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Comment: Disability in Australia. The NDIS blow-out

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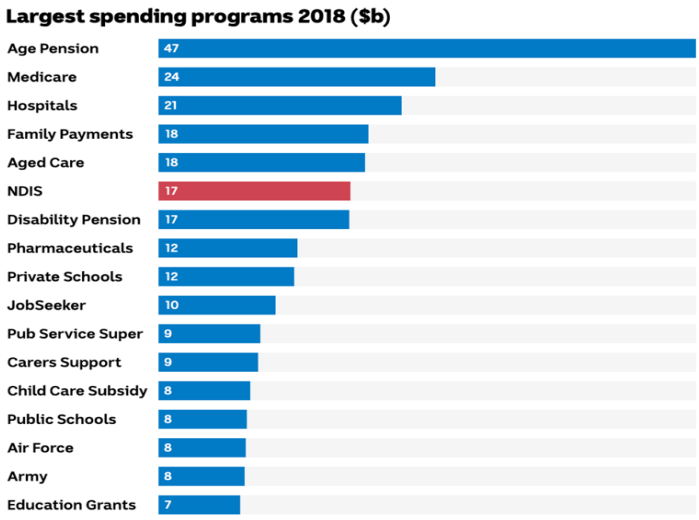
INTRODUCTION

The National Disability Insurance Scheme is a scheme introduced in Australia from 2015 which 'insures' individuals with disability by providing financial support.

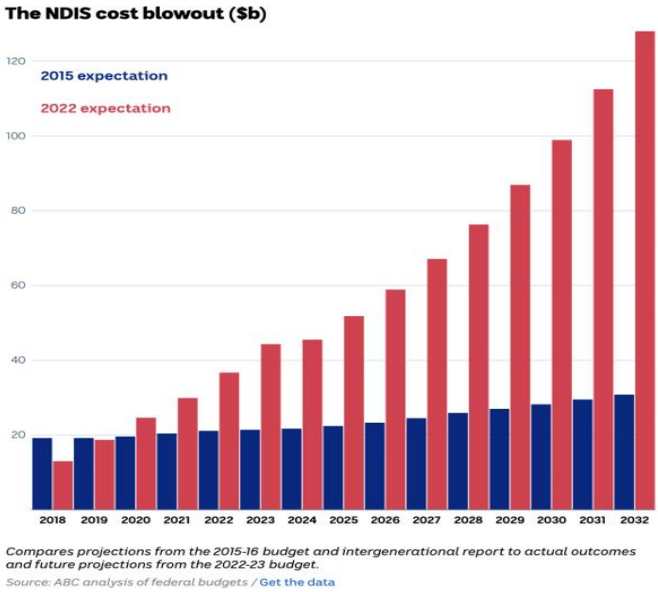
In 2011 the Productivity Commission had outlined a model in which NDIS would support just under half a million people and cost $13.6 billion per year, or closer to $20 billion in today's dollars, the aim being to ensure long-term financial sustainability and individualised support for people with disability. At the time of the budget in 2015, it was imagined the scheme would be operational in all states and territories by mid-2018 and cost $19.2 billion in its first full year, and the cost of the NDIS to sit between 0.6 per cent and 0.8 per cent of the Australian economy for decades to come.[1]

A Productivity Commission review in October 2017 (the 2017 NDIS Costs Study Report) found that costs were broadly on track with modelling but made key recommendations included shifting to independent price monitoring, improving workforce growth through skilled migration, clarifying government responsibilities for non-NDIS services, and better equipping participants to exercise choice.[2]

