

FIGURE 5. NDIS PARTICIPANTS WITH COMPENSATION BY PRIMARY DISABILITY – 31 MARCH 2025

Primary Disability	Participants with compensation at 31 March 2026	Distribution (as a percentage of all participants with compensation)
Acquired Brain Injury (ABI)	2,630	32%
Spinal Cord Injury	1,283	15%
Other Physical	1,226	15%
Psychosocial disability	1,005	12%
Cerebral Palsy	395	5%
Intellectual Disability	339	4%
Autism	225	3%
Other Neurological	194	2%
Stroke	193	2%
Visual Impairment	130	2%
Hearing Impairment	96	1%
Multiple Sclerosis	64	1%
Other ¹²²	512	6%
Total	8,292	100%

It should be noted that the Agency does not directly record the impairment for which compensation has been provided. The NDIA defines primary disability as the impairment that has the greatest impact on participant's day-to-day functioning. This means some prospective NDIS participants who have received compensation will still be able to access the scheme for support related to a different impairment. In reality, the numbers of prospective participants excluded from the scheme as a result of these changes will likely be lower once disabilities that meet the access criteria are considered.

Of all NDIS participants in receipt of compensation, 63 per cent are male, 36 per cent are female, and 1 per cent have not identified or disclosed their gender. Similar to the wider NDIS population, 8 per cent of participants receiving compensation identify as First Nations, and 9 per cent identify

¹²² Note: "Other" disability group includes those with a primary disability of: Developmental Delay, Global developmental delay, Down Syndrome and Other Sensory / Speech, Other and those with missing information on their primary disability.

as Culturally and Linguistically Diverse. The majority of participants live in major cities (63 per cent), and only 2 per cent reside in remote or very remote locations.¹²³

The proposal is intended to limit the number of instances where a person becomes eligible for the Scheme, and receives no (or very little) support under the Scheme on account of already having access to other services. The practical impact of these changes on the supports and services that people with disability can access from a whole-of-system perspective is, therefore, expected to be limited.

Alternative service systems would include state and territory compensation schemes (workplace and motor vehicle accident compensation schemes). According to Safe Work Australia, there were 146,700 serious work claims across Australia in 2023-24 (the last year data is available) with a median compensation paid of \$16,300.¹²⁴ In terms of motor vehicle accidents, the Bureau of Infrastructure and Transport Research Economics estimates that in 2020, 3,819 people suffered disability as a result of road crashes.^{125 126} Unlike serious work injury claims, there is no central collection of statistics on the number of motor vehicle accident claims across Australia. The impacts are therefore anticipated to occur only to prospective participants who have received compensation.

It should be noted that states and territory motor vehicle insurance provides differing coverage, including in terms of running fault/no-fault schemes. This means that some people who are at fault in a motor-vehicle collision, would remain eligible for the NDIS in some jurisdictions.

Expected impact of limiting unscheduled reassessments

Limiting who may initiate and the circumstances in which unscheduled reassessments can be requested will reduce the frequency of participants requesting and having changes made to their plan. In 2025, 16 per cent of the NDIS population had at least one unscheduled reassessment, indicating potentially high rates of changing support needs.¹²⁷ While higher, the differences in proportion for First Nations participants, Culturally and Linguistically Diverse participants, participants in remote and very Australia and female participants are more marginal in comparison (see Figure 6).

¹²³ NDIA, Internal analysis of NDIS participants also receiving compensation at 31 March 2025, unpublished.

¹²⁴ Safe Work Australia (n.d.), [Workers' compensation | dataswa](#), accessed 1 May 2026.

¹²⁵ Bureau of Infrastructure and Transport Research Economics (2022), ['Social Cost of Road Crashes'](#)

¹²⁶ Bureau of Infrastructure and Transport Research Economics (2022), ['Social Cost of Road Crashes'](#)

¹²⁷ NDIA, Internal analysis of plan inflation as at 31 December 2025, unpublished. Note: The proportion is calculated as the number of participants with at least one unscheduled plan reassessment as a percentage of all participants at 31 December 2025. This would include participants who had an unscheduled reassessment and left the Scheme during 2025.

FIGURE 6 PARTICIPANTS WITH AT LEAST ONE UNSCHEDULED REASSESSMENT IN 2025¹²⁸

Cohort	Participants with at least one unscheduled reassessment in the year	Total Scheme population at the end of the year	Incidence of unscheduled reassessment in the year
First Nations participants	10,921	63,381	17%
Female participants	50,569	290,064	17%
Culturally and Linguistically Diverse participants	13,110	66,517	20%
Remote Australia (MM6 and MM7)	2,319	11,714	20%
Participants in SIL	13,759	36,755	37%
All participants	124,030	761,442	16%

The total plan inflation rate (excluding indexation) was 21 per cent from unscheduled plan reassessments in 2025. Figure 7 shows that the total plan inflation rates from unscheduled reassessments were marginally higher than the average for First Nations participants, Culturally and Linguistically Diverse participants, females and those with an 'Other' gender status. Plan inflation from unscheduled plan reassessments for participants residing in remote and very remote Australia had the largest difference compared to overall participants, suggesting this group could be disproportionately affected by a limiting of unscheduled reassessments.

FIGURE 7. TOTAL PLAN INFLATION (EXCLUDING INDEXATION) FROM UNSCHEDULED REASSESSMENTS IN 2025¹²⁹

Cohort	Total plan inflation rate from unscheduled reassessments in 2025 (excluding indexation)
Culturally and Linguistically Diverse participants	22%

¹²⁸ NDIA, Internal analysis of plan inflation as at 31 December 2025, unpublished. Note: The proportion is calculated as the number of participants with at least one unscheduled plan reassessment as a percentage of all participants at 31 December 2025. This would include participants who had an unscheduled reassessment and left the Scheme during 2025.

¹²⁹ NDIA, Internal analysis of plan inflation as at 31 December 2025, unpublished. Note: Total plan inflation rate is calculated as the total dollar increase in plan budgets (excluding from indexation) compared to total value of plan budgets prior to the unscheduled plan reassessment.

Cohort	Total plan inflation rate from unscheduled reassessments in 2025 (excluding indexation)
Female participants	22%
First Nations participants	25%
Other Gender status	25%
Participants residing in remote and very remote Australia (MM6 and MM7)	41%
Average inflation rate	21%

Conversely, while more participants in SIL have at least one unscheduled plan reassessment, the resulting total plan inflation from their unscheduled plan reassessment was substantially lower at 12 per cent.¹³⁰

The outcome of this reform would be that in some instances, adjustments to goals, supports and funding would not be made due to not meeting the new threshold. Impacts will range from minimal to moderate. Requests for additional or different funding may be able to be managed through flexible use of budgets and increased utilisation of budgets. This would depend on current utilisation of participant budgets. As at December 2025, 32 per cent of participants have used 50 per cent or less of their annual plan, and 22 per cent have spent between 50 and 75 per cent.¹³¹

However, careful policy design and execution of safeguards (such as plan variations) will be necessary to ensure that participants are not placed at risk. For example, a non-permanent change to a participant's informal supports may still impact on the participant's disability support needs. An example could be a three year old with mobility impairment who does not have any core funding but whose sole parent carer (without any informal support themselves) breaks their arm and is not able to provide the same level of personal care and support for a short period. The change in the child's caring arrangement is not permanent and would not meet the revised criteria for an unscheduled reassessment but should instead be addressed through a plan variation. While this may still result in an increased plan value, the increase would be short term rather than permanent. Appropriate triage processes would need to be in place to ensure requests involving significant risk were considered in a timely manner.

¹³⁰ NDIA (2026), Internal analysis of plan inflation as at 31 December 2025, unpublished. Note: Total plan inflation rate is calculated as the total dollar increase in plan budgets (excluding from indexation) compared to total value of plan budgets prior to the unscheduled plan reassessment.

¹³¹ NDIA, Quarterly Report Supplement E National 2025-25 (Q2), Table E.45. Note: Data is as at 31 December 2025. However it only considers participants with initial plans approved up to 30 June 2025, and includes committed supports and payments for supports provided up to 30 September 2025. This gives some allowance for the timing delay between when the support is provided and when it is paid. Plans less than 31 days in duration have been excluded.

Limiting requests for plan reassessment to participants, guardians, nominees and child representatives will require careful legislative and policy design to uphold the rights and ensure accessibility for participants with communication and decision support needs. As at December 2025, 237,253 (or 65 per cent) of all NDIS participants aged 19 or over have a disability that may affect the way they think and sometimes these participants will need support to make decisions.¹³² There may also need to be diverse cultural approaches to decision making for participants and carers from First Nations (8 per cent or 63,381 participants) and Culturally and Linguistically Diverse backgrounds (9 per cent or 66,517 participants).¹³³

People with disability have a right to access decision supporters, including for navigating the administrative complexity of the NDIS, which for some people with low literacy or from diverse cultural backgrounds is not possible without support. Reforms will need to avoid impinging on this right and ensure that decision-support can be enabled, with appropriate consent.

Importantly, existing participant safeguards would continue to be available such as:

- The ability for an NDIA delegate to initiate a plan reassessment when they become aware of a significant change in circumstances and the participant does not have a nominee or guardian and is unable to initiate the request themselves, acknowledging that in 2025, agency-initiated plan reviews made up only 1 per cent (740) of unscheduled reassessments.¹³⁴
- Plan variations where a participant is experiencing an emergency or crisis situation resulting in short term changes to their support needs.
- Discretionary check-ins conducted by NDIA staff where a risk (or potential risk) for a participant is identified.

Resetting SCCP budgets

Resetting SCCP budgets will affect 393,401 (52 per cent) of NDIS participants who currently have SCCP funding in their plans.¹³⁵ At 31 December 2025, the average annualised SCCP budget for participants in SIL as at 31 December 2025 is \$84,030 and for participants not in SIL, the average is \$29,985. However the range in SCCP funding is wide. For participants in SIL, it can range from around \$40,000 to over \$130,000. For participants not in SIL, it can range from around \$4,000 to

¹³² NDIA (2026), Internal analysis of NDIS participants by primary disability as at 31 December 2025, unpublished. Note: This is based on a count of participants aged 19 and over with a primary disability of psychosocial, autism, intellectual disability, developmental delay, global developmental delay and acquired brain injury.

¹³³ NDIA (2026), [Quarterly Report to Disability Ministers for Q2 202526](#), pages 19,104

¹³⁴ NDIA (2026), Internal analysis of plan inflation as at 31 December 2025, unpublished. Note: There were 138,910 unscheduled plan reassessments in 2025. This is comprised of participant-requested reassessments, NDIA-initiated reassessments, plan reassessments driven by the review of reviewable decisions (RoRD), outcomes from the ART, and other reasons. Participants can have more than one unscheduled plan reassessment in the year.

¹³⁵ NDIA (2026), [Explore data](#), accessed 5 May 2026.

around \$65,000.¹³⁶ This means that SCCP as a proportion of a participant's total budget also varies, but is on average around 20 per cent.¹³⁷

A 50 per cent reduction in a participants' SCCP budget allocation will not result in a corresponding 50 per cent reduction for most participants' SCCP spending. This is because most participants do not use their full SCCP budget. In the 6 months ending 30 September 2025, the average utilisation rate of SCCP Budgets was 80 per cent for SIL participants and 86 per cent for non-SIL participants.¹³⁸

There is scope for participants to negotiate lower prices with SCCP providers, which would help offset a reduction in total budget allocations. For example, in the 12 months to December 2025, the NDIA found that 77 per cent of SCCP payments were charged at the price limit and a further 9 per cent at 90-99 per cent of the price limit.¹³⁹ Given the majority of payments are claimed at or near the price limit, participants could negotiate lower prices and retain a similar number of support hours despite a reduced budget.

