

Senate Committee: Community Affairs Committee

Budget Estimates 2026-27

Outcome: 4 - Disability and Carers

EXECUTIVE BRIEF – ADDITIONAL QUESTIONS

OVERVIEW/KEY POINTS

1. Can you clarify how the NDIS reforms will save the Budget \$37.8 billion over four years while still allowing for growth within the NDIS? **(Taskforce)**
 - Without reform the NDIS was projected to grow at an average of 8.6 per cent each year over the forward estimates (in cash terms). In that context, the \$37.8 billion save means the scheme still grows around 2 per cent on average.
2. Can you clarify who the 160,000 people are who will lose access to the NDIS in the reform of the Scheme?
 - To be clear, the modelling suggests that in 2030 participant numbers will be approximately 160,000 lower than current numbers. This does not factor in continued expected growth and is a misrepresentation of the modelling.
 - At maturity in 2030-31, we have modelled that 241,000 participants could be reassessed and exited.
 - This reflects that eligibility reforms won't commence for another 18 months and that the entry rate onto the scheme has continued to be high.
 - The modelling of this cohort is indicative and relies on assumptions to be able to model the numbers of participants who would not meet the new eligibility criteria, and the appropriate assessments and thresholds still to be determined.

Table: Demographics of exits at maturity

By age group	Proportion
18 and under	64%
19 and over	36%

By primary disability category	Proportion
Autism and delay	60%
Intellectual disability	13%
Hearing impairment	10%
All other	18%

- It's expected that diversions will have a similar weighting towards younger people and autism based on current entry rates.

- Last quarter: 73 per cent of new participants were 18 and under; 66 per cent had a primary disability category of autism or delay.

3. How will the department ensure there will be sufficient time to allow for community input to the changes.

- The Government has released an implementation timeline that details when each of the changes will come into effect.
- Some of the changes will come into effect soon after Royal Assent, while others will be implemented after consultation. This includes:
 - new framework planning
 - changes to access and eligibility
 - differentiated pricing
 - commissioning models for supported independent living
 - the design of the Inclusive Communities Fund
 - market reforms to participant supports for social and community and capacity building activities.
- Importantly, the changes related to access and eligibility will not commence until 1 January 2028.
 - This will allow time for the Technical Advisory Group to finalise its advice and consultation with the disability community and the states and territories.
- More information will be provided to participants, the disability community, and the public ahead of the changes coming into effect.
- The Government has announced its commitment to work collaboratively and in genuine partnership throughout this process.

4. Is the NDIS Sustainability Taskforce looking at ways to cut additional costs as well as reform the Scheme?

- The Government has announced its intention to explore additional reforms to maintain the long-term sustainability of the Scheme and ensure it delivers the best possible supports to participants.
- Consistent with standard process, the Taskforce (and other relevant areas) will provide advice to Government should it decide to pursue further reforms to the NDIS.

5. The government's timeline for the reforms shows that consultation will take place in the second half of 2026 across multiple major design items for NDIS sustainability. Will this consultation be genuine given the budget and associated changes have already been announced. How will you action the feedback received?

- The 2026–27 Budget sets the policy direction, but detailed design is not finalised for a range of measures and will be shaped through genuine consultation, consistent with the principle of “nothing about us, without us”.
- All consultation will play a critical role in shaping reforms, with the Government considering all feedback in policy development; noting measures are not expected to be implemented until 2027 at the earliest, allowing time to incorporate input into final design decisions.
- The Department will coordinate a staged consultation approach across reforms, including targeted engagement with stakeholders, states and territories, and the public, sequenced to reduce consultation burden on the disability community.
- Early targeted engagement with key stakeholders – including DROs and Reform Advisory Committee co-chairs – will be scheduled for June and July to ensure their views are captured early and shape the approach to public consultation.
- Public consultation will focus on how reforms are implemented in practice, including planning rules, eligibility, differentiated pricing, SIL commissioning, design of the Inclusive Communities Fund, and market reforms for social and community participation and capacity building.
- The Government is committed to genuine, staged public consultation from July to October 2026 so stakeholders can provide focused, considered feedback on each measure.
- The Government will ensure accessible engagement by publishing short consultation papers (including Easy Read and Auslan) and enabling submissions via the Consultation Hub (written, video/Auslan, email and phone).
- All feedback will be analysed and outcomes published to support transparency.

