# The future of the NDIS

## What we found out in 2020–2021

### An Easy Read guide

## How to use this guide

Taylor Fry wrote this report. We explain what Taylor Fry does on page 3.

We wrote this guide in an easy to read way.

We use pictures to explain some ideas.

We have written some words in **bold**. This means the letters are thicker and darker.

We explain what these words mean. There is a list of these words on page 16.

This Easy Read guide is a summary of another report. This means it only includes the most important ideas.

You can find more information on our website at [www.dss.gov.au/disability-and-carers-programs-services-government-international-disability-reform-council/reports-and-publications](http://www.dss.gov.au/disability-and-carers-programs-services-government-international-disability-reform-council/reports-and-publications).

You can ask for help to read this guide. A friend, family member or support person may be able to help you.

## What’s in this guide?

[What is this guide about? 3](#_Toc94191582)

[What is the AFSR about? 5](#_Toc94191583)

[What did Taylor Fry think about the AFSR? 6](#_Toc94191584)

[Does Taylor Fry think the AFSR works well? 8](#_Toc94191585)

[What affects how much the NDIS costs? 10](#_Toc94191586)

[What will make the NDIS cost more over time? 13](#_Toc94191587)

[How the NDIS can last a long time 14](#_Toc94191588)

[Word list 16](#_Toc94191589)

## What is this guide about?

The **National Disability Insurance Scheme** (NDIS) is a way of providing support to people with disability around Australia.

The **National Disability Insurance Agency** (NDIA) manages the NDIS.

Each year the NDIA writes a report.

It’s called the Annual Financial Sustainability Report (AFSR).

The AFSR uses **data** over the past 12 months to work out how much the NDIS will cost in the future.

When we talk about data, we mean:

* facts
* information
* records.

Governments asked a company called Taylor Fry to look at the   
2020–2021 AFSR.

Taylor Fry:

* looks at data
* gives advice to businesses and organisations.

Governments asked Taylor Fry to look at:

* the 2020–2021 AFSR
* how it is different to the last 2 AFSRs
* why the NDIS costs more than expected.

To help Taylor Fry with their work, the NDIA gave them:

* information about how the AFSR works
* lots of data.

## What is the AFSR about?

To write the AFSR, the NDIA looks at:

* different types of **participants**
* how much **funding** they use.

Participants are people with disability who take part in the NDIS.

Funding is the money that pays for the supports and services participants need.

The NDIA also looks at how many participants:

* join the NDIS each year
* leave the NDIS each year.

They use this information to work out how much the NDIS should cost in the future.

### What did this year’s AFSR say?

The NDIA expects participant supports to cost more over time.

But this is happening faster than the NDIA thought it would.

In 2019, the NDIA expected the NDIS would cost $31 billion   
in 2024–2025.

But now, the NDIA expects the NDIS will cost $41 billion in 2024–2025.

When costs go up faster than we expect, it can be hard to know what the NDIS will cost in the future.

## What did Taylor Fry think about the AFSR?

The NDIA expects the NDIS to cost:

* over $41 billion in 2024–2025
* over $59 billion in 2029–2030.

That’s a big difference in 5 years.

So it’s hard to know what the NDIS will cost over a long time.

The AFSR is mostly right about how much the NDIS will cost   
in the future.

But it might cost a bit more than the NDIA expects.

Taylor Fry agrees that:

* more participants are joining the NDIS now
* less participants are leaving the NDIS.

The AFSR says:

* the costs of supports shouldn’t go up too much
* how many supports participants use shouldn’t go up too much.

But the AFSR should think about what happens if they do go up.

The AFSR also needs to think more about different ways participants might use the NDIS in the future.

This includes changes to:

* how participants will use funding when they’ve had it for a long time
* what supports participants can use
* participants' **capacity**.

Your capacity is:

* your ability to do things yourself
* the skills you have
* how you manage everyday life.

After looking at all this data, Taylor Fry agreed that the NDIS will cost more than the NDIA thought in the past.

But this might change if there are changes to how the NDIS works.

## Does Taylor Fry think the AFSR works well?

The AFSR works out:

* how many participants take part in the NDIS
* how much supports will cost.

It uses that data to work out how much the NDIS will cost in the future.

Taylor Fry thinks this is a good way to work out how much the NDIS will cost in the future.

Taylor Fry also thinks it will work well in the future.

But they found 3 areas that might make the AFSR harder to write.

1. The AFSR doesn’t say much about how participants’ capacity will change in the future.

For example, as people get older, they might need more support.

2. The AFSR expects the number of people who join the NDIS to grow each year.

Taylor Fry thinks this is right for now.

But they don’t think the number of people who join each year will keep growing this fast.

The AFSR needs to think about how this might change how much the NDIS costs.