Participants in SIL may be disproportionately impacted as there are 36,360 (or 99 per cent) of all SIL participants with SCCP budgets. This is significantly higher than the overall share of 52 per cent across all NDIS participants.¹⁴⁰ These changes may increase the rate of participants in SIL requesting an unscheduled plan reassessment or plan variation for their SCCP budgets.

Other cohorts that are more affected by this option than the average include women and girls, participants with an undefined gender, participants residing outside major cities (MM1) and regional centres (MM2), and Culturally and Linguistically Diverse participants. Reductions in budgets in regional areas may exacerbate provider viability in already thin markets, impacting on participant choice and control. First Nations participants are slightly less likely to have SCCP in their

¹³⁶ NDIA, Internal analysis of distribution of participant budgets by select support categories as at 31 December 2025, unpublished. Note: The range for annualised SCCP budgets are rounded to the nearest \$1,000 and are based on the 10th percentile and 90th percentile rather than the minimum and maximum to remove outliers.

¹³⁷ NDIA (2026), [Explore data](#), accessed 5 May 2026. Note: Total committed supports for SCCP and in plans are based on the funding allocated to participants over the six-month exposure period (1 July 2025 to 31 December 2025)

¹³⁸ NDIA, Internal analysis of utilisation by select support categories as at 31 December 2025, unpublished. Note: These utilisation rates are based on the Scheme experience for the 6 months ending 30 September 2025, measured using payments up to 31 December 2025.

¹³⁹ NDIA, Internal analysis on NDIS payments and price limits over 12 months to 31 December 2025, unpublished. Note: The analysis was based on total NDIS payments made in the 12 months to 31 December 2025. Payments that were self-managed and not subject to price controls (such as supports requiring quotes) were excluded from the analysis.

¹⁴⁰ NDIA (2026), [Explore data](#), accessed 5 May 2026; NDIA (2026), Quarterly Report to Disability Ministers for Q2 2025-26, pages 7,70; NDIA (2026), Internal analysis of distribution of participant budgets by select support categories at 31 December 2025, unpublished.

budgets, but do have higher average SCCP budgets and will experience a higher dollar value reduction on average.

Similarly, participants residing in remote locations (MM6) and very remote locations (MM7) will experience a higher dollar value reduction relative to the average. For other groups, the dollar impact will be smaller, including for females, participants with an 'other' gender status and participants in MM5 locations. However, these groups are also starting from lower average budgets.

FIGURE 8. PARTICIPANTS AND THEIR SCCP BUDGETS BY DEMOGRAPHIC CHARACTERISTICS – AT 31 DECEMBER 2025¹⁴¹

Cohort	Number of participants with SCCP funding	Proportion of participants with SCCP funding	Average SCCP funding	SCCP funding as % of total committed supports
First Nations participants	30,987	49%	\$17,600	20%
Culturally and Linguistically Diverse participants	38,260	58%	\$17,500	22%
Female participants	165,107	52%	\$17,100	21%
Participants with undefined or 'Other' gender	5,177	56%	\$11,700	23%
Participants residing in rural areas (MMM3 to MMM5)	76,959	53%	\$16,700	23%
Participants residing in remote locations (MMM6)	3,590	51%	\$21,500	19%
Participants residing in very remote locations (MMM7)	2,599	55%	\$17,900	21%
Participants in SIL or SDA	40,728	98%	\$41,100	17%
All participants	393,401	52%	\$17,500	21%

This option would also impact on the ability for the 84,996 children and young people aged 18 and under to undertake some social and community participation because of their relatively smaller

¹⁴¹ NDIA (2026), [Explore data](#), accessed 5 May 2026. Note: Note: All data is as at 31 December 2025. Total and average committed supports for SCCP and in plans are based on the funding allocated to participants over the six-month exposure period (1 April 2025 to 30 September 2025). Committed supports are not annualised.

average budgets. While there are expectations on all parents to provide substantial care and support for their children, these expectations reduce as children and young people age. Social and community participation can also assist in sustaining informal care arrangements and funding a wide range of supports including customised employment, which would be constrained under the resetting of budgets.

FIGURE 9. PARTICIPANTS AND THEIR SCCP BUDGETS BY AGE GROUP – AT 31 DECEMBER 2025¹⁴²

Age group	Number of participants with SCCP funding	Proportion of participants with SCCP funding	Average SCCP funding	SCCP funding as % of total committed supports
0 to 8	2,637	2%	\$4,400	0%
9 to 14	39,260	26%	\$5,200	8%
15 to 18	43,099	55%	\$8,200	19%
19 to 24	54,316	78%	\$17,600	28%
25 to 34	57,010	85%	\$21,800	29%
35 to 44	47,187	86%	\$21,900	26%
45 to 54	51,386	87%	\$21,000	24%
55 to 64	62,033	88%	\$20,800	22%
65+	36,473	86%	\$19,900	20%
All	393,401	52%	\$17,500	21%

Participants with certain primary disabilities are expected to be more affected by the reductions to SCCP funding. Some disability types require limited day-to-day support for activities of daily living, but require significant support to access the community.

For example, 30 per cent of total plan budgets for participants with psychosocial disability as their primary disability is committed to SCCP (**Error! Reference source not found.**). Acknowledging circumstances differ, participants with psychosocial disability may require less support with activities of daily living compared to someone with a physical disability. Conversely, due to social, environmental and disability related factors, they may experience significant barriers to accessing the community.

Other than participants with a primary disability of psychosocial disability, participants with a primary disability of visual impairment, Down syndrome, and Intellectual Disability may be more

¹⁴² NDIA (2026), [Explore data](#), accessed 5 May 2026. Note: Note: All data is as at 31 December 2025. Total and average committed supports for SCCP and in plans are based on the funding allocated to participants over the six-month exposure period (1 April 2025 to 30 September 2025). Committed supports are not annualised.

affected by this change. For these cohorts, total committed supports for SCCP budgets are higher than the overall Scheme proportion.

FIGURE 10. PARTICIPANT AND THEIR SCCP BUDGETS BY PRIMARY DISABILITY – AT 31 DECEMBER 2025¹⁴³

Primary disability	Number of participants with SCCP funding	Proportion of participants with SCCP funding	Average SCCP funding	SCCP funding as % of total committed supports
ABI	18,008	21%	\$24,600	21%
Autism	131,847	20%	\$11,200	20%
Cerebral Palsy	12,284	18%	\$28,100	18%
Developmental Delay	231	0%	\$3,600	0%
Down Syndrome	9,329	28%	\$28,900	28%
Global Developmental Delay	153	0%	\$5,500	0.3%
Hearing Impairment	5,679	15%	\$7,200	15%
Intellectual Disability	76,412	26%	\$23,000	26%
Multiple Sclerosis	9,570	17%	\$14,600	17%
Other	8,252	18%	\$18,800	18%
Other Neurological	20,697	17%	\$21,800	17%
Other Physical	13,429	19%	\$15,200	19%
Other Sensory Speech	479	18%	\$7,900	18%
Psychosocial Disability	63,131	30%	\$18,700	30%
Spinal Cord Injury	5,118	14%	\$19,700	14%
Stroke	9,947	19%	\$20,500	19%
Visual Impairment	8,732	34%	\$13,233	34%
Total	393,401	52%	\$17,500	21%

Due to the gendered nature of caring, women are more likely to be impacted by changes to the supports available or provided to the people they care for. 67.7 per cent of primary carers were women in 2022.¹⁴⁴ Changes are likely to increase informal caring responsibilities, which may impact

¹⁴³ NDIA (2026), [Explore data](#), accessed 5 May 2026. Note: All data is as at 31 December 2025. Total and average committed supports for SCCP and in plans are based on the funding allocated to participants over the six-month exposure period (1 April 2025 to 30 September 2025). Committed supports are not annualised.

¹⁴⁴ [Disability, Ageing and Carers, Australia: Summary of Findings, 2022, Australian Bureau of Statistics](#)

levels of social and economic participation for female carers. Opportunities to increase gender equality will be considered as part of the design and evaluation of future market reforms to delivering social and community participation and capacity building activities.

While the reduction in budgets will likely lead to a reduction in participant's ability to access the community, it is not expected to be as significant as a 50 per cent budget reduction. There are three key reasons for this.

1. Participants can use their Core support budgets flexibly across the daily activities, SCCP, consumable and transport support funding categories. Overall utilisation of SCCP budgets (85 per cent) is skewed by participants who access more SCCP than they are funded for (i.e., spend above 100 per cent).¹⁴⁵ While reduced SCCP budgets would constrain some participants' spending on SCCP, participants with low utilisation of their SCCP budgets are less likely to be affected.
2. Some SCCP activities are offered in group settings, which attracts lower pricing. As such, some participants will be able to substitute 1:1 SCCP activities with group activities. This would result in participants retaining the same or similar number of SCCP hours, but in group settings.
3. The Australian Government has announced the \$200 million Inclusive Communities Fund to rebuild capability among community organisations and strengthen community-based inclusion. This will help to mitigate the impact of reduced SCCP by building up inclusive group based services that could be accessed by participants.

There are significant benefits that can be derived from meaningful and effective community participation. However, the decision to reduce this budget was preferred over others because it does not impact the health and safety of participants. SCCP supports do not provide support for daily living activities critical to a person's health and wellbeing, such as toileting, showering, meal preparation, and household tasks like cleaning. This change will bring SCCP supports more in alignment with other parts of the care and support economy.

Robust monitoring and evaluation will be required to identify risk to participants and the impacts of reform. These include impacts on policy priorities under Australia's Disability Strategy – full participation in social, recreational, sporting, religious and cultural life – but also:

- Ability to access supports that meet needs.
- Safety from violence, abuse, neglect and exploitation.
- Impacts on gender equality and prevention of violence.
- Employment rates and transitions from education to employment.
- Financial independence.

¹⁴⁵ NDIA, Internal analysis of utilisation by select support categories as at 31 December 2025, unpublished. Note: These utilisation rates are based on the Scheme experience for the 6 months ending 30 September 2025, measured using payments up to 31 December 2025.

- Acknowledging and supporting the role of informal support.¹⁴⁶

Interaction with other reforms will also need to be monitored for unintended consequences, such as increased rates of unscheduled reassessment requests for daily activity funding (which is able to be spent flexibly on SCCP) and / or requests for Capacity Building SCCP funding.

Resetting CBDA budgets

Resetting CBDA budgets through a 10 per cent reduction will affect the majority of participants, with 99 per cent (752,454) currently funded for CBDA.¹⁴⁷ Participants currently have an average annualised CBDA budget of \$13,460, which equates to around 69 hours of therapy supports per year or 1.3 hours per week.¹⁴⁸

Due to the small scale of the reduction, this reform is not expected to have a material impact on participants with CBDA budgets less critical to the health and safety of participants than others (such as nursing care). Furthermore, overall utilisation of CBDA budgets is 61 per cent as at 31 December 2025.¹⁴⁹ For most participants, the reform will not impact their CBDA spending and would likely result in increased utilisation rather than needing to reduce services.

This option is expected to have a greater impact on children aged 0 to 14 who have higher annualised CBDA budgets and higher proportions of their budgets assigned to this support category.

