The ILC grant application criteria ought to reflect this objective and be extremely clear and transparent.

### **Visionary plans for a fund to ensure NDIS financial sustainability are being ignored**

The Productivity Commission in its original report (2011) outlined a set of strategies to guarantee sustainable funding for the NDIS. The original proposal was to create a specific fund, the National Disability Insurance Premium Fund.



It was also proposed that the federal government be the single funder of this entity. The commission proposed this strategy as it had identified that funding for disability had long been contentious, fragmented and ineffectual.

However, this straightforward funding guarantee did not occur. Instead, the NDIS is part-funded federally, and part funded by the states and territories. The nation's Medicare levy raised federally goes into the Disability Care Fund and any additional top-up funding comes out of general revenue and is reserved in the NDIS Savings Fund Special Account.

This disjointed funding has, as the Productivity Commission clearly pointed out, resulted in insecure long-term forecasting for the NDIS. This divided strategy, which is also less than transparent in nature, has led to much confusion about the long-term sustainability of the NDIS and has been the cause of much anxiety within the disability community.

PWDA strongly recommends that the JSC undertake a forensic investigation into the original funding strategy for the NDIS as proposed by the Productivity Commission. We fully support a singly funded and fully underwritten National Disability Insurance Premium Fund. People with disability have the right to a fully funded sustainable scheme to ensure supports and services are delivered equitably.

### **NDIS modelling and forecasting data is inaccessible, locked away and unclear**

In the past eighteen months it was reported NDIS sustainability was 'on track' and then potentially unviable. The forecasting for the most recent figures was attributed to the National Disability Insurance Agency's actuary and was subsequently repeated by the Parliamentary Budget Office which adjusted its figures to match the NDIA.

PWDA wishes to point out that none of the data is fully publicly available and available for full probity under national freedom of information laws. There are annual reports, but the details in these documents are not transparent.

Much of the recent forecasting appears to be conjecture. It is unclear how this modelling was undertaken, nor is it clear where the datasets originate. A number of our colleagues and





members have put in FOI requests to the NDIA for this data, all of which have been denied. This is unacceptable.

The financial and actuarial modelling and forecasting of the scheme being relied upon by governments across Australia must be completely publicly available and available for full probity under all Australian FOI laws, including the federal [Freedom of Information Act 1982](#).

The NDIS is a vital social safety net that profoundly affects the lives of thousands of Australians with disability, their supporters and families. PWDA strongly recommends that all data pertaining to the funding and implementation of the NDIS be made accessible, publicly available and transparent.

### **The NDIS needs to be a strong scheme for people with disability**

PWDA along with other disability organisations campaigned long and hard for a viable, fully funded NDIS. We want to see the NDIS be a strong scheme into the future, so that people with disability can live their lives with dignity and confidence as full Australian citizens.

We welcome this inquiry and will deliver a more detailed consultation report early next year.

Yours sincerely

**Sebastian Zagarella**  
Chief Executive Officer