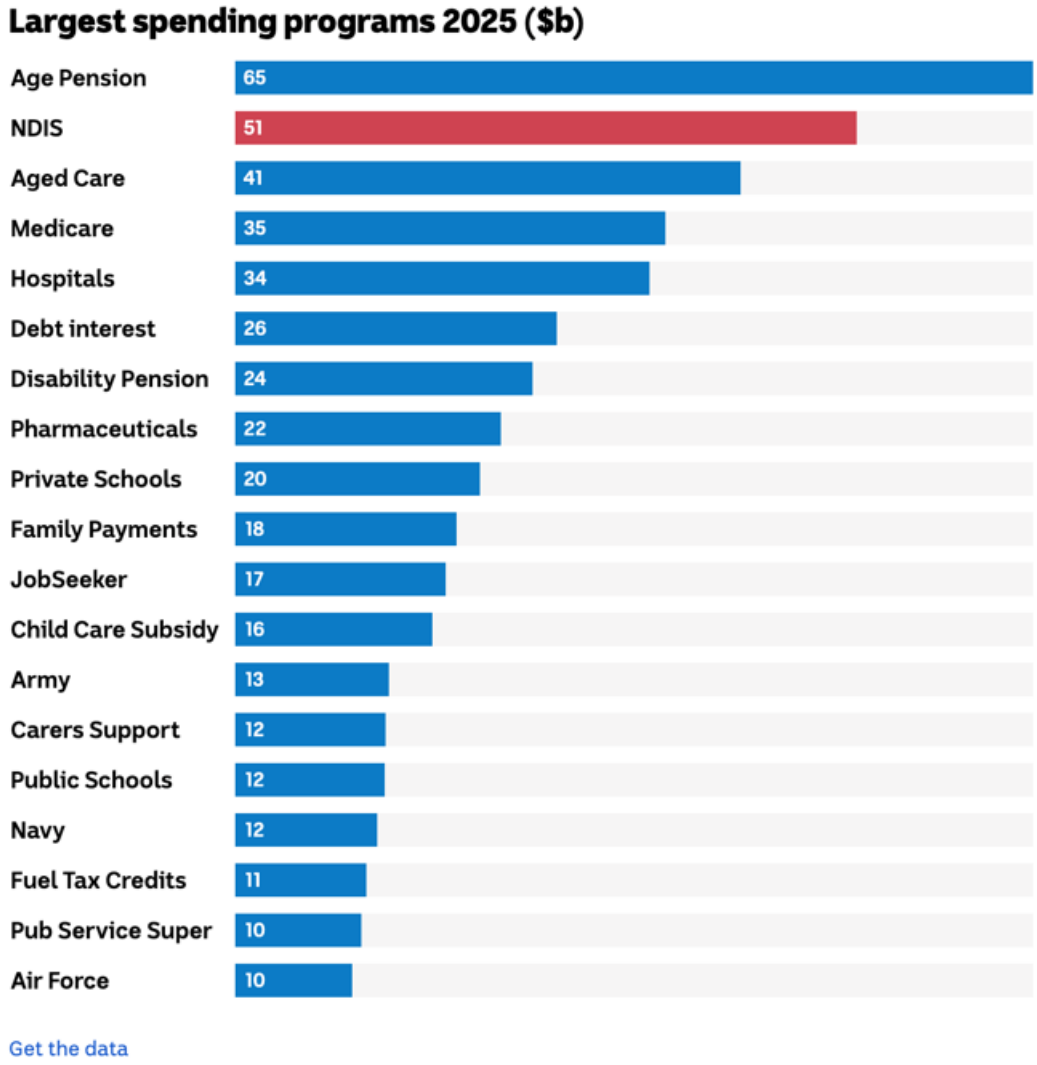
In 2018, the NDIS featured 6th in terms of spending programmes, at a cost of $17 billion. The age pension was the largest spending programme at $47 billion, and aged care the 5th at $18 billion.



However, from 2020 onwards as assessed from data in 2022, the costs rose and no longer matched the modelled expectations. Even allowing for an average 4.2% inflation rate, the figure for 2025 should only be another $3.9 billion, giving a 2025 expected total of $21billion, not $51billion.