FIGURE 11. PARTICIPANTS AND THEIR CBDA BUDGETS BY AGE GROUP – AT 31 DECEMBER 2025¹⁵⁰

Age group	Number of participants with CBDA funding	Proportion of participants with CBDA funding	Average CBDA funding	CBDA funding as % of total committed supports
0 to 8	166,507	100%	\$9,900	69%
9 to 14	152,322	100%	\$6,800	42%
15 to 18	77,614	99%	\$5,600	23%

¹⁴⁶ Commonwealth of Australia (Department of Social Services), Australia's Disability Strategy 2021-2031, 2024 update: Building a more inclusive Australia.

¹⁴⁷ NDIA (2026), [Explore data](#), accessed 5 May 2026

¹⁴⁸ NDIA, Internal analysis of distribution of participant budgets by select support categories at 31 December 2025, unpublished. Note: Average therapy hours funded per year and per week is based on the 2025-26 NDIS price limit of \$193.99 for therapy supports.

¹⁴⁹ NDIA (2026), [Explore data](#), accessed 5 May 2026. Note: Utilisation rates are calculated as the ratio between payments and committed supports for the six-month exposure period from 1 April 2025 to 30 September 2025, based on data as at 31 December 2025.

¹⁵⁰ NDIA (2026), [Explore data](#), accessed 5 May 2026. Note: All data is as at 31 December 2025. Total and average committed supports for CBDA and in plans are based on the funding allocated to participants over the six-month exposure period (1 April 2025 to 30 September 2025). Committed supports are not annualised.

Age group	Number of participants with CBDA funding	Proportion of participants with CBDA funding	Average CBDA funding	CBDA funding as % of total committed supports
19 to 24	68070	98%	\$5,100	10%
25 to 34	65,356	97%	\$4,800	7%
35 to 44	53738	98%	\$5,100	7%
45 to 54	57,771	98%	\$5,400	7%
55 to 64	69,683	98%	\$5,700	7%
65+	41,393	98%	\$5,600	7%
All	752,454	99%	\$6,600	15%

This change may more significantly impact participants residing in remote MM6 and very remote MM7 who have higher than average CBDA budgets and will experience a higher dollar value reduction in their budget. Participants in very remote locations also have higher proportions of CBDA as a share of total committed supports.

FIGURE 12. PARTICIPANTS AND THEIR CBDA BUDGETS BY REMOTENESS – AT 31 DECEMBER 2025 ¹⁵¹

Remoteness	Participants with CBDA budget	Proportion of participants with CBDA funding	Average CBDA budget	CBDA as a share of total committed supports
Major Cities (MM1)	515,562	99%	\$6,800	16%
Population > 50,000 (MM2)	82,499	99%	\$6,400	14%
Population between 15,000 and 50,000 (MM3)	61,429	99%	\$6,100	14%
Population between 5,000 and 15,000 (MM4)	32,982	99%	\$6,100	15%
Population less than 5,000 (MM5)	48,315	99%	\$6,200	18%
Remote (MM6)	6,965	99%	\$8,600	15%

¹⁵¹ NDIA (2026), Explore data, accessed 5 May 2026. Note: All data is as at 31 December 2025. Total and average committed supports for CBDA and in plans are based on the funding allocated to participants over the six-month exposure period (1 April 2025 to 30 September 2025). Committed supports are not annualised.

Remoteness	Participants with CBDA budget	Proportion of participants with CBDA funding	Average CBDA budget	CBDA as a share of total committed supports
Very Remote (MM7)	4,668	99%	\$9,000	19%
Missing	34	97%	\$66,700	42%
All participants	752454	99%	\$6,600	15%

Tightening "reasonable and necessary" supports criteria

Tightening 'reasonable and necessary' supports criteria will apply to new and existing participants, as they receive their first plan or are reassessed after 1 February 2027. Participants are likely to have some of their funding for NDIS supports reduce, leading to lower overall NDIS spending.

As at 31 December 2025, average annualised budgets are \$85,100¹⁵², or around \$42,000 in average committed supports at 31 December 2025.¹⁵³ Figure 13 shows the variation in average committed supports for different demographics.

FIGURE 13: AVERAGE COMMITTED SUPPORTS BY KEY PARTICIPANT DEMOGRAPHICS – AT 31 DECEMBER 2025

Cohort	Number of participants	Average committed supports
First Nations participants	63,381	\$42,200
Culturally and Linguistically Diverse participants	66,517	\$46,500
Female participants	290,064	\$45,300
Participants with an undefined or other gender	9,175	\$28,500
Participants residing in rural areas (MMM3 to MMM5)	144,597	\$39,000
Participants residing in remote locations (MMM6)	7,040	\$56,700
Participants residing in very remote locations (MMM7)	4,704	\$47,500

¹⁵² NDIA, [Quarterly Report Supplement E National 2025-26 \(Q2\)](#), Tables E.110

¹⁵³ NDIA (2026), [Explore data](#), accessed 5 May 2026. Note: Average committed supports are based on the total committed support allocated to participants over the six-month exposure period (1 April 2025 to 30 September 2025) divided by the number of participants with approved plan(s) at the end of the 31 December 2025.

Cohort	Number of participants	Average committed supports
Participants in SIL or SDA	41,459	\$241,500
All participants	761,442	\$42,500

However, there are elements of the option that will have a greater impact on some groups. The existing requirement that a funded support must be necessary to address the needs of the participant arising from an impairment in relation to which the participant meets the disability requirements will be clarified to ensure there is a direct link. While there is no data available to indicate the numbers of participants with funding for secondary impairments considered not to meet access criteria, First Nations Australians are more likely to experience chronic disease due to the cumulative impacts of historical, social and systemic inequalities. The following examples are provided to describe the interaction between eligible impairments and other support needs (for example, health needs):

- A participant with diabetes is unlikely to meet access requirements for that impairment alone. But for participants with diabetes and a significant cognitive impairment they are unable to manage their diabetes safely. Because they need support for diabetes management as a direct result of their cognitive impairment, they would be eligible for support.
- A participant with Intellectual Disability and eating disorder develops mobility issues due to obesity. The Scheme would fund supports related to their Intellectual Disability, but mainstream health services would be responsible for providing supports for their mobility needs and health conditions related to their obesity.

Changes may increase expectations of informal supports. The option includes a more vigorous consideration of what informal supports are reasonable for delegates to consider. This is likely to have direct flow on impacts to family members and kin (particularly of younger people) and may impact on the role of informal support under Australia's Disability Strategy.¹⁵⁴ Given most carers are female, these impacts may be disproportionately experienced by women.¹⁵⁵

Changes also have the potential to affect certain Closing the Gap outcomes.¹⁵⁶

Greater clarity about the role of informal supports, especially for children, and additional safeguarding measures are proposed. Delegates will need to consider whether relying on family,

¹⁵⁴ Commonwealth of Australia (Department of Social Services), Australia's Disability Strategy 2021-2031, 2024 update: Building a more inclusive Australia.

¹⁵⁵ Commonwealth of Australia (Department of Social Services), Australia's Disability Strategy 2021-2031, 2024 update: Building a more inclusive Australia.

¹⁵⁶ [Closing the Gap targets and outcomes | Closing the Gap](#)

carers, informal networks or the community would expose a participant to a material risk of harm, abuse or neglect.

Some of the proposed changes will provide greater clarity in assessing considerations such as whether a support is effective and beneficial or value for money for a participant by codifying existing rules and making it clear what a delegate must consider. However, implementation will need to carefully consider and mitigate the risk of disproportionate impacts on First Nations or Culturally and Linguistically Diverse participants, individuals who need support with decisions or who have low literacy or numeracy skills.

Requirements to consider the comparative costs of purchasing or leasing assistive technology, vehicle modifications and home modifications are likely to have greater impact on participants with physical disability. As at 31 December 2025, there are 57,731 participants with primary disabilities of Cerebral Palsy, Multiple Sclerosis, Other Physical Disability or Spinal Cord Injury.¹⁵⁷ Importantly, changes would not mean supports could not be purchased or provided, but leasing would be prioritised where a participant's circumstances are likely to change. Sensitive communication and implementation of decisions will be important where participants are living with a rapidly progressive degenerative condition.

At this stage, it is difficult to assess the impact of this element as the details will form part of a legislative instrument design that is still subject to further work. For example, limitations on the level of transport funding may have a greater impact on NDIS participants in remote and regional areas where public transport is limited to taxis. Pricing is one way to ameliorate this impact.

4.1.2.2 Expected impact on NDIS providers and the market

Access

The changes to access would contribute to returning the Scheme to its original intent of supporting people with significant and permanent disability. While businesses providing NDIS supports may see easing of demand, people who no longer meet access to the Scheme could receive support through other funded services, in the private market.

As noted earlier in this analysis, some elements of the budget package such as access reforms to support Thriving Kids and establishing thresholds for substantially reduced functional capacity will require their own detailed analysis at a later date as the design is still subject to consultation and further work.

Actuarial modelling of the expected number of prospective participants expected to be affected by the access changes in this analysis as a result of the strengthened permanence criteria and tighter access for people eligible for support through other services systems is low. An indeterminable, but likely very few, new entrants who would be supported by other service systems.¹⁵⁸

¹⁵⁷ NDIA(2026), Supplement E to Quarterly Report to Disability Ministers for Q2 2025-26, Table E.16

¹⁵⁸ NDIA, Internal analysis, unpublished.

The impact on NDIS provider business is expected to be minimal. The NDIS-like supports provided through state and territory compensation are already excluded from the plans of participants who are receiving compensation, and the number of impacted participants is small in the context of the overall market. Similarly, strengthening the interpretation of permanence is not expected to affect many participants in the context of the overall market and is therefore not expected to greatly impact providers.

Supports and reassessments

Limiting who may request unscheduled plan reassessments will remove the ability for support coordinators and / or plan managers to initiate requests for unscheduled reassessments. This, combined with tightening the criteria for accepting unscheduled reassessments to those where there is significant change, is intended to reduce the rate of plan inflation. It will also help address actual or perceived conflicts of interest by removing provider involvement in activities where they have a financial incentive to increase plan size, although behavioural changes will need to be monitored to determine effectiveness.

There were around 276,000 active NDIS providers in the December 2025 quarter. Of these, 111,000 providers delivered SCCP supports, of which 100,800 (91 per cent) are unregistered.¹⁵⁹ In the 6 months to 31 December 2025, around 56,000 providers delivered SCCP supports to only one participant - many of these are individual support workers operating as a small provider.¹⁶⁰ While the reforms are significant and will be disruptive to providers, the latent demand for disability support workers in the NDIS, and the growth in other parts of the care and support economy, means it is not expected that resetting SCCP budgets will create significant employment shocks for experienced support workers.

However, there are risks of participants offsetting the reductions in their SCCP budget by drawing funds from other areas of core budget.

The smaller reduction in CBDA budgets and spend is expected to have a lower impact on the NDIS market. In the December 2025 quarter, there were 82,000 CBDA providers and of these, only about 9,000 were registered NDIS providers.¹⁶¹ The impact on the allied health or therapy provider market is not expected to create significant employment or provider viability shocks, especially given there is latent unmet demand across the care and support economy.¹⁶² The reduction to CBDA budgets help bring the NDIS funding levels more in line with other parts of the care economy such as Aged Care Support at Home, veterans' care and Medicare, and presents minimal risk to participant safety.

