



## LETTER TO THE EDITOR – AUSTRALIAN FINANCIAL REVIEW

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### Letter to the Editor: NDIS—A Pillar for the Economy, But Reform is Needed

To the Editor,

The recent criticism of the National Disability Insurance Scheme (NDIS) as an economic burden overlooks its critical role in supporting Australia's economy and communities. However, we agree that there are issues within the NDIS that need urgent reform, particularly around red tape, inefficiencies, and accountability. These challenges must be addressed to ensure that the NDIS remains sustainable and continues to deliver the essential benefits it provides to people with disabilities and the broader economy.

#### Economic Benefits and Multiplier Effect of the NDIS

The NDIS is a cornerstone of Australia's economic ecosystem. It channels funding directly into local communities, supporting jobs in the disability, health and allied sectors, whilst fostering economic activity in sectors including retail, housing and hospitality. The multiplier effect of this spending is substantial. Every dollar invested in the NDIS generates significant returns, both through the jobs it creates and the economic participation it enables for people with disabilities.

In regions where traditional industries such as manufacturing have declined, NDIS funding has provided an economic lifeline, creating jobs that are local, sustainable and not subject to outsourcing. This type of investment is particularly valuable at a time when Australia faces significant challenges from global economic shifts and the decline of industrial sectors.

#### Challenges That Need Reform

The NDIS is not without its problems. The scheme's administrative complexity and layers of bureaucracy are driving up costs and making it difficult for participants to access the supports they need. Red tape and inefficiencies, often stemming from the overcomplicated processes within the Australian Public Service (APS), are significantly inflating the cost of services. A simple example being the Salesforce Customer Relationship Management (CRM) installation, which exceeded its budget by over \$200 million. This is reflective of broader issues within the APS, where a lack of oversight and accountability can lead to costly failures.

Furthermore, fraud and mismanagement within the scheme are also significant concerns. The government has taken steps to crack down on fraudulent activities, however stronger protections need to occur to ensure Robodebt is not repeated as the current legislation allows public servants to issue fines and debts without means of appeal or external oversight of the courts. Fraud prevention measures must be balanced with reduction in red tape, thereby ensuring that honest participants and providers are not burdened by excessive administrative hurdles.

### Oversight and Governance Concerns

Another area of concern is the unprecedented power granted to public officials under the new NDIS laws set to come into effect in October. These changes give officials significant discretion over participants' budgets and supports, but provide limited avenues for external review or accountability. Some legal scholars have raised questions about the constitutionality of these reforms, particularly around the concentration of power in the hands of a few public servants.

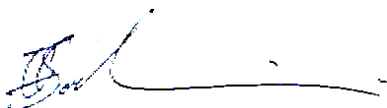
This echoes the issues highlighted by the Royal Commission into Robodebt, where unchecked power and a lack of accountability within the APS led to one of Australia's worst public policy disasters. The NDIS risks following a similar path unless stronger oversight mechanisms are introduced to ensure that decisions are transparent, accountable and subject to independent review.

### The Promise of Co-Design: Still Waiting

Finally, whilst the government has repeatedly promised "co-design" with the disability community, we are still waiting to see this materialise in any meaningful way. Time and again, we have experienced consultation, only to be told at the last minute of the government's interventions, with little opportunity to provide input or shape the outcome. Co-design must mean genuine partnership in decision-making, where people with disabilities, their families and carers have a real voice in shaping the future of the NDIS.

The NDIS is a critical investment in Australia's economy, but it urgently needs reform of the right kind, developed and in partnership with the disability community. We must tackle the inefficiencies, fraud and lack of accountability that is undermining the scheme, always ensuring that the voices of the disability community are central to any changes moving forward.

Signed for and on behalf of Physical Disability Australia



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