By 2025, the NDIS had risen from being the 6th largest spending programme to being the second, at a cost of $51 billion, second only to the aged pension at $65 billion. By the time of the budget for 2022-23, the cost by the year 2032 was projected at $128 billion- more than four times the previous expectations.[3]



However, these figures need to be taken in context in the overall picture: in the same time frame, the spending on aged care, medicare, hospitals, disability pensions, pharmaceuticals and care support increased from a total of $101 billion to $168 billion, an increase of 68% percent, again far greater than expected allowing for inflation. This indicates that the health of the overall population deteriorated significantly in that same time frame, and the NDIS reflects only a segment of that deterioration.

THE PREVALENCE OF DISABILITY

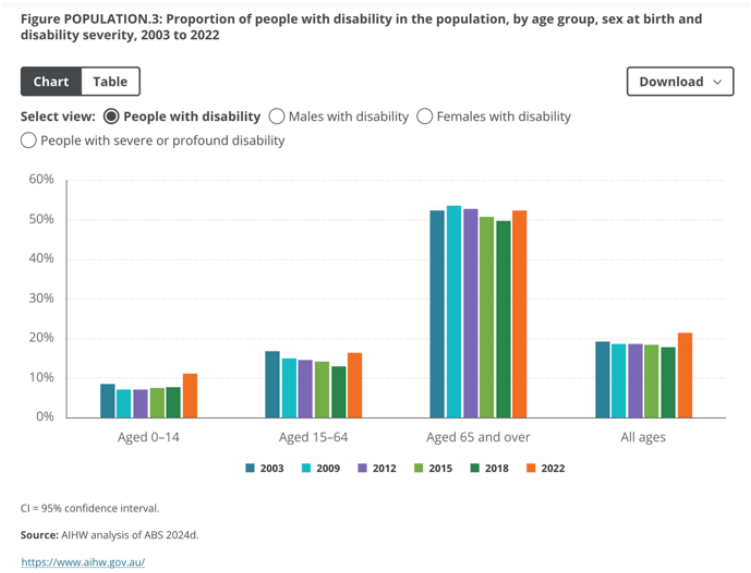
The Australian Bureau of Statistics defines disability as "any limitation, restriction, or impairment which restricts everyday activities and has lasted, or is likely to last, for six months or more."

Over the past 20 years, overall disability rates in Australia had declined steadily from 2003 to 2018, then increased significantly between 2018 and 2022.

In 2019, ABS reported that in 2018 around 1 in 6 (18%) of Australians had a disability, approximately 4.4 million people. Nearly one-third (32%) of those Australians with disabilities, 5.7% of the total population or about 1.4 million people, experienced severe or profound disability. These individuals often require assistance with daily self-care activities: tasks such as bathing, dressing, and eating; mobility: moving around the home and community and /or communication: understanding or being understood by others, including using sign language or other non-spoken methods. The rate of disability naturally increased with age.[4]

The decreased overall prevalence rate of disability from 20.0% in 2003 to 17.7% in 2018 was postulated to be the result of overall improved health, with a reduction in diseases such as asthma, heart disease and coronary issues, predominantly affecting those over 25 years old. However, in that same time period, the disability rates for young children (0-4 years) increased from 3.7% to 5.7%, with the need primarily for early intervention and support to ensure better long-term outcomes. In addition, in young adults, age 15-24, the prevalence of disability increased from 9.3% to 13.9%., with a primary need for support in education and early career.[5]

In a sharp reversal of the overall trend, the 2022 ABS data demonstrate disability prevalence jumped from 17.7% in 2018 to 21.4% (5.5 million people), with increases across all age groups. For children aged 0–14, the disability rate increased from 9.5% in 2018 to 13% in 2022 for males, and from 5.7% to 8.7% for females; for people aged 15–64, the disability rate increased from 13% in 2018 to 15% in 2022 for males, and from 13% to 17% for females, and for the over 65-year-olds (not covered by NDIS), the disability rate increased from 49% to 53% for men and from 50% to 52% for women. Similarly, the age-standardised prevalence rate of severe or profound disability fell from 6.2% in 2003 to 5.2% in 2018, before increasing to 7.1% in 2022.