¹⁵⁹ NDIA, Supplement E to NDIS Quarterly Report for Quarter 2 of 2025-26, Table E.95

¹⁶⁰ NDIA, Supplement E to NDIS Quarterly Report for Quarter 2 of 2025-26, Table E.95; NDIA, Internal analysis to support the 2025-26 Annual Price Review

¹⁶¹ NDIA, Supplement E to NDIS Quarterly Report for Quarter 2 of 2025-26, Table E.95

¹⁶² Details by region can be searched at [Care Sector Demand Map | Department of Social Services, Australian Government](#)

Reduction in NDIS growth will also help ease capacity constraints in the care sector. The care sector has experienced rapid employment growth over recent years and robust demand is expected to continue going forward.¹⁶³ Data shows there is a significant shortage of workers in the sector. Lower NDIS spending will ease demand for labour in the care and support sector, and may make it easier to fill roles in occupations where there are nation-wide shortages such as community aged care support workers.¹⁶⁴ Although unlikely, reduced competition for staff could put downwards pressure on some labour costs in the sector. This would lower service provision costs, meaning government can deliver care services more cost effectively, and reduce the need for service providers to pass cost pressures on to consumers.

Reforms that reduce the demand for NDIS services in the market will disproportionately affect women who make up approximately 68 per cent of the care and support workforce.¹⁶⁵

The magnitude of impact on providers is dependent on which supports are reduced and the percentage those supports represent of provider revenue and the extent to which the current demand for effected NDIA supports is currently met through market supply. All things being equal, providers with smaller revenue streams will be more significantly impacted by reductions in supply.

Tightening the definition of reasonable and necessary supports will also reduce NDIS funding and demand for services across all support categories.

Collectively, if reforms result in increased stress on provider viability, then governments may need to prevent market failure and ensure essential services continue.

4.1.2.3 Expected impact on government

Access

Access changes to strengthen the operation of permanence in-line with the original intent, and changes to exclude prospective participants that receive compensation through state and territory compensation will both contribute to the 5 to 6 per cent growth target set by National Cabinet.

The changes may result in an increase in demand for other mainstream services systems, including private sector services.

Supports and reassessments

Collectively, the reassessment and supports option will contribute to the Australian Government achieving the 5 to 6 per cent growth target set by National Cabinet through reducing participant plan budgets and total plan inflation. Although plan utilisation may increase, overall participant

¹⁶³ Jobs and Skills Australia (2025), [Employment Projections - Industry outlook](#), accessed 1 May 2026

¹⁶⁴ Jobs and Skills Australia (2026), [Occupation Shortage List](#), accessed 1 May 2026

¹⁶⁵ ABS (2022), [Disability, Ageing and Carers, Australia: Summary of Findings](#), ABS website, accessed 1 May 2026

plan spending is expected to reduce as a result of resetting plan budgets. The reforms will enhance cross system equity in the care and support economy.

Changes could likely impact on other government service systems at both state and territory and Commonwealth levels. A collaborative approach to design and implementation of reform as well as a robust monitoring and evaluation approach is needed to manage flow on impacts to systems like education, social security, health, child protection and employment. For example, children whose SCCP budgets are reduced may re-engage with mainstream out of school hours and vacation care programs, which could increase demand for inclusion support funding.

The Australian Government is investing \$200 million to establish an Inclusive Communities Fund to rebuild capability among community organisations to host genuine participation activities. The Australian Government will work closely with the disability community to identify where investment is most needed and likely to result in improved inclusion for people with disability.¹⁶⁶

Limiting the circumstances and people who can initiate plan review requests are expected to reduce unscheduled reassessments from 12,000 per month down to 5,000–6,000 per month.¹⁶⁷

While this will free up NDIA workforce capacity at a headline level, there may be higher workloads in plan variations, complaints and internal reviews as well as an increase in ART applications in the short term. Tightening of reasonable and necessary criteria and reductions to SCCP and CBDA budgets may also increase the workload in complaints and review areas, including the ART.

4.1.3 Option 3: More substantial eligibility changes

4.1.3.1 Expected impact on NDIS participants

More substantial changes to NDIS eligibility arrangements than Option 2 would, by definition, impact more NDIS participants (current and potential). This would have a negative impact on those affected, with the degree to which the impact is mitigated dependent on the availability and quality of supports outside the NDIS.

4.1.3.2 Expected impact on NDIS providers and the market

More substantial changes to NDIS eligibility arrangements would negatively impact NDIS providers, through less demand for their services. Some NDIS providers may choose to exit the market or start or explore increasing the delivery of services in other care sectors.

4.1.3.3 Expected impact on government

This option would put more pressure on other support systems, including demand-driven programs, to support people with disability no longer eligible for the NDIS. The fiscal impact for

¹⁶⁶ [Australia's Disability Strategy 2021–2031 - 2024 Update: Building a more inclusive Australia](#)

¹⁶⁷ NDIA (2026), Internal analysis of plan reassessments and plan inflation in the 6 months to 31 December 2025, unpublished

government would depend on the long-term cost of supporting more people outside the NDIS, noting the risk that if supports are inadequate some people may seek to enter (or re-enter) the NDIS at a higher cost.

4.1.4 Option 4: More substantial changes to NDIS supports

4.1.4.1 Expected impact on NDIS participants

Applying a broadscale reduction in budgets would impact all participants. The modelling for this option was not undertaken beyond an initial cost impact. Broadscale reductions have differential impacts where participants have high plan utilisation rates. Where participants have lower utilisation rates, percentage reductions have a lesser impact, noting that utilisation does not always directly correspond to demand, particularly in areas where there are thin markets.

4.1.4.2 Expected impact on NDIS providers and the market

Reductions in support budgets would suppress demand for these services and may have a negative impact on NDIS providers. This option is likely to heighten provider viability risks, drive market exits, and disrupt the disability support workforce. Continued provider withdrawal from particular regions or service types would further concentrate thin markets, reducing participant access to supports where they live. Reduced funding in participant plans would also place downward pressure on the workforce, with employment funded through the NDIS potentially declining. Many workers rely on employment across multiple providers to maintain sufficient income levels,¹⁶⁸ and may be faced with a smaller pool of providers to work for.

4.1.4.3 Expected impact on government

This option would put pressure on other support systems, including those funded by government, to provide supports no longer funded by the NDIS. The fiscal impact for government would depend on the long-term cost of providing more supports outside the NDIS, noting the risk that if supports are inadequate some people may need additional NDIS supports at a later date and potentially at a higher cost.

4.2 Plan management reforms

4.2.1 Option 1: Status Quo

4.2.1.1 Expected impact on NDIS participants

Without changes to the existing plan management market there would continue to be instances of inconsistent and low-quality service offerings, as well as unscrupulous providers. This would impact participants as some plan managers would continue to:

¹⁶⁸ [Labour Account Australia, December 2025 | Australian Bureau of Statistics](#)

- a. Fail to support participants to manage their plans effectively, including leaving participants without adequate supports, depletion of funds and misuse of funds.
- b. Demonstrate sharp practices such as inducements to change providers, refusing to release funds when participants wanted to change plan managers, and automatic service rollovers without participant consent.
- c. Be incentivised by conflicts of interest, such as also providing support coordination, downstream services or providing a range of services to a sole participant (for example support coordination and core supports), rather than participant outcomes.
- d. Have poor or no complaints handling and communication.

4.2.1.2 Expected impact on the plan management market

The NDIA has estimated that around 90 per cent of plan management providers show significant indicators of fraud,¹⁶⁹ and that this is negatively correlated to provider size.

Without changes, the plan management market would continue with some providers with unscrupulous and fraudulent motives, poor quality, variable services and capability, limited quality controls and weak mechanisms and conflicts of interest.

Roughly a quarter of the market would continue to be small, low-capability providers.¹⁷⁰ Many of whom are inactive or marginally active, and who are more likely to show significant indicators of fraud.

4.2.1.3 Expected impact on other NDIS providers

NDIS providers would continue to experience instances of improper invoicing, complaints management, and payment integrity issues such as non-payments, wrong payments, late payments and over-payments.

4.2.1.4 Expected impact on government

The NDIA would continue to incur significant costs for payments to plan managers. Plan management fees made up \$646 million of total payments in the 12 months to 31 December 2025.¹⁷¹

If the current settings do not change, the NDIA would continue to face significant losses due to fraudulent practices and payment integrity failures driven by unscrupulous or poor-quality plan managers. Without reform, these patterns are likely to persist, undermining Scheme integrity, exposing participants to harm and increasing financial losses to the NDIS.

¹⁶⁹ Australian Senate (2024), [Senate Estimates – Community Affairs Legislation Committee - 3 June 2024](#), p.126

¹⁷⁰ NDIA, Internal analysis to support the 2025-26 Annual Price Review, unpublished. Note: Small providers are defined as those servicing 10 or fewer NDIS participants in the 6 months to 31 December 2025.

¹⁷¹ NDIA (2026), Supplement E to NDIS Quarterly Report for Quarter 2 of 2025-26, Tables E.115 and E.116

4.2.2 Option 2: Plan management panel

4.2.2.1 Expected impact on NDIS participants

Under this option, plan managed participants would receive more consistent and higher quality services from their plan management provider.

Some participants would continue to access plan management services through their existing plan management provider, if their plan management provider was successfully chosen to be part of the NDIA-commissioned panel. Other participants would be required to transition to a new plan management provider on the NDIA-commissioned panel.

There would be a 6-month transition period for participants after the panel was implemented. During the transition period, participants could continue to access plan management services from their existing plan management provider, even if the plan management provider was not chosen to be part of the NDIA-commissioned panel.

Some participants could initially react negatively to having to change plan management providers. Participants who are required to transition to a new plan management provider would need to select a new plan management provider from the NDIA-commissioned panel. The NDIA would support these participants to be onboarded to a new plan management provider. It is assumed that transitioning to a new plan management provider would require up to 3 hours of effort per participant. Using the OIA's non-work-related labour cost of \$37/hour, the regulatory burden on individuals is \$27.8 million.

4.2.2.2 Expected impact on the plan management market

This option would benefit plan management providers who are selected to join the NDIA-commissioned panel. Whilst these providers will benefit, it is to be noted that for selected providers who are a part of the commissioned model, there will be additional regulatory requirements (and associated costs). These providers would likely benefit through:

- a. More restrictive market entry conditions, with all plan-managed participants having to choose between a smaller number of plan managers. This would support economies of scale and operational efficiencies.
- b. Clearer service offering and performance expectations.

Under this option, there would be significant contraction of the current market of approximately 1,400 are active providers who have made a claim in the most recent financial quarter,¹⁷² many of whom no longer being eligible to provide plan management services.

It is estimated that a number of plan management provider businesses may close as a result of this option. The majority of plan management providers would be expected to exit the plan management market but may continue to deliver other disability services and therefore continue

¹⁷² NDIA, Quarterly Report to Disability Ministers for Q2 2025-26, pages 68-69

business operations. This would remove conflict There would likely be market consolidation prior to and during the panel's implementation.

Plan management providers on the NDIA panel will be ineligible to provide other NDIS services. This will minimise conflicts of interest and reduce fraud.

The exiting of plan management providers from the market could likely result in job losses for workers at providers who were not selected to be on the NDIA's plan management provider panel. Some workers at plan management providers who exit the market may be able to be employed by other plan management providers on the panel.

There would also be administrative costs associated with complying with and reporting on aspects of the panel conditions for successful plan managers. This may include attending regular contract management meetings and producing performance and integrity reports. The regulatory burden cost is estimated to be \$1.5 million total. These costs would not be passed on to participants as the price for plan management services would continue to be set by the NDIA.

