

National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No. 1) Bill 2024 [Provisions]

Public Hearing – 25 July 2024

ANSWER TO QUESTION ON NOTICE

Department of Social Services

**Topic:** National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No. 1) Bill 2024 [Provisions]

**Question reference number:** IQ24-000124

**Question asked by:** Linda Reynolds

**Type of Question:** Spoken.      **Hansard Page/s:** 20

**Date set by the Committee for the return of answer:** 31 July 2024

**Question:**

Senator REYNOLDS: I think we all understand—thank you—how the process works. I was asking about the timeframe. You've referred me to attachment A of your most recent submission about the list of rules.

Ms Shannon: It was actually the original submission.

Senator REYNOLDS: You're now going to update that—

Ms Shannon: Yes.

Senator REYNOLDS: with all of the other amendments that you've now got for the Senate to consider. What it doesn't link to, and what's not clear yet—maybe this is something the actuary can answer—is the impact on savings for each of these. Which ones, for example, relate to the \$8.5 billion intraplan inflation savings over the next four years? That's not in here. For us to analyse the bill, it's going to be important for us to understand if you've got a category A rule, which requires unanimous support of states and territories—when that's going to need to occur so that these savings can start to be implemented. So can you get the information from the NDIA, if you can, and put it in this table so that we can actually see which savings mechanisms these are and what they relate to.

Ms Shannon: Yes, we can do that. I take your point, and it is something I've flagged earlier, that some of these rules are less material in terms of their consequence but also their contribution to—

Senator REYNOLDS: Could you put that in this table as well: which ones are the most consequential ones you are trying to rapidly get agreement on with states and territories, what that timeframe is and what the budgetary consequences are. Is my question clear?

Ms Shannon: Yes.

**Answer:**

A table describing the rule making powers and instruments has been provided in IQ24-000123. The table includes information on the expected priority for each rule/instrument, noting this is subject to further prioritisation processes and consultation with states and territories. These are rule making powers, not all of which will need to be used.

**Attachment A** (Letter from the Scheme Actuary) to the Department’s joint submission to the Committee outlines the link between provisions in the Bill and the fiscal impact.

**Attachment A**



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1 July 2024

Dear Minister,

I am writing to confirm the estimated financial impact of a two month delay to the passage of the National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No.1) Bill 2024.

A two-month delay in the passage of the Bill is estimated to result in a \$1.06 billion increase to NDIS expenditure over the forward estimates, including;

- Delays in legislation amendments addressing intra plan inflation will result in an estimated \$330 million increase to NDIS expenditure over the forward estimates
- Delays in legislation amendments that enable development of a new budget model with NDIS participants and the disability community will result in an estimated \$730 million increase to NDIS expenditure over the forward estimates.

The financial impact of a two month delay is detailed below.

Intraplan Inflation (S33 and related)	\$0.33bn	Original impact of \$2.0bn in 2024/25 (incorporated in 2024/25 Budget). Two months delay reduces this impact in 2024/25 by 1/6 i.e. <b>\$0.33bn</b>
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Budget Model	\$0.73bn	<p>Delay to implementation pushes savings profile out by two months. Hence</p> <ul style="list-style-type: none"> <li>original estimated benefits (incorporated in 2024/25 Budget) for 2025/26 now commence on 1 September 2025 under revised timing.</li> <li>original estimated benefits (incorporated in 2024/25 Budget) for 2026/27 commence on 1 September 2026</li> <li>original estimated benefits (incorporated in 2024/25 Budget) for 2027/28 commence on 1 September 2027</li> </ul> <p>Original estimated benefits (incorporated in 2024/25 Budget) for 2027/28 are \$4.4bn hence 1/6 of this moves outside the forward estimates period i.e. <b>\$0.73bn</b></p>
Total	<b>\$1.06bn</b>	

Regards,

David Gifford,

Scheme Actuary

Chief Data Officer and General Manager, Analytics, Data and Actuarial

**National Disability Insurance Agency**

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