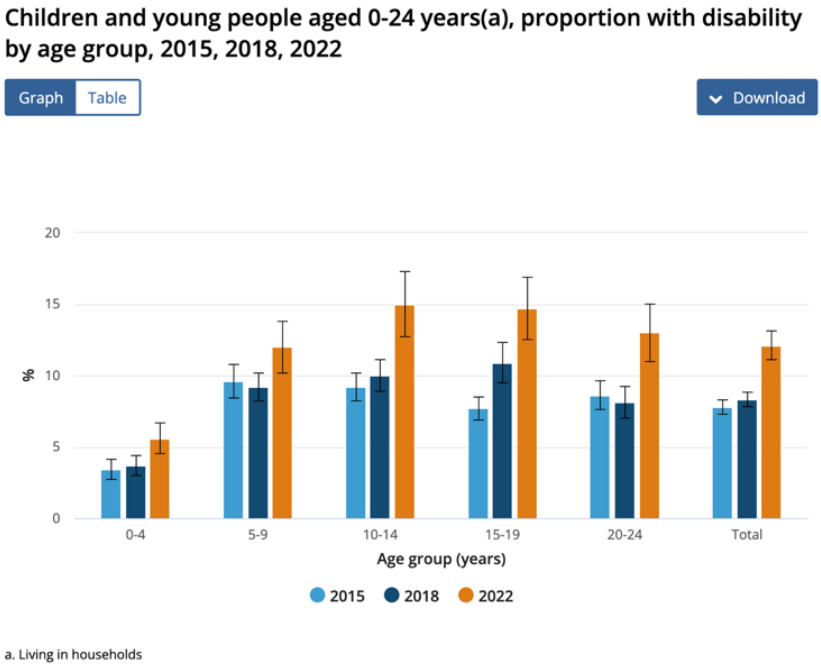


According to the ABS, this increase may be the result of several factors:

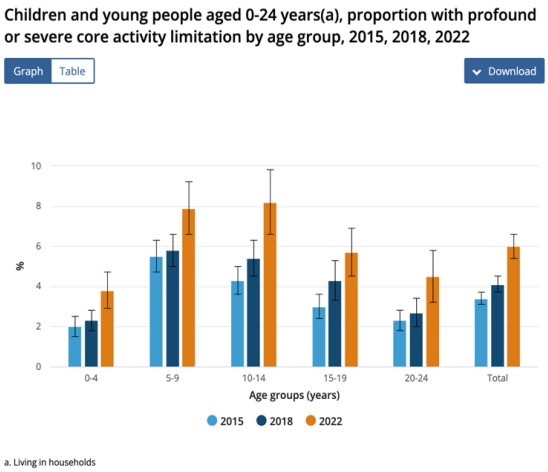
1. Neurodevelopmental disorders: there was a 41.8% increase in autism spectrum disorder diagnoses, becoming the leading cause of disability for children aged 0-4 years old.
2. Methodological Changes: the 2022 survey introduced an online self-completion option, which likely encouraged higher disclosure rates, particularly for sensitive conditions like psychosocial disabilities.

3. Post-Pandemic Impact: the survey was the first conducted after the COVID-19 pandemic, capturing lasting health impacts of the COVID lockdowns particularly on the health and development of children, and "long COVID" conditions. It is to be noted that the effects of mass COVID -19 vaccination and vaccination side effects are often taken as 'long Covid'.
4. Reduced Stigma: Greater community awareness and acceptance have led more people, especially young adults (15–24 years), to identify and report their disabilities.
5. Ageing population: however, this only applies to the disability prevalence in over 65-year-olds.

The increase in prevalence of disability in the young is particularly concerning. Quoting from the ABS: in 2022, 12.1% of children and young people aged 0-24 years (946,300 people) had disability, up from 8.3% in 2018, (a nearly 50% increase). The rate of disability was higher for males aged 0-24 years (13.7%) than females in the same age group (10.5%). 6.0% of children and young people aged 0-24 years had a profound or severe disability, up 50% from 4.1% in 2018. Over two thirds (67.8%) of children and young people aged 0-24 years with disability needed some support with everyday activities. 37.5% of children aged 0-14 years with disability also had a parent with disability.



