

NDIS to cost more than \$30 billion by 2024-25, federal budget to predict

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The cost of Australia's National Disability Insurance Scheme will tip over \$30 billion in the next three years. (*ABC News*)

Disability spending through the NDIS is expected to overtake the cost of Medicare within three years, according to budget estimates that will fuel debate about the scheme's sustainability.

The ABC has learned Treasurer Josh Frydenberg's third budget will on Tuesday forecast the NDIS costing more than \$30 billion in 2024-25.

This is almost \$10 billion more than the Productivity Commission's \$22 billion estimate of the full cost of the scheme.

The government has flagged streamlining independent assessments of NDIS packages to standardise and clarify what are "reasonable and necessary" supports for participants under the scheme.

The total paid from the NDIS in 2019-20 was \$17.6 billion but in the first nine months of 2020-21, it has already paid out \$16.7 billion.

Key points:

- The number of people who are supported by the NDIS is expected to grow to 530,000 within a few years
- The average payment per participant increased by almost 48 per cent between 2017 and 2020
- The Commonwealth's share of the NDIS cost is expected to grow from 51 per cent to 59 per cent

The NDIS currently supports 450,000 people but this is expected to grow to 530,000 within a few years.

By 2024-25, the Commonwealth share of the NDIS costs is expected to be 59 per cent, up from 51 per cent now.

The average payment per NDIS participant increased by almost 48 per cent between 2017 and 2020.



Treasurer Josh Frydenberg says the scheme had changed the lives of thousands of Australians. *(Photo by Sam Mooy/Getty Images)*

In an interview with the ABC, Mr Frydenberg said the federal government was "absolutely committed" to NDIS and would continue to "fully fund" the scheme.

"This has been a program that has changed lives, not just for people with disabilities but for their families as well," Mr Frydenberg said.

But in a speech last week to the Australia-Israel Chamber of Commerce, Prime Minister Scott Morrison noted the Productivity Commission had "forewarned of sustainability pressures, as the scheme matures with wage and cost increases".

Mr Morrison flagged a greater focus on independent assessments, saying they were "designed to make the NDIS fairer and more sustainable into the future".

"You'll hear plenty of others who will argue that the sky should be the limit, but we all know that that is not a realistic objective," the Prime Minister said.

"To ensure the NDIS is here for generations of Australians to come, I intend to protect it. I intend to sustain it."