6. Can you clarify how the tightening of access eligibility and the move to functional capacity will change current eligibility pathways. What sort of evidence will people have to provide under a functional capacity test?

- As identified by the NDIS Review, the current approach to NDIS eligibility is inconsistent and has resulted in unfair outcomes for people with disability.
- From 1 January 2028, access to the NDIS will be based on permanent disability that results in significantly reduced functional capacity.
 - This is consistent with the approach the Productivity Commission advocated for when it first provided advice on the establishment of the NDIS.

- The tools and instruments to assess functional capacity (including what sort of evidence will be required) will be informed by advice from a Technical Advisory Group and further consultation with the community and the states and territories.
- Further information will be provided to participants and the community when the tools and instruments have been finalised.

7. How does a move to block funding under the \$200 million Inclusive Communities Fund align with the principles of choice and control for Participants?

- The Inclusive Communities Fund will rebuild capability outside of the NDIS to support people with disability to engage with their community.
 - These supports will strengthen the broader ecosystem of supports for people with disability and will not impact participants' choice and control within the Scheme.
- Importantly, the Government's intention to reduce supports for social, civic, and community participation and capacity build daily activities will not remove these supports entirely.
- Participants will still have choice and control over how they use their budget, but the level these supports are funded by the NDIS will be more in step with other parts of the care and support economy.
- Participants can continue to work with providers on how to use their budget and get the most out of their supports, complemented by the new supports available to them through the Inclusive Communities Fund.

8. How will you decide who will receive the Inclusive Communities Fund grants and ensure it is available equitably across regions and cohorts?

- The final design and operation of the Inclusive Communities Fund will be settled in consultation with the disability community.
- The Government has announced its commitment to work collaboratively and in genuine partnership throughout this process so diverse perspectives are accounted for.

9. How do the NDIS reforms measure up against the UN Convention on the Rights of Persons with Disability and Australia's Disability Strategy principle of removing barriers so people with disability can have equal participation in society?

- The measures are consistent with the Government's human rights commitments.
- First, they embed financial sustainability as a core principle, recognising that maintaining a viable Scheme is critical to upholding the rights of people with disability over the long term.

- Second, they are also intended to improve the quality of supports participants receive, enhance equity within the Scheme and across systems, and reduce fraud and non-compliance.
- Combined, this will support people with disability to access the best quality supports possible and support their equal participation in society today and into the future.
- To the extent that some measures might limit certain rights, they are reasonable, necessary, and proportionate to ensure health-related supports can continue to be delivered to those with the most significant and complex needs, rather than being diluted across a broader class of people which the Scheme was not designed to support.

10. How will you select members of the Technical Advisory Group including selection criteria? What is the intent of this group?

- The Technical Advisory Group (TAG) will be established from mid-June 2026 to provide evidence-based advice on the most appropriate tools to assess functional capacity in relation to NDIS access.
- Members will be selected based on their technical expertise and experience, with expertise across disability, allied health, paediatrics, mental health, rehabilitation, and administrative law.
- The TAG will also include representatives with lived experience of disability as well as First Nations perspectives.
- The TAG's advice will be informed by consultation with the community and the states and territories.

11. How will the change to legislation impact budgets and supports for participants if passed, and what is the timeline for implementing these changes?

- The changes announced by the Government will impact the types and amounts of supports that some participants will receive.
 - This does not include supports critical for care and daily living needs, such as supports at home.
- The changes will be implemented over time through the usual planning and plan reassessment processes. This includes:
 - SCCP/CBDA reductions, which will start from 1 October 2026 as plans as reassessed or renewed
 - reasonable and necessary criteria, which will start from 1 February 2027 through the planning process
 - new framework planning, which participants will start to transition to from 1 April 2027
 - mandatory registration, which will start from 1 July 2027 and require some participants to select new providers

- commissioned plan management, which will start from 1 October 2027 and require some participants to select new providers
- commissioned support coordination, which will start from 1 July 2028 and will mean participants no longer receive direct funding for these services.
- More information will be provided to participants as these changes start to come into effect.