Of further concern is the fact that the disability prevalence was higher in young people aged 15-24 years (13.9%) than children aged 0-14 years (11.0%), up from 8% in 2018. Nearly 1 in 7 young people have a disability on these 2022 figures. It is also of great concern that that the prevalence of disability in young males is greater than for females for all ages until early adulthood and that the levels for profound disability in the 20–24-year-old group increased some 50%.



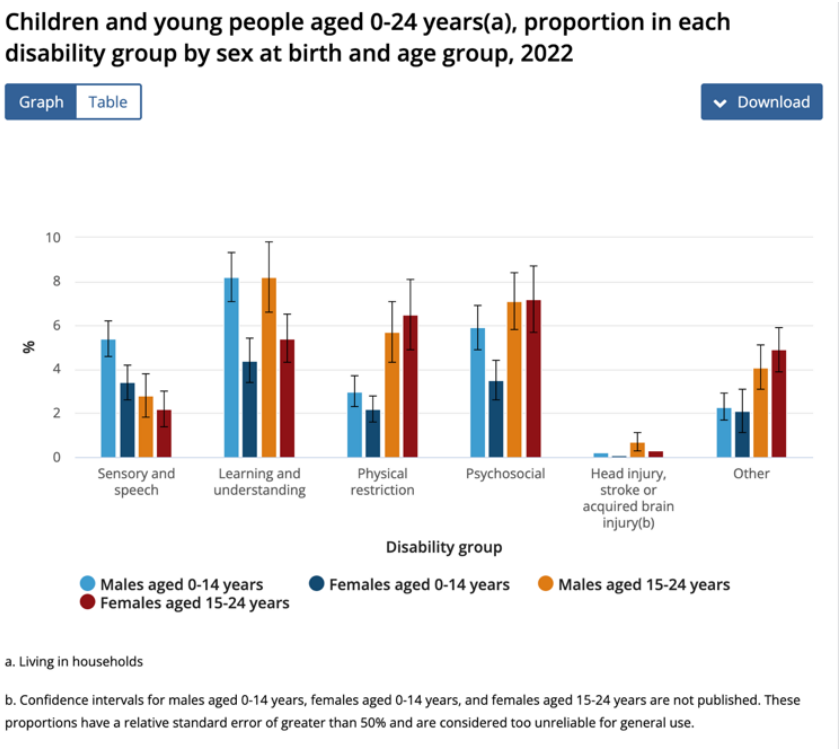
There are age and sex differences for categories of disability, however all categories were increased some 50% as compared to 2018.

Again, quoting from the ABS
'The SDAC categorises people with disability into one or more disability groups (or types).' Disabilities can be broadly grouped depending on whether they relate to functioning of the mind or the senses, or to anatomy or physiology.

In 2022, as a proportion of all children and young people aged 0-24 years: 6.6% had a learning and understanding disability, up from 4.2% in 2018; 5.7% had a psychosocial disability, up from 3.5% in 2018; 4.0% had a physical restriction, up from 2.5% in 2018; 3.6% had a sensory and speech disability, up from 2.6% in 2018.

The proportion of children and young people in each disability group varied for males and females, as well as by age. In 2022: young males aged 10-14 years have the highest rate of learning and understanding disability (11.3%); younger males aged 0-14 years (5.4%) were most likely to have a sensory and speech disability; young people aged 15-24 years (7.2%) were most likely to have a psychosocial disability; physical disabilities were more commonly reported in 15-24 years age group (6.1%).

Thus, for sensory or speech, and learning and understanding disability, the prevalence rates are higher in males during childhood than in early adulthood. However, females aged under 25 with disability are more likely to have a nervous or emotional condition (30% or 120,000) than males (21% of 117,000).



In comparison, for people with disability aged 25–64, the most common types of disability are: chronic or recurring pain or discomfort which affects 47% (or 1.1 million) people with disability; restriction in physical activities or work which affects 40% (or 900,000); nervous or emotional condition which affects 24% (or 533,000).