4.2.2.3 Expected impact on NDIS providers

There would be a minor impact for NDIS service providers who would need to send invoices to new plan managers, as participants transition between exiting plan managers and panel members.

Support coordinators and other relevant intermediaries would be expected to support participants to transition from an exiting plan management provider to a provider on the NDIA-commissioned panel. This support is part of their usual service offering.

Plan management functions are distinct and separate from support coordination functions. Currently, a number of providers deliver both plan management and support coordination services. While commissioning of plan management and support coordination services will occur through separate processes, the NDIA would consider synergies where appropriate.

The expected regulatory burden costs of this option are outlined as follows.

FIGURE 14: AVERAGE ANNUAL REGULATORY COSTS (FROM BUSINESS AS USUAL) FOR A COMMISSIONED PLAN MANAGEMENT PANEL MARKET

Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs
Total, by sector	\$1.5	\$0	\$27.8	\$29.3

4.2.2.4 Expected impact on government

There is an anticipated reduction in Scheme costs under this option. The NDIA expects that total plan management fees could be reduced, as the NDIA would be able to negotiate or set lower prices for panel members who would benefit from greater economies of scale.

Other savings to the Scheme may be achieved through improved integrity and reduction in fraud and error by eliminating unscrupulous and poor-quality plan managers and data sharing intelligence. A higher-quality plan management market would result in greater value of noncompliant claims from being processed by the NDIA. There would be reduced regulatory and compliance enforcement costs for the NDIS Commission due to a smaller plan management market. There would be staffing and administrative costs for the NDIA to implement the plan management panel.

4.2.3 Option 3: Abolish the plan management market

4.2.3.1 Expected impact on participants

Shifting plan management functions to the NDIA is likely to improve participants' experience in receiving a consistent and simplified service. Exploitative and sharp practices from the plan management market and NDIS providers would be reduced significantly. The NDIS Review suggested that this option has the greatest potential to reduce fraud.

Participants would have reduced choice of plan manager. All plan managed participants would have to transition to a plan manager who is on the commissioned panel, or change plan management method to be agency or self-managed. The NDIA would need to invest in significant support to manage this change.

It is assumed that transition activities – similar to those described in Option 2 – would require 3 hours of effort per participant.

4.2.3.2 Expected impact on the plan management market

The impact on the plan management market would be significant. Approximately 1,400 active plan management providers,¹⁷³ would no longer be eligible to deliver plan management services.

People currently employed in the provision of plan management services would be impacted, although many of these workers also deliver other NDIS services. Under this option, the NDIA could seek to hire from this cohort as the NDIA scales up in-house plan management services.

4.2.3.3 Expected impact on other NDIS providers

While there would be an initial impact on other NDIS service providers as they adjust to new invoicing processes, they would experience a more consistent and higher quality claiming experience.

Support coordinators and other relevant intermediaries would be expected to support participants to transition from a plan management provider to an NDIA-managed function.

¹⁷³ NDIA, Quarterly Report to Disability Ministers for Q2 2025-26, pages 68-69

4.2.3.4 Expected impact on government

The NDIS would require significant investment in systems and technology, workforce, change management and legislative change to support the transition of additional participants to an Agency managed approach. This cost is unknown but expected to be higher than option 2 in the short-medium term.

Following full implementation, it is expected that longer term costs to government would likely be lower than status quo.

The NDIS would benefit from significant economies of scale, and costs to deliver the plan management function would likely be less than the current fees paid to plan management providers. However, a significant NDIA workforce would likely be required under this option.

Enhanced claim and payment controls would reduce fraud-related leakages from Scheme costs. The NDIS Commission would no longer be required to register or regulate plan management providers.

4.3 Support coordination reforms

4.3.1 Option 1 – Status Quo

4.3.1.1 Expected impact on participants

Some participants would continue to access inconsistent and poor quality support coordination services due to the continuation of issues identified in the current market.¹⁷⁴ The need for effective navigation-type services delivered by support coordinators will increase due to significant system change caused by other disability reforms. This includes the introduction of flexible budgets through NFP reforms and the rollout of Thriving Kids.

These risks are likely to continue and include risks to the wellbeing and safety of people with disability. This may result in participants who experience complex needs and barriers to navigation being disproportionately disadvantaged as NFP reforms roll out. This is due to the high level of choice and self-navigation likely to be required, with variations in participants' capability. This option would have minimal impact on existing challenges people with disability experience when looking for services.

4.3.1.2 Expected impact on the support coordination market

If support coordination is not reformed, the existing provider market would remain difficult to manage, with inconsistent quality and weak safeguards. Unregistered providers would continue operating without clear expectations, accountability or consistent oversight, with high risk of poor practice and variable participant outcomes.

¹⁷⁴ NDIS Review (2023), [Final Report - Working together to deliver the NDIS](#), page 100

4.3.1.3 Expected impact on other NDIS providers

There would be minimal impacts on other NDIS providers. In the absence of reforms to increase role clarity, support coordination would likely continue to be poorly understood and inconsistently provided, duplicating other functions and with limited oversight and accountability.

4.3.1.4 Expected impact on Government

This option would not result in any direct savings in the Scheme and fail to address existing service quality and integrity issues. In the absence of changes to existing arrangements, government will need to manage high levels of reform risk and risks to the safety and wellbeing of people with disability.

4.3.2 Option 2 – light touch reform to existing support coordination market

4.3.2.1 Expected impact on participants

Participants may experience an increase in the quality of support coordination services as a result of providers being registered. Some participants may experience service disruption and the need to find new support coordinators if mandatory registration results in some providers exiting the market.

4.3.2.2 Expected impact on the support coordination market

There are approximately 10,000 support coordination providers in the current market.¹⁷⁵ Providers would be required to register, which is a significant change to the current market. This may result in a consolidation of the support coordination market, including some potential provider exits. There would be some improvements in the quality and safety of support coordination services delivered by the market, but key issues around market inefficiency and integrity would not be addressed.

The expected regulatory burden costs of this option are outlined as follows. This includes an estimated \$2,738,024 administrative costs, \$134,734 in substantive compliance costs and \$67,367 in delay costs. A range of assumptions have been incorporated in the estimated regulatory costs in the table above. This includes that proposed changes will have no direct regulatory impact on participants or the community. The model also assumes the reforms will be applied to the existing market, so the impact of regulatory burden changes has been identified for existing providers in the system to become registered using the certification and audit process. Inputs used to model regulatory costs could also change over time.

¹⁷⁵ NDIA (2026), [Quarterly Report Supplement E National 2025-26 \(Q2\)](#), Table E.95

FIGURE 15: AVERAGE ANNUAL REGULATORY COSTS (FROM BUSINESS AS USUAL) FOR MANDATORY REGISTRATION OF SUPPORT COORDINATION

Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs
Total, by sector	\$2.94	\$0	\$0	\$2.94

4.3.2.3 Expected impact on other NDIS providers

There would be minimal impacts on NDIS service providers. In the absence of reforms to increase role clarity, support coordination would likely continue to be poorly understood and inconsistently provided, duplicating other functions and with limited oversight and accountability.

Plan management functions are distinct and separate from support coordination functions. A number of providers deliver both plan management and support coordination services. While commissioning of plan management and support coordination services will occur through separate processes, the NDIA would consider synergies where appropriate.

4.3.2.4 Expected impact on Government

The Australian Government would likely face calls to increase support coordination prices in response to registration requirements. Should this not occur there may be market exits and reduced support coordination claims and payments (and potential cost savings). While registration would help increase government oversight to improve service quality, it would not fully address underlying market efficiency and integrity issues. In the absence of changes to existing arrangements, it is likely that the Australian Government will need to manage high levels of reform risk and risks to the safety and wellbeing of people with disability.

4.3.3 Option 3 – Commission a new support coordination and connection service with capped program expenditure

4.3.3.1 Expected impact on participants

This option would deliver better user experience and outcomes for participants.

Its anticipated impacts include transition to a new service for many participants. In the near term, it would involve some disruption to participants who currently access support coordination. This includes the potential need for some to find new providers due to providers exiting the market. In the longer term, it is intended to deliver higher quality and greater consistency of service, particularly for those participants with more intensive coordination and connection needs.

The proposed timing of this option aims to minimise disruption to participants during the transition phase of NFP reform.

A range of decisions about the working model will be required during implementation, and this will shape future-state impacts on participants. For example, the level of support people receive under a new commissioned service to ensure it is matched to their level of need. This will likely involve trade-offs across service intensity and scope so that people with more complex needs receive the right support within the program capped funding constraints. Decisions about trade-offs would be informed by further analysis of commissioning processes, market readiness and cost benefits.

In a future state, the new support coordination and connection service would enable participants to better manage their more flexible budgets introduced under NFP reforms.

4.3.3.2 Expected impact on the support coordination market

This option would create significant change to the support coordination market and functions. A new commissioned service would be established that improves market integrity and oversight, addressing systemic issues with the current market. It is also likely to reshape the support coordination market, including the possibility of new entrants and the exit of a significant number of existing support coordination providers. Providers engaged through the commissioned service may have additional compliance and reporting obligations.

4.3.3.3 Expected impact on other NDIS providers

This option would provide the opportunity to merge duplicative functions currently delivered by support coordinators and partners in the community. This would have implications for how partner services are delivered in the future. Any potential opportunities to reform partner functions, including in the context of support coordination reform, is subject to Australian Government consideration.

4.3.3.4 Expected impact on Government

Implementing a commissioned support coordination and connection service makes it possible to guarantee a reduced funding envelope and commensurate savings for government. Under the current model, payments for support coordination are demand driven and have no cost control mechanisms, apart from the setting and allocation of budgets by the NDIA in the planning process. A commissioned service increases oversight and control of the service budget.

Introduction of a new high quality support coordination and connection service would make it easier for people with disability to find the right supports they need, when they need them. This option would also support the broader rollout of other disability reforms, including connecting participants to supports deemed effective and beneficial under the clarification of 'reasonable and necessary' and planning supports under more flexible budgets under the NFP. It is likely this direction of reform would involve a higher degree of government control and oversight of market outcomes compared to the current state, including consideration of workforce skills and capability. This option would also incur implementation costs, including resourcing, to implement.

4.3.4 Option 4 – Commission a new support coordination service with a tighter cap on program expenditure

4.3.4.1 Expected impact on participants

This option would deliver better user experience and outcomes for participants. It would involve some disruption to participants who currently access support coordination. This includes the potential need for some to find new providers due to providers exiting the market. Timing of this option would also minimise disruption to participants during the initial transition phase of NFP reform.

The tighter cap on funding to deliver a new commissioned service would require a tradeoff in the number of participants who could access the new service. This would likely result in a significant reduction in the number of participants who can access support coordination services.

The resulting unmet need could result in participants experiencing challenges due to lack of adequate support to help manage their flexible budgets. It would also exacerbate broader challenges experienced by people with disability when trying to find services.

4.3.4.2 Expected impact on the support coordination market

This option would create significant change to the support coordination market and functions. A new commissioned service would be established that improves market integrity and oversight, addressing systemic issues in the current market.

This option is likely to result in a consolidation of the support coordination market, including the exit of a significant number of support coordination providers. Providers engaged through the commissioned service may have additional compliance and reporting obligations. The tighter cap on funding available to deliver the new service may raise viability concerns for providers who would be commissioned to deliver this service.

