

Opening Statement [Final]

The NDIS is here to stay. We are committed to reforms that ensure there will always be a Scheme that puts the interests of participants first.

The NDIS was built by Labor during the Rudd and Gillard governments and Labor will protect it for the long term. The work of protecting the NDIS for Australians with disabilities and their families addresses all aspects of the Scheme- making the scheme stronger, fairer and more accessible for participants and putting it on a sustainable costs growth trajectory.

Labor started repair of the NDIS nearly a year ago. This Albanese Government budget is a down payment on further repair and reform of the Scheme after nearly a decade of Liberal neglect and mismanagement.

It is useful, I think, for the purposes of discussion to broadly describe three areas of reform:

- i) The measures set out in the Budget that will strengthen capacity, fight fraud and deliver a sustainable growth trajectory;

- ii) The historic agreement by National Cabinet to set an 8% sustainable growth target, the NDIS Financial Sustainability Framework, and;
- iii) The NDIS Review, which has been commissioned by Minister Shorten to identify further and complementary reforms. *(Note: The co-chairs are Professor Bruce Bonyhady AM and Ms Lisa Paul AO PSM).*

(i) **2023/24 Budget Measures**

We have inherited a Scheme that still works well – in fact is life changing - for hundreds of thousands of Australians with disability.

But it is an NDIS that has challenges that threaten the quality of the services offered to NDIS participants in the long term and the government is determined to take responsibility for effective reform.

Fraud, often poor-quality planning, and an Agency that is just now finding its way again under new leadership (including chair Kurt Fearnley fostered and supported by this Government) – reform in these areas will

improve services, lift capability and put cost growth on a sustainable trajectory.

These are the problem areas this Budget will address

This is good for participants, this is good for the Scheme, this is good for the Agency, this is good for taxpayers and for Australia's economic productivity and workforce participation performance more broadly.

I imagine Senators will be interested in how we are going to reduce cost growth to safeguard the Scheme for future generations of Australians with disability and ensure every dollar goes to those who need it most.

Well, in this budget we have invested in the Agency so they can improve the quality of the planning process which will ripple through the smooth running of the whole Scheme. These reforms include:

- A \$429.5 million investment in the NDIA's workforce capability and systems
- \$73.4 million to better support participants to manage their plan within budget

- \$63.8 million for the Agency to ensure plans are more transparent and flexible for life events
- \$56.4 million to improve the consistency and quality of supported independent living decisions.
- \$29.3 million to increase the take up of evidence-based supports
- \$24.6 million to work with participants and providers to trial blended payment models, to increase incentives for providers to innovate service delivery and improve outcomes.

These Agency reforms are and will deliver genuine moderation in the growth of the cost of the Scheme:

- Investing in the NDIA's capability and systems will moderate costs by an estimated \$3.1b
- Strengthening supported independent living decisions will moderate costs by an estimated \$700m
- Better supporting participants to manage their plan within budget will moderate costs by an estimated \$7.2b
- Supporting the quality and effectiveness of services provided to participants will moderate costs by an estimated \$2.5b

- Ensuring plans are more transparent and flexible will moderate cost by an estimated \$1.8b

The impact of our Budget measures are estimated to moderate growth in spending by \$15.3b over the forward estimates.

By 2026 these measures are projected to moderate cost growth to 9.2 per cent.

And that is not even counting what our efforts to crackdown on fraud and compliance including through the newly created Fraud Fusion Taskforce will do to moderate cost growth.

The Agency and the Department will be able to go into greater detail on these measures.

(ii) NDIS Review

It is also before further sustainability reforms are proposed by the independent NDIS Review in October.

The review will examine the design, operations and sustainability of the NDIS covering issues outlined in the full-Scheme bilateral agreements between the Commonwealth and jurisdictions.

The review will also examine ways to build a more responsive, supportive and sustainable market and workforce.

An overarching objective for both parts of the Review will be to put people with disability back at the centre of the NDIS, restoring, trust, confidence and pride in the NDIS amongst them and their families and carers as well as the broader Australian community, while ensuring the sustainability of the scheme so that future generations receive the benefit of the NDIS.

(iii) NDIS Financial Sustainability Framework

While the Scheme remains demand-driven, the NDIS Financial Sustainability Framework agreed by National Cabinet in April will provide

an annual growth target in the total costs of the Scheme of 8 per cent by 1 July 2026, with further moderation of growth as the Scheme matures.

The 8 per cent growth target/ NDIS Sustainability Framework moderates growth by \$622 million in the final year of the forward estimates and \$59 billion over the 7 years from 2027-28 to 2033-34.

Our early work yields results towards the 8 per cent growth target.

The officials from the dept will be very happy to take questions about this important work on behalf of Australians with disabilities and their families.