People with disability frequently have comorbidities, presenting with greater than one diagnosis. In 2022, of young people aged 0-24 years with disability: over half (51.6%) had two or more disabilities, up from 43.1% in 2018, most commonly learning and understanding and a psychosocial disability; over one quarter (27.7%) were in three or more disability groups, up from 21.8% in 2018; and children and young people with a profound or severe disability (70.8%) were more likely to be in multiple disability groups.

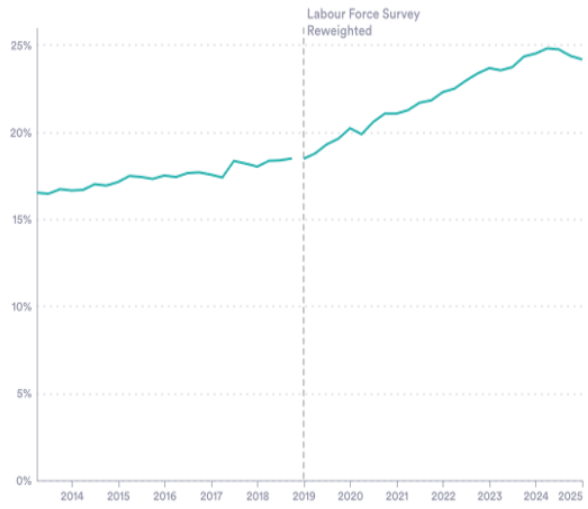
Long-term health conditions were also common in young people with disability in 2022, especially in children ages 0-14 years (52.4%). Over one quarter (27.3%) of children aged 0-14 years had two long term conditions. Over two thirds (67.1%) of children and young people aged 0-24 years with disability reported a mental or behavioural disorder as the main condition causing the most problems. The most common included: problems with psychological development (23.9%), including Autism Spectrum Disorders (ASD) (18.5%) and Dyslexia (4.9%); behavioural, cognitive and emotional problems with usual onset in childhood or adolescence (20.6%), including Attention Deficit Hyperactivity Disorder (ADHD) (17.3%, up from 7.2% in 2018) and Anxiety disorders (13.1%), including Generalised Anxiety Disorder (11.5%).

The long-term health conditions were different for the age group 0 to 14 years as compared to 15- 24 years. For young people aged 15-24 years in 2022 with disability: anxiety disorders were the most common condition, with 20.2% reported compared to 7.6% in children aged 0-14 years and more common in females, however children aged 0-14 years were more likely reported to have ADHD (23.5%) and ASD (21.5%) than young people aged 15-24 years (10% and 15.2 % respectively), with a preponderance in males.
In summary, the actual prevalence of disability has risen dramatically since 2018, with a nearly 50 % increase in the prevalence of disabilities in the under 25-year age groups such that nearly 1 in 7 young people are disabled and predominantly with neurodevelopmental, behavioural or mental health issues. The ramifications of this for the young people themselves, families who care for these young people, the structure and function of the greater society and the economics are huge.

IMPLICATIONS FOR SOCIETY OF NEARLY 1 IN 7 YOUTH DISABLED

Australia is not alone in the increase in disabilities: the increase in that has occurred in Australia since 2019 has also been noted in other western countries. UK ONS figures show a similar increase in disability in the work force occurring the same time frame.