4.3.4.3 Expected impact on other NDIS providers

This option would provide the opportunity to merge duplicative functions currently delivered by support coordinators and partners in the community. This would have implications for how partner services are delivered in the future. Any potential opportunities to reform partner functions, including in the context of support coordination reform, is subject to Australian Government consideration.

4.3.4.4 Expected impact on Government

This option would provide the greatest savings for government. These savings may be undermined in the long term due to the potential adverse impacts on some participants and sector viability. There may also be some additional costs to government required to implement this option, subject to any further design work and government considerations.

This option would support the rollout of NFP reform. However, significant cost constraints would limit the ability of providers to recruit the skilled workforce required to connect participants to providers of effective and beneficial supports under the new definition of reasonable and necessary. This direction of reform would involve a higher degree of government control and oversight of market outcomes compared to the current state. This option would also incur implementation costs, including resourcing, to implement.

This document has been released
under the Freedom of Information Act 1982
by the Department of Health, Disability and Ageing.

5. Consultation

5.1 Introduction

Extensive consultation with people with disability, their families and the disability community informed the NDIS Review. The review considered 3,976 submissions to provide a set of recommendations to: put people with disability back at the centre of the NDIS; restore trust confidence and pride in the NDIS; and ensure sustainability of the NDIS for future generations. The reforms canvassed in this Impact Analysis relies on consultation from the NDIS Review and the detail below reflects the thoughts and sentiments of the thousands of people who contributed to the Review.

The NDIS Review had an extensive approach to consultation, including a combination of the following:

- Communication platforms and submission process.
- Webinars, roundtables, workshops and small meetings in person, over the phone and online.
- Partnering with organisations to hold workshops, meetings and focus groups.
- Interviews and focus group sessions with sector and technical experts.
- Participatory engagement with people with lived experience.
- Engagement with state and territory governments.

The NDIS Review undertook a multi-stage approach to working with NDIS stakeholders, with a specific focus on ensuring that NDIS participants had opportunities to contribute. The review team spoke to more than 1,000 people with a disability, representing 2,000 hours of direct engagement.¹⁷⁶ Disability Representative Organisations also contributed both their expertise and ensured that systemic barriers to participation were addressed in their engagement with NDIS participants and other people with disabilities. Twenty-six ideas testing sessions followed initial engagement work, to support the design of recommendations. This means that the recommendations of the NDIS Review took into account the views of those consulted and went further to test recommendations with stakeholders. It is difficult, therefore, to articulate how the consultation shaped the final recommendations of the NDIS Review specifically as contested ideas have not been published but resolved as part of the two-stage consultation. Published material from these consultations is referenced in the NDIS Review Final Report as well as in the reporting of consultation feedback by the NDIS Review.

The NDIS Review considered the entire disability support eco-system in its scope, and made recommendations based on feedback from the community that the accessibility and appropriateness of supports outside the NDIS was critical to the reform agenda ahead. This Impact

¹⁷⁶ NDIS Review (2023), [A guide for people with disability and their families](#), page 5

Analysis considers a narrower range of reforms to the NDIS, which are interconnected with the broader eco-system development, despite being presented somewhat separately here.

Nevertheless, findings and consultation outcomes of the NDIS Review have been considered in the development of these options. So too has the further consultation findings of the NDIA and the Department in the ongoing development of reforms, including consultation on Thriving Kids, intermediary navigation-like supports, and legislative changes for access and supports.

Consultation has also occurred between the Australian Government and the states and territories, resulting in commitments made by National Cabinet. This has included commitments to the *NDIS Financial Sustainability Framework* in 2023 and the 5 to 6 per cent, or lower, annual growth target in 2026.

Reform has also considered findings from other recent consultation processes, where relevant. This includes the parliamentary inquiry into Thriving Kids, which received 404 submissions, 19 supplementary submissions, 1,194 survey responses and held 7 days of public hearings. It also includes findings from the Thriving Kids Advisory Group, which engaged with 68 stakeholders over 6 in-depth workshops as part of their consultation process.

Further consultation will be undertaken to support reform design. This will also include consultation with people with disability and their families, carers and advocates that will be focused on listening to feedback, testing proposed rules and processes, and sharing information about transitions as it becomes available. This ongoing consultation and engagement on NDIS reforms will occur with the:

- Disability Reform Ministerial Council.
- NDIS Reform Advisory Committee.
- Disability Representative Organisations.
- NDIS Evidence Advisory Committee.
- Industry Chief Executive Forum.
- Independent Advisory Council.

The below table provides indicative timeframes of planned consultation for measures in the Securing the NDIS for future generations Bill.

Timeframe	Measure
1 July 2026	Consultation/market readiness testing begins on: - design of a commissioning approach for home and living supports for SIL participants who need 24/7 support to ensure participants receive the best supports and address provider viability challenges - expanding differentiated pricing for unregistered providers - design of the Inclusive Communities Fund and market reforms for social and community participation and capacity building activities to ensure genuinely inclusive activities are available in the market
Early August 2026	Consultation begins on: - updated New Framework Planning rules - new eligibility assessment process to determine access to the Scheme
31 August 2026	Consultation concludes for: - expanding differentiated pricing for unregistered providers - design of the Inclusive Communities Fund
30 September 2026	Consultation concludes for: - updated New Framework Planning rules¹⁷⁷ - new eligibility assessment process to determine access to the Scheme
31 October 2026	Consultation concludes for: commissioning SIL market reforms for social and community participation and capacity building activities

Not all of the measures included in this table are detailed in this Impact Analysis, but have been included for a holistic view of the whole package of proposed reforms. Figures in bold are those detailed in this Impact Analysis.

The consultation feedback below gives a sense of how interconnected NDIS supports and access are to people's experience in communities and with mainstream systems. The Government is committed to consulting with the States and disability community on long-term, structural reforms.

¹⁷⁷ Noting significant consultation on New Framework Planning has already been undertaken.

5.2 Proposals impacting access

5.2.1 Access changes

The NDIS Review had an action (action 3.9) for the Australian Government to consider updating and clarifying legislation to support a more effective approach to determining access. This included strengthening the operation of the permanence criteria when considering access and eligibility to the Scheme. Submissions to the NDIS review heard that the current process for requesting eligibility is cumbersome, unclear and difficult to navigate. This is in addition to outcomes being inconsistent and inequitable. The review included the following, highlighting these challenges:

“I have been unable to access the NDIS because the application process is so horrible to engage with... The NDIS needs to serve all disabled people, not just those who can work the system” – person with disability

“Current forms are cumbersome and inefficiently designed, with an emphasis on the requirement for the use of correct phrasing to obtain approvals” – Royal Australian College of General Practitioners

“Specialists are not trained in completing NDIS Access Request Forms... and nor should they have to be...” – carer

Further consultation on the impact of changes to access and eligibility criteria to establish a definition of substantially reduced functional capacity will be undertaken through the establishment of a Technical Advisory Group (TAG).

Consultation on the new eligibility assessment process based on functional capacity will commence from August 2026. The Australian Government will consider the advice and work with state and territory governments in establishing a threshold for substantially reduced functional capacity that will be used to determine eligibility for the Scheme.

Proposals to tighten the assessment of eligibility to the Scheme based on permanence and access to other service systems will be of heightened interest. This is due access being limited for people with conditions and/or access to other systems that some other people have been granted access for prior to implementation of these changes.

5.2.2 Limit access based on other service systems and based on permanence

Limiting access based on access to other service systems, and based on permanence are two separate proposals in this package of reform. These are both proposed to be enacted through the passage of legislation, to become effective from January 2028.

The original report of the Productivity Commission on the establishment of the NDIS envisaged that mainstream service systems, such as health, ageing, state and territory compensation schemes, and other systems would remain playing a key role in supporting people with disability, and that

the NDIS would not replace but rather complement these systems. The NDIS review found that participants and providers alike find the interfaces between the NDIS and these other systems confusing and hard to navigate. By limiting access to the NDIS based on access to other service systems (like compensation schemes delivered by the states and territories), participants, providers and the broader disability community in Australia will be clearer on who the NDIS is responsible for supporting.

The supporting analysis of the NDIS review found that the 2022 Federal Court decision in *National Disability Insurance Agency v Davis* is likely to have significant implications for the permanence eligibility criteria. Currently, an applicant is required to have an impairment(s) that is, or is likely to be, permanent. This has led to unclear boundaries between people who are best supported by the NDIS, and those who should be supported by other mainstream service systems, like the health system. The NDIS Review found that the relationship between the NDIS and the health system remains ambiguous.

Under the APTOS, state and territory health systems are currently responsible for early intervention and treatment of chronic health conditions. By clarifying the definition of permanence and ensuring that only people with both significant and permanent disability are eligible for the NDIS, participants (prospective and existing), the disability community, providers and broader community in Australia will become clearer on who is eligible for the NDIS.

This change will not become effective until January 2028, which will allow all stakeholders across the community to prepare for the change.

5.2.3 Access reforms to support the rollout of Thriving Kids

The NDIS Review consulted extensively with people with disability, their families, and the disability community.

The review heard there are limited supports focused on early intervention, prevention or low intensity support needs for people with disability outside the NDIS, including children with emerging developmental concerns.

Consistent with this, the review found that the lack of accessible, affordable foundational supports has turned the NDIS into an “oasis in a desert”, increasing inequity between those inside and outside the Scheme and pushing people to seek NDIS access because there is “nowhere else to go”.

A lack of supports outside the NDIS for children with developmental concerns, or disabilities, was identified by the review as a key gap in the broader disability ecosystem.

The Australian Government has reached agreement with states and territories to invest \$10 billion into foundational supports outside the Scheme. As a first step, states and territories have agreed on the Thriving Kids National Model, which will support children aged 8 and under with developmental delay and/or autism with low to moderate support needs.

To support the rollout of Thriving Kids, the Australian Government and all state and territory governments have agreed in principle to change NDIS access arrangements for children. The details of these arrangements are subject to further agreement between the Australian and state and territory governments.

It should be noted that the NDIS Review explicitly acknowledged that changes to access will be needed to support the rollout of foundational supports stating "Changes to access and budget setting processes for children and young people should only be implemented once widespread foundational supports are in place".¹⁷⁸ The proposed changes to NDIS eligibility to support Thriving Kids are intended to commence on 1 January 2028 once the full rollout of Thriving Kids has been completed – in-line with the review.

5.3 Proposals impacting plan reassessments and budget setting

5.3.1 Limiting unscheduled reassessments

The NDIS Review recommended that reassessments should be scheduled to align with key life transition points where relevant.¹⁷⁹ The 2023 review and other key reviews into the NDIS (for example, the Tune Review) have heard that participants do not want or need to hear from the NDIA unless they are requiring support, or need a change to the supports they are receiving. A more consistently applied reassessment process will assist in addressing issues observed by the NDIS Review in relation to the planning cycle and resource allocation:

People also do not trust the NDIA to respond in a timely or adequate way if circumstances change.¹⁸⁰

Confidence in plan reassessments being available for significant change is one component. The link between unscheduled reassessments and plan inflation also contributes to rising budgets. Overall, the use of reassessments to increase plan values is expected to reduce. It is important that this change is clearly articulated and that the NDIA continues to support participants and manage individual risks and changes of circumstances as they arise.

5.3.2 Resetting budgets in old framework plans (SCCP and CBDA)

This level of support does not always correspond with better outcomes, and has led to community programs funded outside of the NDIS becoming less available.

