

NDIS Cost modelling

(based on significant hearing loss incidence at birth of 1:1,000; rising to 3:1,000 by 6 years)

Intense	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (school transition)	7-12 yrs (for each year)	1-6 yrs (avg per year)	7-12 yrs (avg per year)	Total costs
Current typical NDIS package (per child)	\$ 11,000	\$ 11,000	\$ 11,000	\$ 7,000	\$ 5,000	\$ 5,000	\$ 2,500	\$ 8,333	\$ 2,500	\$ 65,000
Average cost of service provision (per child)	\$ 22,500	\$ 22,500	\$ 22,500	\$ 14,400	\$ 10,000	\$ 10,000	\$ 5,000	\$ 16,983	\$ 5,000	\$ 131,900
Service Provider deficit (per child)	\$ 11,500	\$ 11,500	\$ 11,500	\$ 7,400	\$ 5,000	\$ 5,000	\$ 2,500	\$ 8,650	\$ 2,500	\$ 66,900
Number of children entering per year (total potential)	167	167	167	167	167	167	167	167	167	167
Current number of children entering per year	90	90	90	90	90	90	90	90	90	90
Full potential NDIS cost (167 children)	\$ 3,757,500	\$ 3,757,500	\$ 3,757,500	\$ 2,404,800	\$ 1,670,000	\$ 1,670,000	\$ 835,000	\$ 17,017,300	\$ 5,010,000	\$ 22,027,300
Initial potential NDIS cost (90 children)	\$ 2,025,000	\$ 2,025,000	\$ 2,025,000	\$ 1,296,000	\$ 900,000	\$ 900,000	\$ 450,000	\$ 9,171,000	\$ 2,700,000	\$ 11,871,000
Total current Service Provider deficit (90 children)	\$ 1,035,000	\$ 1,035,000	\$ 1,035,000	\$ 666,000	\$ 450,000	\$ 450,000	\$ 225,000	\$ 4,671,000	\$ 1,350,000	\$ 6,021,000

Medium intensity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (school transition)	7-12 yrs (for each year)	1-6 yrs (avg per year)	7-12 yrs (avg per year)	Total costs
Current typical NDIS package (per child)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 5,000	\$ 4,000	\$ 4,000	\$ 2,000	\$ 5,667	\$ 2,000	\$ 46,000
Average cost of service provision (per child)	\$ 14,400	\$ 14,400	\$ 14,400	\$ 10,000	\$ 8,000	\$ 10,000	\$ 4,000	\$ 11,867	\$ 4,000	\$ 95,200
Service Provider deficit (per child)	\$ 7,400	\$ 7,400	\$ 7,400	\$ 5,000	\$ 4,000	\$ 6,000	\$ 2,000	\$ 6,200	\$ 2,000	\$ 49,200
Number of children entering per year (total potential)	167	167	167	167	167	167	167	167	167	167
Current number of children entering per year	90	90	90	90	90	90	90	90	90	90
Total potential NDIS cost (167 children)	\$ 2,404,800	\$ 2,404,800	\$ 2,404,800	\$ 1,670,000	\$ 1,336,000	\$ 1,670,000	\$ 668,000	\$ 11,890,400	\$ 4,008,000	\$ 15,898,400
Initial potential NDIS cost (90 children)	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 900,000	\$ 720,000	\$ 900,000	\$ 360,000	\$ 6,408,000	\$ 2,160,000	\$ 8,568,000
Total current Service Provider deficit (90 children)	\$ 666,000	\$ 666,000	\$ 666,000	\$ 450,000	\$ 360,000	\$ 540,000	\$ 180,000	\$ 3,348,000	\$ 1,080,000	\$ 4,428,000

Low intensity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (school transition)	7-12 yrs (for each year)	1-6 yrs (avg per year)	7-12 yrs (avg per year)	Total costs
Current typical NDIS package (per child)	\$ 4,000	\$ 4,000	\$ 2,500	\$ 2,500	\$ 2,000	\$ 2,000	\$ -	\$ 2,833	\$ -	\$ 17,000
Average cost of service provision (per child)	\$ 8,500	\$ 8,500	\$ 5,000	\$ 5,000	\$ 4,000	\$ 8,000	\$ 2,000	\$ 6,500	\$ 2,000	\$ 51,000
Service Provider deficit (per child)	\$ 4,500	\$ 4,500	\$ 2,500	\$ 2,500	\$ 2,000	\$ 6,000	\$ 2,000	\$ 3,667	\$ 2,000	\$ 34,000
Number of children entering per year (total potential)	166	166	166	166	166	166	166	166	166	166
Current number of children entering per year	70	70	70	70	70	70	70	70	70	70
Total potential NDIS cost (166 children)	\$ 1,411,000	\$ 1,411,000	\$ 830,000	\$ 830,000	\$ 664,000	\$ 1,328,000	\$ 332,000	\$ 6,474,000	\$ 1,992,000	\$ 8,466,000
Initial potential NDIS cost (70 children)	\$ 595,000	\$ 595,000	\$ 350,000	\$ 350,000	\$ 280,000	\$ 560,000	\$ 140,000	\$ 2,730,000	\$ 840,000	\$ 3,570,000
Total current Service Provider deficit (70 children)	\$ 315,000	\$ 315,000	\$ 175,000	\$ 175,000	\$ 140,000	\$ 420,000	\$ 140,000	\$ 1,540,000	\$ 840,000	\$ 2,380,000