12. Can you clarify how participants' social and community participation spending will be impacted?

- The *National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026* will allow the Minister to make determinations to reduce funding for groups of supports.
- This will enable a Ministerial determination to reset participant support budgets for social, civic and community participation and capacity building daily activities.
- The Government has announced its intention to reduce the amounts allocated to these supports by 50 per cent and 10 per cent respectively.
 - Importantly, a 50 per cent reduction in SCCP budgets will not result in a corresponding 50 per cent reduction in a participants' SCCP spending.
 - This is because participants generally do not use their full SCCP Budget (average utilisation is 85%) and they can flexibly draw on other areas in their Core support budgets (daily activities, consumable and transport supports).
- It's expected this reduction will see average SCCP spending levels reset to 2023 levels and bring them more into line with other systems.

13. Should the focus be on savings through eliminating fraud rather than reducing budgets for individual participant plans?

- The costs to deliver the NDIS have become unsustainable because of a range of factors, not fraud and non-compliance alone. Even with measures to reduce fraud and non-compliance, the costs of the Scheme are far beyond what was originally expected.
- These measures address the structural causes of the Scheme's unsustainable trajectory and refocus the NDIS on people with permanent and significant disability. This is complemented by a suite of changes to further reduce fraud and non-compliance.
- This builds on the \$550 million the Government has invested since 2022 to reduce fraud and non-compliance in the Scheme, which includes the

establishment of the Fraud Fusion Taskforce, the Crack Down on Fraud ICT uplift programs, and the NDIA's Payment Integrity Review Workforce.

14. Will you renegotiate state and territory NDIS bilateral arrangements to share any savings with states and territories in the earlier fiscal years?

- This is a decision for Government.

15. What is the Government's overall fiscal target with the NDIS? When will you hit the 5 per cent annual growth target?

- In April 2023, National Cabinet agreed total costs of the Scheme will grow no more than 8 per cent annually by 1 July 2026. In January 2026, National Cabinet agreed further work needs to be done to bring down NDIS growth to a revised target of 5 to 6 per cent or lower.
- After these measures are implemented, the NDIS will continue to grow each year. It is projected that the scheme will grow from \$51 billion to around \$55 billion (around an average of 2 per cent per annum) over the next four years, until 2030. The scheme will then grow at 5 per cent per annum over the medium term (from 2030 onwards).
- The NDIS will still be the largest social program in Australia, outside of the Age Pension. It will continue to be the centerpiece of the most comprehensive suite of supports for people with a disability anywhere in the OECD.

16. Can you clarify the administrative cost to government for implementing the reforms?

- The Government will provide \$1.7 billion over five years from 2025-26 (and \$110.9 million per year ongoing) to implement the reforms and improve the quality of supports delivered through the NDIS.
- A full breakdown of this figure is reported in the Budget Papers (p.106 of Budget Paper No. 2).

Replicated here for quick reference

- \$436.0 million in 2026–27 to ensure the National Disability Insurance Agency (NDIA) can continue to support NDIS participants.
- \$358.5 million over five years from 2025–26 to develop and implement a new enrolment and digital payment system to improve payment integrity and reduce fraud and non-compliant payments. Partial funding for this measure will be held in the Contingency Reserve.
- \$280.1 million over five years from 2025–26 (and \$53.0 million per year ongoing) to continue the Fraud Fusion Taskforce and

invest in the NDIA to continue to detect and respond to fraud and non-compliant payments.