Figure 1: Disability prevalence in the UK, 2013-25



Source: LFS, Office for National Statistics (ONS)
Notes: Author's calculations based on ONS data Table A08 economic activity of people with disabilities between 2013 and 2025. Sample is aged 16-64. Government Statistical Service Harmonised (activity-limiting) disabled.
It is well established that the prevalence of disability is sensitive to measurement. These data have been collected via the LFS on a consistent basis since 2013, albeit with a recent discontinuity (from January to March 2019) due to reweighting the sample to ensure that it is representative of the population, addressing the declining survey response rates following the Covid-19 pandemic.

https://www.economicsobservatory.com/growing-prevalence-of-disability-what-implications-for-the-uk-economy

Mental health, behavioural and neurodevelopmental conditions are the primary driver of disability claims in the youth unlike historical disabilities in the young which were dominated by physical conditions and trauma or related accidents. The expectation was that the youth were the healthiest demographic in our population. This shifts the medical and societal response needed from physical support and accessibility such as ramps and elevators to psychological safety, control of environmental stimuli, and mental health and neurodevelopmental

literacy. For many this may require 24-hour supervisory care. As a significant proportion of these youth are also profoundly physically disabled, the need for ongoing physical care is also required.

The educational system is already suffering extreme strain with the burgeoning number of children with neurodevelopmental and behavioural disorders and the increasing amount of teacher time and focus required simply for behavioural control. The deterioration in educational standards in Australia is well documented. To enable these children with disability to be 'mainstreamed', individualised specialist support, additional teacher training and extra resources are required. The early school leaving rate is higher for children with learning and behavioural disabilities and thus particularly for males. Early school leaving without an alternative path such as trade qualifications correlates strongly with long term inability to provide and with poverty. There needs to be recognition of the real risk of an undereducated 'lost' generation.

There are also significant economic and workforce implications as the figures indicate that a significant percentage of the future workforce will require alterations in the workplace environment to be able to function. Current UK figures indicate that disabled people have a 30% lower rate of employment and lower hourly pay rate, while an increase in the percentage of the work force who are disabled would likely reduce productivity and economic profitability and thus have an aggregate economic impact as more reliance of welfare benefits becomes necessary. Current trends also show that young people with disabilities are twice as likely to be neither in education, employment nor training as compared to their peers, and thus not providing for themselves and putting further pressure on support systems.

Disability is closely linked to poorer health outcomes and higher levels of unmet healthcare needs. In particular they are at increased risk of higher rates of chronic disease and further mental health conditions which could further exacerbate social inequality, reduce quality of life and overall life expectancy. The level of disability Australian society is now facing based on these 2022 figures will thus result in increased health care demands for long term health and human services.

The pressures on background social support systems for these disabled youth are huge. As they come out of school age, their parents age, and they fail expectations to be capable of earning and providing for themselves, there is an increased need for sufficient social support to prevent drug abuse, homelessness, involvement in the criminal and legal system and major health crises. If sufficient attention is not given to preventing them 'falling off the cliff' the devastation and costs involved in trying to repair their lives after their fall is difficult to even conceive at the high level of disability that is now involved. There is an urgent need to consider consequences as they reach adulthood and the available services for them.

CONCLUSION

The NDIS was originally conceptualised as a support 'insurance' for those who become disabled, with a view to providing individualised financial assistance. It was originally modelled that some 0.6 to 0.8% of the population would apply for this. For the first 6 years of its existence, the costings remained within what was expected: however, from 2020 onwards, the costings have 'blown out'. This has coincided with the Covid pandemic and the many socioeconomic, health and medical issues that occurred in that time frame.

It must be noted that in the same time frame, the documented incidence of disabilities increased, most notably in the under 25-year-olds, with shift in the pattern of disability to increasing mental disability. In that same time frame, all health and medical costs (including hospital, Medicare, pharmaceuticals, aged care and carer support) also increased, bringing into question the claim that this documented increase in disability rates is purely the result of changes in methodology but may instead be reflecting a common effect on the overall health of the population as a whole. As this data is already 4 years old, comparison to more recent data is urgently required to confirm whether this represents an aberrancy or a genuine upward trend in disability rates.

The most concerning issue highlighted in the ABS statistics for disability in Australia in 2022 however is the high and increasing level of disability in the age group of 15 to 24 years as this represents the years of early adulthood where high level education is undertaken and career paths set: it represents what are usually the peak years of productivity. Should the picture being presented here continue, the viability of Australia economically and socially is seriously threatened.

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Conflicts of interest: The author declares that there are no conflicts of interest.

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