The reforms announced in the 2026-27 Budget include a decision to reduce the funding levels of two categories of support, SCCP and CBDA, as well as an investment of \$200 million to build

¹⁷⁸ NDIS Review (2023), [Final Report - Working together to deliver the NDIS](#), page 41

¹⁷⁹ NDIS Review (2023), [Final Report - Working together to deliver the NDIS](#), page 93

¹⁸⁰ NDIS Review (2023), [Final Report - Working together to deliver the NDIS](#), page 31

community capability in inclusion. This is proposed in response to the need to reduce the volume of supports in order to preserve the sustainability of the NDIS. It also responds to the concern expressed by the NDIS Review that:

Community supports for all people with disability, as originally proposed, have not been delivered. As a result, the NDIS has become an oasis in the desert. This has had a significant impact on the cost of the scheme. It has also left people who are not in the NDIS without support. This is deeply unfair.¹⁸¹

Focusing on what is reasonable and necessary to expect the NDIS to fund connects with repeated concerns that the idea of NDIS as an 'oasis in the desert'. The review found that the inconsistency of application of reasonable and necessary was causing inconsistent planning decisions, which in turn have seen SCCP and CBDA funding be provided at much greater volumes than would be considered reasonable.

Resetting participant's support budgets in old framework plans is likely to cause a high level of concern amongst the disability community. It is important that the mitigating effect of plan utilisation on budget reductions is communicated, as well as the misalignment with other social care systems where evidence based benchmarking exists.¹⁸²

This measure should not be considered to have undergone specific consultation to date.

5.3.3 Reasonable and necessary changes

Consultation conducted throughout the NDIS Review found that participants found it difficult to understand what supports are considered reasonable and necessary or how the NDIA applies it when making decisions for old framework planning.

"Arbitrary rules - what is reasonable and necessary to me is not the same as it is to my planner... Being told a service is not reasonable and necessary by your planner but knowing someone (whom is in the exact same situation) else's planner has approved it." – Participant¹⁸³

Greater clarity for participants and planners about the definition of reasonable and necessary will create more consistent decisions on the type and amount of supports that the NDIS will provide. While providing greater clarity on what is considered to be a reasonable and necessary supports was a recommendation of the NDIS Review¹⁸⁴, this measure was not the topic of specific consultation.

¹⁸¹ NDIS Review (2023), [What we have heard: Moving from defining problems to designing solutions to build a better NDIS](#), page 3

¹⁸² NDIS Review (2023), [Final Report - Working together to deliver the NDIS](#), page 262

¹⁸³ NDIS Review (2023), [What we have heard: Moving from defining problems to designing solutions to build a better NDIS](#), page 10-11

¹⁸⁴ NDIS Review (2023), [Final Report - Working together to deliver the NDIS](#), page 92

5.4 Commissioning plan management, support coordination and home and living supports

Plan management and support coordination reform has been informed by findings from the NDIS Review, including recommendations 4 and 10. It was also informed by the following consultations and reviews:

- The [NDIS Quality and Safeguards Commission own motion inquiry into support coordination and plan management](#) (2023).
- The [Disability Royal Commission final report](#) (2023) including recommendations 9.4, 10.2, 10.3 & 10.4.
- The [Tier 2 Tipping Point](#) research report (2022).
- The [IAC supporting LACs to be LACs](#) (2021).
- The [Tune Review](#) (2019) including recommendations 3 & 16.
- The [IAC Support coordination](#) paper (2018).

As part of these processes, the Australian Government conducted intensive engagement with the disability sector.

5.4.1 Addressing quality, integrity and fraud

Recent reviews and consultations have highlighted issues with integrity of the plan management and support coordination markets. This includes issues around service quality, sharp practice, fraudulent behaviour and conflicts of interest. The NDIS Quality and Safeguards Commission's Own Motion Inquiry in 2023 identified the need to strengthen regulatory action and market stewardship to respond to poor quality plan management and support coordination services. In the context of the NDIS, market stewardship is the role of government in shaping and overseeing how markets operate to ensure they deliver good public outcomes over time, such as access, quality, equity and sustainability and in responding when markets are not working as intended.

The Disability Royal Commission recommended making it clearer that it is not appropriate for support coordination providers to be the provider of any other funded supports in a participant's plan. It also recommended work be undertaken to improve the quality and consistency of support coordination services, with a specific focus on participants with intersectional and complex needs. For example, participants living in remote and very remote locations, First Nations and Culturally and Linguistically Diverse people with disability, and people with disability experiencing housing insecurity or homelessness.

These findings informed direction on opportunities to improve government oversight of the plan management and support coordination markets to address quality and integrity issues. Findings will also continue to inform detailed design of plan management and support

coordination reform, including how commissioning approaches can ensure service quality and minimise conflicts of interest. It will also inform how detailed service design will better meet the needs of participants with intersectional and complex needs.

5.4.2 Plan management reform

Recent reviews have identified quality concerns related to smaller plan management providers. The NDIS Review and the NDIS Commission's Own Motion Inquiry into Support Coordination and Plan Management found:

- Inconsistent quality and standards of plan management services and systems
- Low barriers to entry and insufficient oversight, resulting in conflicts of interests
- Fraud and poor governance
- Inconsistent provider integrity in supporting participants

Other recommended actions from recent reviews and inquiries have been implemented or could be implemented in the future. Consistent with the actions arising from the NDIS Commission's Own Motion Inquiry, plan managers have been required to register with the NDIS Commission. This has established a baseline of consistent practice. However, the size of the plan management market has limited the capacity of the NDIS Commission to effectively oversee this market segment.

The NDIS Review noted that transitioning to fully electronic payments would effectively remove the need for a plan management market. However, this would require significant investment and additional time to implement fully. System improvements have commenced under Crack Down on Fraud Phase 1 and further improvements are proposed under Phase 2 investments.

The NDIS Review also recommended a clear transition path for existing plan managers. The NDIS Review noted the value of quality plan managers in supporting prevention, detection and response to non-compliance, sharp practice and fraud. The NDIS Review recommended signalling changes to the market to minimise disruptions, which the preferred reform model captures.

Finally, NDIA consumer surveys in 2024 identified that participants prioritise plan managers delivering process-related supports (processing invoices and providing budget support) and place less emphasis on plan managers delivering personalised services. Respondents considered that personalised services were beyond the scope of the plan manager's role and were the responsibility of other intermediaries (i.e. support coordinators and partners in the community).

Taken together, these findings suggest improving quality controls at the cost of personalisation would be acceptable to the plan management market.

5.4.3 Improving support coordination as a navigation-like service

The NDIS Review recommended supporting people with disability to better navigate mainstream and disability supports through commissioning a navigator function.

Subsequently the NDIA has undertaken a series of initial stakeholder engagement activities. In late 2024, a number of workshops occurred with intermediaries to identify current challenges with navigation-like services they deliver. From July 2025 to December 2025, the NDIA led a dedicated consultation and engagement process with over 370 stakeholders across more than 20 activities. This included co-design focus groups with participants, and workshops and consultations with disability sector organisations, peak bodies, advocacy groups and service providers.

Findings from recent reviews and consultations identified clear themes across the current state for support coordination and other intermediary navigation-like services. This included:

- Concerns about service complexity.
- Duplication and gaps in existing roles.
- Workforce challenges – particularly in regional, rural and remote areas.
- Provider exits driven by reform ambiguity.
- Challenges with service flexibility and responsiveness.

These co-design and engagement activities also enabled the NDIA to test initial ideas for reforming support coordination and other navigation-like intermediary functions. This included testing community and sector views on:

- Choice and control in a potential commissioned model.
- The value of geographically local versus a specialist workforce.
- Supported decision making and capacity building.
- Participant safeguarding.
- Dedicated pathways for First Nations peoples and children.

Initial engagement conducted by the NDIA also identified tensions between stakeholder expectations on workforce skills and capabilities, how the service could be delivered, and the overall scope of a reformed support coordination function (and other potential future intermediary functions delivering navigation-like support).

5.4.4 Commissioning home and living supports

The NDIS Review found that home and living decisions are inconsistent, inequitable and opaque. It reported that many participants with home and living supports have limited choice in where, how, or with whom they live. In addition to this, home and living supports are a high cost to the Scheme, and there are market challenges with some providers reporting that they are unable to remain viable.

Consultation on commissioning home and living supports will begin in July 2026. Consultation will seek to understand SIL market challenges faced by both participants and providers. Targeted consultation will hear from participants using SIL, their families and carers, SIL providers and industry representatives (including peak bodies and union representatives). Consultation will focus on the most effective model that balances participant needs and provider viability.

Consultation and design of SIL commissioning model will consider the impact of the commissioning of plan management and support coordination to ensure consistency.

This document has been released
under the Freedom of Information Act 1982
by the Department of Health, Disability and Ageing.

6. Preferred options and implementation

Many of the options considered in this Impact Analysis are linked to the need for legislative reform. The passage of legislation introduced in the Winter Sitting will enable these proposed options to be implemented. This assumption underpins all the options considered and assessed.

6.1 Eligibility and support reforms

The preferred option for eligibility and support reforms is Option 2: A balanced approach of eligibility and support changes for the NDIS.

Option 2 is preferred as it is considered the most effective option with regard to meeting the objectives of the reforms, as outlined in Section 2 and rated in Section 4.

Option 2 would more effectively moderate annual Scheme cost growth than options 1, 3 and 4. The cost of the NDIS is determined by the number of participants in the Scheme and the cost per participant. Taking no action, as per option 1, would not moderate annual Scheme cost growth and would not assist in returning the Scheme to its original intent. Seeking to address only one of these cost determinants, as per options 3 and 4, would have a positive impact on moderating annual Scheme cost growth. However, by only focusing on eligibility or supports, options 3 and 4 would require reform that goes beyond returning the Scheme to its original intent to meet the growth target, and therefore have too great a negative impact on NDIS participants, as well as NDIS providers and the NDIS market.

The balanced approach of option 2 is considered optimal. It will most effectively moderate annual Scheme cost growth in line with returning the Scheme to its original intent. Importantly, it would do this without any additional adverse impact on NDIS participants or NDIS providers and the NDIS market in comparison to option 3 and 4.

Option 2 is therefore considered, on balance, to be the preferred option.

Option 2 presents an implementation risk as reform elements are subject to the passage of legislation through Parliament. The potential for amendments could delay or alter implementation. Some elements require work with states and territories to design Rules. It would also require changes to NDIA operational practices, which may impact implementation timeframes.

The Department will work with states and territories, the NDIA and the NDIS Quality and Safeguards Commission to set up monitoring and governance arrangements for implementation of the NDIS reforms announced in the 2026-27 Budget. This will need to include monitoring the implementation of individual elements, but also the reform package as a whole. This will assist risks to not be realised, or their impact to be mitigated, where possible.

The table below includes an implementation timeline for all reforms included in the NDIS Reforms package announced in the 2026-27 Budget.