- \$270.1 million in 2026–27 to prepare for the roll-out and implementation of new framework planning from 1 April 2027.
- \$182.6 million over four years from 2026–27 (and \$46.1 million per year ongoing) to introduce mandatory registration of high-risk NDIS providers, with costs partially offset by \$27.1 million over three years from 2027–28 (and \$5.4 million per year ongoing) in receipts from expanded cost recovery arrangements.
- \$49.4 million over four years from 2026–27 to commission plan management and support coordination services for NDIS participants to reduce fraud and improve service quality for participants.
- \$48.4 million over three years from 2025–26 to the Department of Health, Disability and Ageing and the NDIA to support consultation on and implementation of NDIS reforms.
- \$21.7 million over four years from 2026–27 (and \$5.8 million ongoing) to support the NDIS Quality and Safeguard Commission's (NDIS Commission) regulatory and compliance activities, with costs to be met from within the existing resourcing of the NDIS Commission.
- \$15.9 million over four years from 2026–27 (and \$6.0 million ongoing) for Disability Representative Organisations to support community engagement on the design and implementation of reforms, with costs to be met from within the existing resources of the NDIA and the Department of Health, Disability and Ageing.
- \$14.7 million over two years from 2026–27 to extend supplementary funding for the NDIS Appeals program.
- \$3.3 million in 2026–27 to establish a Technical Advisory Group to provide expertise on the design of functional capacity assessment tools and instruments.

17. Are costs being reduced or is the government shifting the costs to mainstream systems in state and territories?

- These changes are not designed to shift costs to the states. They are designed to put the NDIS on a more sustainability trajectory.
- The NDIS was never intended to replace mainstream service systems to support all people with disability.

- This is why National Cabinet agreed in 2023, and again in 2026, to commit \$10 billion shared between the states and the Commonwealth to deliver Foundational Supports outside the NDIS.
- The 2026-27 Budget provides \$3 billion for the remaining Commonwealth share towards Foundational Supports. The Government has announced it will continue to work with states and territories on building up supports outside the Scheme for people with disability.

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the Freedom of Information Act 1982 (CTH)
By the Department of Health, Disability and Ageing

ISSUE: SECURING THE NDIS FOR FUTURE GENERATIONS

QUESTION: What is the Government doing to secure the NDIS for future generations?

Topline response:

The 2026-27 Budget included significant changes to secure the National Disability Insurance Scheme for the future. The changes will return the NDIS to its original intent, deliver genuine social and community participation, improve the quality of providers, and tackle fraud and noncompliance. As a result, NDIS payments are expected to be \$23.9 billion lower over the forward estimates relative to the 2025-26 MYEFO. Legislation for the measures has been introduced, ensuring the NDIS can continue to support people with significant and permanent disability for generations to come.

Background

- The 2026-27 Budget includes significant changes to secure the NDIS for future generations of people with significant and permanent disability.
 - A list of the changes, including key dates, is at Appendix A.
- The Government has made progress in recent years to slow the costs to deliver the NDIS, but it remains on an unsustainable path.
 - This is because it has deviated from its original intent – to support people with significant and permanent disability – as well as uncontrolled inflation in participant plans and support costs.
- In the absence of reforms, the NDIS payments would increase by \$13.9 billion over five years from 2025-26.
 - This meant that National Cabinet's 2023 interim growth target of 8% would not have been met, and neither would its 2026 revised target of 5 to 6 per cent or lower.
- The changes in the Budget deal with the Scheme's immediate fiscal pressures and outline longer-term structural changes.
- The measures centre on four key priorities and are designed to:
 - return the NDIS to its original intent.
 - deliver genuine social and community participation.
 - improve the quality of providers.
 - tackle fraud and noncompliance.
- The *National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026* will give effect to changes.
 - The Bill puts in place the financial controls needed to address the immediate pressures on the Scheme, clarifies eligibility requirements

and the supports funded by the NDIS, improves the quality of supports and services, and tackles fraud and non-compliance.

- Further reforms will be needed to keep the NDIS on a sustainable path. The Government will continue to work closely with the disability community on the design and implementation of these reforms.
 - The Government will consult with the community on any significant reforms around eligibility, market design and new framework planning.