Across all children	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 (school transition)	7-12 yrs (for each year)	1-6 yrs (avg per year)	7-12 yrs (avg per year)	Total costs
Current typical NDIS package (per child)	\$ 7,340	\$ 7,340	\$ 6,842	\$ 4,838	\$ 3,670	\$ 3,670	\$ 1,503	\$ 5,617	\$ 1,503	\$ 42,718
Average cost of service provision (per child)	\$ 15,147	\$ 15,147	\$ 13,985	\$ 9,810	\$ 7,340	\$ 9,336	\$ 3,670	\$ 11,794	\$ 3,670	\$ 92,783
Service Provider deficit (per child)	\$ 8,064	\$ 8,064	\$ 7,504	\$ 5,164	\$ 3,800	\$ 5,640	\$ 2,180	\$ 6,373	\$ 2,180	\$ 51,316
Number of children entering per year (total potential)	500	500	500	500	500	500	500	500	500	500
Current number of children entering per year	250	250	250	250	250	250	250	250	250	250
Total potential NDIS cost (500 children)	\$ 7,573,300	\$ 7,573,300	\$ 6,992,300	\$ 4,904,800	\$ 3,670,000	\$ 4,668,000	\$ 1,835,000	\$ 35,381,700	\$ 11,010,000	\$ 46,391,700
Initial potential NDIS cost (250 children)	\$ 3,786,650	\$ 3,786,650	\$ 3,496,150	\$ 2,452,400	\$ 1,835,000	\$ 2,334,000	\$ 917,500	\$ 17,690,850	\$ 5,505,000	\$ 23,195,850
Total current Service Provider deficit (250 children)	\$ 2,016,000	\$ 2,016,000	\$ 1,876,000	\$ 1,291,000	\$ 950,000	\$ 1,410,000	\$ 545,000	\$ 9,559,000	\$ 3,270,000	\$ 12,829,000

Understanding the numbers in the spreadsheet

In Australia in 2015 there were 305,377 live births (ABS 3301.0 Births Australia 2015)

The Table shows a total of **500 newly diagnosed children** potentially commencing services each year in

➤ **350** per year with a significant bilateral hearing loss, newly diagnosed babies through Australia's universal newborn hearing screening program – [around 1 baby per 1000 live births has a significant permanent hearing loss]
➤ **150** newly diagnosed infants and young children aged 1-5 years – [by age 5 years, for any given birth cohort, the rate of diagnosed hearing loss will have increased from 1 per 1000 at birth to around 3 per 1000. This represents an additional 0.4 per 1000 per year over a five year period = 120 per year]

➤ **150** per year with unilateral (one-sided) hearing loss [based on the estimated rate of 0.5 per 1000 live births]
➤ **Total 610**– but doesn't include children with mild bilateral hearing loss
➤ **Reduced to 500 new cases per year for modelling purposes** as it is widely recognised that a significant number of families with children with low levels of hearing loss do not seek audiology, hearing aid and early

Re public policy for language and social development in children who are deaf or hearing impaired

1. All babies/children with hearing loss are at significant risk of poor communication, education social
2. Development of language (speech or sign) is a critical factor in human cognitive development and social
3. Failure to develop fluent and expressive communication through speech or sign language is a very
4. Approximately 95% of children who are deaf or hearing impaired are born to hearing parents and the vast
5. There is now overwhelming international and national evidence that infants and children with all degrees of hearing loss are capable of development of fluent speech and language if they are identified and diagnosed very early and closely follow an evidenced-based clinical pathway including early fitting of hearing aids; early
6. Over the past 70 years Australia has developed a comprehensive, coordinated and evidence-based approach to the identification, diagnosis and management of hearing loss in infants and children. Through these arrangements a very significant number of hearing-impaired children develop fluent speech and language before school commencement with around 95% attending mainstream schools, 86% completing year 12; 82% proceeding to further education; 62% completing a tertiary level qualification and 77% securing employment.
7. **The achievement of these results requires two things: (1) religious adherence to the evidence-based clinical pathway and, (2) adequate funding for the highly specialised, evidence-based programs** that
8. From the earliest days of the introduction of the NDIS in Australia it has been apparent that the policy, planning and funding mechanisms of the new scheme were at odds with these two fundamental requirements. By early 2014 a long list of issues had been identified. These included:
 - exclusion of some children from the scheme;
 - significant delays in access and referral harmful to children's outcomes;
 - significant delays in NDIS funding for children already on service;
 - a high level of inconsistency in NDIS participants' funding packages;
 - chronic underfunding of participants in relation to the known cost of services and programs;
 - negative impacts of NDIS fee-for-service invoicing and payment arrangements that are inconsistent with standard practice for highly specialised multi-disciplinary early intervention programs in the health and medical
 - concerns about eligibility and funding for hearing-impaired children aged 6 years and over; and
 - uncertainty regarding jurisdictional responsibilities between disability, health and education.
9. All of these issues have been documented and debated at length with the NDIA since 2014 with little or