Implementation Timeline	Measure
7 days after Royal Assent of NDIS Amendment (Securing the NDIS for Future Generations) Bill	• Tighter criteria for unscheduled plan reassessments begins • Participants and providers have new requirements to retain records relating to NDIS claims • NDIA will have stronger compliance, enforcement and information-gathering powers to tackle fraud and non-compliance and respond faster to suspicious behaviour • The Minister for Disability and the NDIS will become the decision-maker on NDIS pricing
Mid-June 2026	• Technical Advisory Group established to provide advice on new eligibility assessment process based on functional capacity
1 July 2026	• Rollout of mandatory registration requirement begins for SIL and platform providers
1 October 2026	• Phased rollout of Thriving Kids supports begins, with children aged 8 and under with development delay and/or autism with low to moderate support needs and their families able to access supports outside the NDIS. • Participant support budgets for social, civic and community participation supports and capacity building daily activities are progressively reset as plans are reassessed or renewed
1 February 2027	• Changes to plan rollovers begin for all participants • Tighter assessment of reasonable and necessary support for new entrants begins
1 April 2027	• Participants start to transition to New Framework Planning
1 July 2027	• Rollout of expanded mandatory registration requirements for providers of higher risk activities like personal care, daily living supports, and supports provided in closed settings begins, with all providers in scope to be registered by December 2030 • Rollout of new enrolment system with a minimum basic level of identifiable information on most NDIS providers begins, with all providers in scope to be enrolled by December 2027
1 October 2027	• New panel of plan managers begins with 6-month transition period

1 January 2028	- Access changes begin for new applicants with existing participants reassessed over 2 years: - Eligibility determined based on a new standardised, evidence-based assessment of functional capacity as informed by the Technical Advisory Group - More consistent assessment of permanence and whether an impairment can be alleviated or treated - More consistent assessment of access to other compensation schemes. - Thriving Kids services are fully operational nationally. - Access changes for new applicants aged 0-8 eligible for Thriving Kids begin.
1 July 2028	New support coordination and connection function with commissioned services begins
31 December 2030	New Framework Planning transition period ends. All participants will have been transitioned to new framework plans

Not all of the measures included in this table are detailed in this Impact Analysis, but have been included for a holistic view of the whole package of proposed reforms. Measures in bold are those detailed in this Impact Analysis.

6.2 Plan management reforms

The preferred option for plan management reforms is Option 2 – establishing a commissioned panel of plan management providers.

The preferred option would have the greatest immediate benefits for NDIS participants, other NDIS service providers and government. It would improve the quality and consistency of plan management services, reduce the cost paid for plan management services, and exit poor and unscrupulous providers efficiently.

The preferred option would result in greater government savings over the short- to medium-term, and at a lower short-term cost, which aligns with the Australian Government's priority to ensure the sustainability of the NDIS.

The preferred option aligns with the NDIS Review's recommendation that work to enhance plan management providers' responsibility in protecting NDIS integrity should start immediately. The NDIS Review stated this work should then be refined as the NDIA's digital infrastructure and capability evolves.

Continuing with the status quo (Option 1) would result in continued Scheme losses due to fraudulent practices and payment integrity failures, which are driven by unscrupulous or poor-quality plan managers. This would negatively impact the Australian Government's priority to ensure the sustainability of the NDIS.

Option 3 could give the NDIA full control and oversight of all claims and payments to providers, and eliminate fees paid to plan management providers. However, the NDIA does not currently have the capacity or capability to onboard all plan managed participants. This would likely disrupt the service delivery of plan management services, leaving plan managed participants without support.

Option 3 would require significant investment in systems, technology, workforce, change management and legislative change in the short-medium term. While some of this investment is ongoing through the uplift of NDIS claims and payment systems, the initial cost to government would likely be higher than under the preferred option, and savings would unlikely be realised for 3-5 years. This option could be considered further once enhancements to NDIS claims and payments have been implemented.

6.3. Support coordination reform

The preferred option for support coordination reform is Option 3: commission a new support coordination service with capped funding. Option 3 is preferred as it has been assessed as having the greatest net benefits for NDIS participants, the sector and the Australian Government. This includes by addressing key issues around service quality, integrity and efficiency raised by the NDIS Review and other recent consultations. This would help achieve the intended objectives of collective NDIS reform outlined in Section 2.

Market readiness testing is required to inform the implementation design of a new support coordination and connection service. This, alongside insights from recent engagement with participants, the disability community and sector, would inform analysis of potential trade-offs across service intensity and scope so that people with more complex needs receive the right support within the program capped funding constraints. Detailed service design and implementation may have additional implications for the expected impacts of the new service. Any additional implications would be considered by the Australian Government, where appropriate, as part of the design and implementation process.

Under Option 3, the greatest number of participants would have access to high quality support coordination and connection services. This is because it would address key existing issues around service quality and integrity. This is unlike Options 1 and 2 (*do nothing* and *light touch reform*), which do not address key issues and are likely to exacerbate current risks to the wellbeing and safety of participants as a result. Option 3 is expected to directly contribute to improving access to quality intermediary services for people with disability, a key objective of collective NDIS reform. By doing so, it is anticipated that Option 3 will help restore confidence in the Scheme and the services it delivers.

While Option 4 (*commission a new service with a tighter funding cap*) would address existing service issues, it is likely to significantly limit the number of participants who could access support coordination services in the future. This would undermine outcomes for participants who are unable to access support to find services or navigate their plan under NFP reform as a result.

This, in turn, would likely impede key objectives of collective NDIS reform, including to ensure people with disability can access the supports they need.

Option 3 (and Option 4) would lead to the most significant change in the support coordination market. However, it is also expected to result in the greatest improvements to service quality and integrity by improving government oversight and control of services. This would help drive a more effective and efficient market. The current support coordination market (10,903 active providers as at 31 December 2025) would be consolidated as a result of reform. A competitive merit-based commissioning process would ensure the best organisations are selected to deliver this new service, who demonstrate the capability and capacity to deliver high quality services. The number of providers in a commissioned market would be influenced by detailed service design. Any opportunities to merge duplicative functions across other intermediary roles into a single, new service is subject to Australian Government consideration.

Option 1 would not result in any changes to the market, which would result in a continuation of current market issues including poor quality and unscrupulous providers. Option 2 may result in some improvement to service quality as a result of mandatory registration, however other systemic issues are likely to continue.

Option 3 would provide the greatest long-term savings to government through the delivery of a more effective, efficient support coordination and connection service. The cap on funding for the program's delivery would be a key driver of service efficiency. This is expected to support Scheme sustainability in the long-term by reducing growth in costs seen in current support coordination services.

Comparatively, Option 4 could provide greater savings in the short-term by implementing a greater funding cap on the new service. However, these savings are likely to be undermined in the medium to long-term due to the unmet need it would cause among participants. When people with disability cannot find and access the services they need, this can lead to poor outcomes. In some cases, this may include exacerbation of the challenges a person is experiencing and a need to access more intensive, higher cost supports in the long-term.

Options 1 and 2 would only result in minimal savings for government and fail to address key market issues that impact the wellbeing and safety of participants. As such, these options would have minimal to no contribution to key objectives of collective NDIS reform. This includes the objective to improve Scheme sustainability so the NDIS can support future generations.

7. Evaluation

7.1 Evaluation approach

The Department is developing an evaluation plan for the NDIS reforms announced in the 2026-27 Budget. This will include, but not be limited to, the reforms this Impact Analysis is focused on.

Given the degree of interdependence of its elements, evaluation of this package should not be confined to assessing individual reforms in isolation. Instead, it needs to consider the combined effects of the reforms operating together. Evaluation activity should focus on whether the reforms, taken as a whole, are achieving their shared objectives and managing trade-offs effectively.

The specific objectives of this reform package should be the central focus of evaluation in totality.

As outlined in Section 2, the objective of the reforms is consistent with the commitments made by National Cabinet on 30 January 2026. National Cabinet:

- "...acknowledged the need for continuing reforms to secure the future of the NDIS, ensuring it is sustainable and can continue to provide life changing support to future generations of Australians with disability."
- Agreed to "...undertake necessary reforms to achieve annual cost of 5 to 6 per cent, or lower".¹⁸⁵

Specific reform objectives include:

- Slowing the growth of Scheme costs to a sustainable level (5 to 6 per cent, or lower).
- Ensuring the NDIS remains available to those with significant and permanent disability.
- Making eligibility requirements for the NDIS clearer, more consistent and equitable.
- Ensuring participants funding goes towards the supports they need most.
- Delivering quality services and support to participants.
- Ensuring intermediary functions consistently provide high-quality services to NDIS participants and other people with disability.
- Restoring confidence in the Scheme.

Success of the reforms will be determined by:

- Whether these measures directly and positively contribute toward meeting the annual growth target of the Scheme of 5 to 6 per cent, or lower.
- The consistency and accuracy of eligibility decisions.

¹⁸⁵ Heads of Agreement on the National Health Reform Agreement, National Disability Insurance Scheme reforms and Foundational Supports

- The quality of supports and services provided to participants.
- Improved integrity of the Scheme.
- Community support for the Scheme.

As noted in Section 2, the reforms included in this Impact Analysis are a subset of the NDIS reforms announced in the 2026-27 Budget. Measuring success therefore needs to look at the impact of the reforms as a whole in achieving the stated objectives.

To ensure successful and complete evaluation occurs, the Department will commence developing the evaluation approach and framework following announcement of the reforms in Budget 2026-27. This would assist in identifying data that needs to be collected early in the reform timeline to establish a baseline, and put in place any measures necessary to collect this data. This would enable a more rigorous evaluation at the time it is conducted. The Department also intends to seek the advice of the Australian Centre for Evaluation as part of developing the evaluation approach.

7.2 Responsibilities, data collection and future decision points

The NDIA, as the Australian Government agency with administrative responsibility for the NDIS, is responsible for the delivery of this package of reforms and managing Scheme sustainability.

DHDA, as the Australian Government agency with policy lead for the NDIS, is responsible for policy development, legislation and engagement with states and territories.

The Department considers a full evaluation of the NDIS reforms announced in the 2026-27 Budget should be undertaken in the 2030-31 financial year, with an interim evaluation undertaken in 2028-29. The role of states and territories in the evaluation will need to be considered, along with whether the engagement of a third party to lead the evaluation is appropriate. The Department intends to seek the advice of the Australian Centre for Evaluation as part of formalising the evaluation approach.

Existing Scheme reporting and monitoring can be leveraged for evaluative purposes. The NDIS Act establishes the NDIA and confers statutory functions that require it to manage, monitor and report on the financial sustainability and operation of the Scheme, as well as collect and publish Scheme data.

In practice, this includes annual reporting, regular public reporting, and the publication of performance and outcomes data, including quarterly reporting to disability ministers.

These obligations are reinforced through the NDIA's status as an Australian Government entity under the Public Governance, Performance and Accountability Act 2013 (PGPA Act), which imposes

mandatory planning, performance and accountability requirements to Parliament including annual reporting and budget-related accountability through Portfolio Budget Statements.

Some of the success determinants can be measured, at least in part, by proxies using existing data collection, surveys and reporting. This includes annual growth in the cost of the Scheme as published in or able to be derived from AFSR's and Budget publications, rates of participant employment and social and community participation, the characteristics of the cohort of eligible Scheme participants, participant satisfaction surveys, participant complaints, and regulatory data. Changes to social and community participation and capacity building budget levels can be measured through ongoing monitoring of average budget amounts, and through the utilisation rate of these supports.

The NDIS reforms announced in the 2026-27 Budget include strengthening the NDIA's investigative and enforcement capabilities, as well as improving how information is collected and monitored.

Other success measures require approaches more sensitive to sentiment. Proxy measures may be employed. Community support for the Scheme is a societal metric. It reflects whether the Scheme retains public confidence, legitimacy and social license. It goes beyond formal reporting frameworks and is inferred through several signals including complaints, appeals, media scrutiny and major reviews.

Evidence collected on the determinants of success will be used to inform the need for any further reforms to policy or operations, as well as inform an evaluation(s).

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