3. It’s hard to know what will happen in the future so the AFSR must make smart guesses about some things.

This includes how many:

* supports participants will use in the future
* participants will use supports that cost a lot.

This also includes thinking about how participants:

* will rely more on support workers than their family
* might have less capacity in the future.

## What affects how much the NDIS costs?

The AFSR looks at lots of different areas that can affect how much the NDIS will cost in the future.

Taylor Fry looked closely at 5 areas they think will affect the NDIS the most.

### 1. Participants taking part in the NDIS

The AFSR looks at how many participants take part in the NDIS.

This year’s AFSR expects more people to join the NDIS each year than last year’s AFSR.

Taylor Fry thinks this year’s AFSR is right about how many participants will take part in the NDIS in the future.

But it is very hard to make a smart guess.

Taylor Fry thinks it shows that Australian people now:

* know more about disability
* understand disability better.

More people are finding out they have a disability.

This means more people are joining the NDIS.

And more people who find out they have a disability when they are young will still need support when they are older.

This means they will still receive support from the NDIS when they are older.

### 2. Participants leaving the NDIS

The AFSR looks at how many participants who don’t need NDIS funding anymore leave the NDIS each year.

Less participants are leaving the NDIS than the NDIA expected.

This will make the NDIS cost more over a long time.

### 3. Participants getting Supported Independent Living supports

The AFSR looks at how many participants use **Supported Independent Living** (SIL) supports.

SIL is help with day-to-day tasks around your home so you can:

* do things for yourself
* learn new skills.

At the end of June 2021, 25,000 participants had SIL funding.

Participants who get SIL support need more funding.

This affects how much the NDIS costs.

The AFSR found less new people get SIL funding each year.

This has happened because there are less participants who move from:

* state and territory funding to NDIS funding
* other NDIS funding to SIL funding.

### 4. Funding new participants get

The AFSR must make smart guesses about how much funding new participants will get.

The AFSR uses this to work out how much the NDIS will cost in the future.

To help work this out, the AFSR used data from March 2021 to May 2021.

Taylor Fry thinks it’s good to use data that’s up to date because the data changes each year.

### 5. The costs of supports

The AFSR makes smart guesses about how:

* much the cost of supports will go up
* many supports participants will use.

The cost of supports has gone up a bit in the past 3 years.

But the number of supports participants use has gone up a lot more.

Taylor Fry thinks this may be a smart guess for the next 5 years.

But it’s hard to make smart guesses about how:

* much the cost of supports will go up
* many supports participants will use.

So they might grow faster than the AFSR says.

The AFSR says these costs will not grow fast after 2025.

But Taylor Fry thinks it would be hard for the NDIA to stop these costs growing fast after 2025.

## What will make the NDIS cost more over time?

Taylor Fry compared this year’s AFSR to other AFSRs.

Reports from before 2019 say the same things about how much the NDIS would cost in the future.

But this year’s AFSR expects the NDIS to cost a lot more than what those reports say.

This means Taylor Fry needed to focus on the gap between the:

* 2018–2019 AFSR
* 2020–2021 AFSR.

A few things had changed since 2019:

* more participants take part in the NDIS
* participants get more funding
* supports cost more
* less people use SIL supports.

These things have all changed how much the NDIS costs.

## How the NDIS can last a long time

Taylor Fry found some areas that are important to think about.

They will help make sure the NDIS can last for a long time.

Taylor Fry thinks it’s a good idea to collect more data about a participant’s:

* capacity
* support needs.

Most new participants who join the NDIS are children under 15 years old.

This is different to the original plan for the NDIS.

Taylor Fry thinks it’s a good idea to find out why.

Lots of people at the NDIA make funding decisions.

This makes the NDIA make:

* decisions faster
* plans for all participants.

But this can make it hard to check why a participant’s plan has changed.

Taylor Fry thinks it’s a good idea to collect more data about supporting:

* young children with disability early
* participants to build their capacity.

Some of these participants can leave the NDIS because they get the support they need early.

This is an important goal of the NDIS.

It will also help make the NDIS cost less in the future.

## Word list

This list explains what the **bold** words in this report mean.

**Capacity**

Your capacity is:

* your ability to do things yourself
* the skills you have
* how you manage everyday life.

**Data**

When we talk about data, we mean:

* facts
* information
* records.

**Funding**

Funding is the money that pays for the supports and services participants need.

**National Disability Insurance Agency (NDIA)**

The NDIA manages the NDIS.

**National Disability Insurance Scheme (NDIS)**

The NDIS is a way of providing support to people with disability around Australia.

**Participants**

Participants are people with disability who take part in the NDIS.

**Supported Independent Living (SIL)**

SIL is help with day-to-day tasks around your home so you can:

* do things for yourself
* learn new skills.

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