

# Architect of NDIS says 'unfair' rollout holding back billions from Australians in dire need

Exclusive: Underspending could reach \$5bn by end of financial year, economist Bruce Bonyhady says

[Melissa Davey](#) Fri 28 Sep 2018 04.00 AEST

Underspending on the national disability insurance scheme is projected to run to as much as \$5bn by the end of the financial year, according to an economist who was one of the scheme's key architects.

Prof Bruce Bonyhady, the inaugural chair of the National [Disability Insurance Agency](#), said the underspend "strikes at one of the fundamental principles of the scheme, which is that it is about equality and and being fair to people with disabilities as quickly as possible".

The projection follows the release by Treasury officials on Tuesday of the [final outcome](#) of the 2017-18 budget, which shows an underlying cash deficit of \$10.1bn for last financial year, well short of the expected deficit of \$29.4bn. But NDIS payments were down \$2.5bn, which contributed to the deficit being less than expected.

The Treasury said this figure reflected lower than expected numbers of participants entering the scheme and lower use of participants' individual support packages. But Bonyhady said the unspent money could have been put to essential use elsewhere. He said it was not a good sign that people in the scheme were not using the full support offered by their packages – people were on average spending just 70% of the funding allocated to them.

"In that \$2.5bn underspend there is more than enough to make sure the

scheme works for everybody,” Bonyhady told Guardian Australia. “This scheme has to be equitable, so I think it’s very important that the money not spent is used to deliver the scheme in line with the original vision for it.

“If the slow rollout continues at this rate and package utilisation continues at 70% – and all indications are they will – then the underspend will reach \$4.5bn to \$5bn dollars by the end of this financial year.”

Guardian Australia has contacted the office of the social services minister, Paul Fletcher, for comment.

Bonyhady agreed with comments made by People with Disability Australia on Wednesday that the staffing cap on the National Disability Insurance Agency needed to be removed. But he said issues with the scheme were more widespread, and money should be allocated to address those flaws rather than towards addressing the budget deficit.

“The money needs to be invested in better training of staff so people get consistent answers when they approach the National Disability Insurance Agency for advice and clarification,” he said.

“The IT system that’s run by [Centrelink](#) has not been fit for purpose since it was commissioned in the middle of 2016, and there has been a complete failure to make sure that it is made fit for purpose so plans can be implemented properly.

“There is also not enough being spent on information linkages and support for people not eligible for an individualised package under the scheme, and the consequence is the NDIS is now looking like a oasis in the desert.”

The IT system made it needlessly difficult for agencies to make payments to scheme participants, and for participants to access their payments, he said.

“The agencies are responding with more and more bureaucratic measures to control costs in the long term and there are not enough supports for people who will not be eligible for the NDIS.”

The lack of information and difficult-to-use web portal would disproportionately affect those from culturally and linguistically diverse backgrounds, he added, including Aboriginal people.

“That’s unfair,” Bonyhady said. “The key to delivering this scheme successfully is to listen, learn and deliver, and I think its extremely disappointing that the opportunity to adjust the way the scheme is being delivered has not being taken. It’s a lost opportunity.

“Theres always going to be teething problems but the key is responding to those in a timely way. It’s clear this has not occurred.”

A National Disability Insurance Agency [NDIA] spokeswoman said more than 200,000 Australians were supported through the NDIS, including more than 60,000 people receiving support for the first time.

“The size and scale of the NDIS means that it will not be without challenges, but ultimately it is a new and significantly better way of providing support for Australians with a disability, their families and carers,” she said.

The NDIA’s staffing cap will be increased to 3,138 in 2018-19 and 3,230 in 2019-20, she said, with a further increase in 2020-21, bringing the new, ongoing cap to 3,400.

“The NDIA has developed a comprehensive ICT strategy to make sure that the right technology is in place to the support the NDIS as it grows,” she said.

“The NDIS is delivering a better experience to participants with further improvements being rolled out from October.”

## **Since you’re here ...**

... we have a small favour to ask. More people are reading the Guardian’s independent, investigative journalism than ever but advertising revenues across the media are falling fast. And unlike many news organisations, we

haven't put up a paywall – we want to keep our journalism as open as we can. So you can see why we need to ask for your help.

The Guardian is editorially independent, meaning we set our own agenda. Our journalism is free from commercial bias and not influenced by billionaire owners, politicians or shareholders. No one edits our Editor. No one steers our opinion. This is important because it enables us to give a voice to the voiceless, challenge the powerful and hold them to account. The Guardian's editorial independence makes it stand out in a shrinking media landscape, at a time when factual and honest reporting is more critical than ever.

If everyone who reads our reporting, who likes it, helps to support it, our future would be much more secure. **For as little as \$1, you can support the Guardian – and it only takes a minute. Thank you.**