Fiscal Impacts

	2025-26 (Estimate) (\$b)	2026-27 (Estimate) (\$b)	2027-28 (Estimate) (\$b)	2028-29 (Estimate) (\$b)	2029-30 (Estimate) (\$b)	Total 2026-27 to 2029-30 (\$b)
Program 1.1 NDIS supports	51.3	53.7	53.8	54.3	54.8	216.5
Annual increase in spend	4.9	2.4	0.1	0.5	0.5	3.5
Growth (%)	10.5%	4.7%	0.2%	0.9%	0.9%	1.7%

Source: 2026-27 Budget. Note: Figures are in accrual terms and show total NDIS expenses (Commonwealth + state and territory contributions).

- NDIS payments are projected to be \$23.9 billion lower over five years from 2025-26 relative to MYEFO. NDIS payments will, however, continue to grow each year.
- After accounting for the \$13.9 billion estimates variation, these measures are projected to reduce growth in NDIS payments by \$37.8 billion over four years from 2026–27.
- The reduction in NDIS payments over the forward estimates is driven by:
 - changes to support volumes and plan inflation (\$24.5 billion).
 - changes to access arrangements (\$9.7 billion).
 - pricing, fraud, and integrity measures (\$3.7 billion).
- Reduced payments are expected to reduce the costs of the Scheme for states and territories by \$2.8 billion over two years from 2028-29.
- Consistent with National Cabinet's agreement in January 2026, the measures will see the NDIS grow by around 2 per cent on average over the forward estimates before increasing to around 5 per cent on average over the medium term.
- The Government will provide \$1.7 billion over five years from 2025-26 (and \$110.9 million per year ongoing) to implement the reforms. Funding includes:

- \$436.0 million in 2026–27 to ensure the National Disability Insurance Agency (NDIA) can continue to support NDIS participants.
- \$358.5 million over five years from 2025–26 to develop and implement a new enrolment and digital payment system to improve payment integrity and reduce fraud and non-compliant payments. Partial funding for this measure will be held in the Contingency Reserve.
- \$280.1 million over five years from 2025–26 (and \$53.0 million per year ongoing) to continue the Fraud Fusion Taskforce and invest in the NDIA to continue to detect and respond to fraud and non-compliant payments.
- \$270.1 million in 2026–27 to prepare for the roll-out and implementation of new framework planning from 1 April 2027.
- \$182.6 million over four years from 2026–27 (and \$46.1 million per year ongoing) to introduce mandatory registration of high-risk NDIS providers, with costs partially offset by \$27.1 million over three years from 2027–28 (and \$5.4 million per year ongoing) in receipts from expanded cost recovery arrangements.
- \$49.4 million over four years from 2026–27 to commission plan management and support coordination services for NDIS participants to reduce fraud and improve service quality for participants.
- \$48.4 million over three years from 2025–26 to the Department of Health, Disability and Ageing and the NDIA to support consultation on and implementation of NDIS reforms.
- \$21.7 million over four years from 2026–27 (and \$5.8 million ongoing) to support the NDIS Quality and Safeguard Commission's (NDIS Commission) regulatory and compliance activities, with costs to be met from within the existing resourcing of the NDIS Commission.
- \$15.9 million over four years from 2026–27 (and \$6.0 million ongoing) for Disability Representative Organisations to support community engagement on the design and implementation of reforms, with costs to be partially met from within the existing resources of the NDIA and the Department of Health, Disability and Ageing.
- \$14.7 million over two years from 2026–27 to extend supplementary funding for the NDIS Appeals program.
- \$3.3 million in 2026–27 to establish a Technical Advisory Group to provide expertise on the design of functional capacity assessment tools and instruments.

Returning the NDIS to its original intent

- The NDIS was established to support people with permanent and significant disability, but its scope has expanded over time to support more people with less significant support needs.

- A lack of clarity about what supports are considered reasonable and necessary has led to confusion, inconsistency, and a broadening in supports funded by the NDIS over time.
- The measures in the 2026-27 Budget will refocus access to the Scheme based on a person's functional capacity and will strengthen guidance around the types and amounts of supports the NDIS should fund.
 - They will also reestablish the boundary between the NDIS and mainstream service systems.
- Although the final parameters of the standardised assessments of functional capacity are still to be settled, early estimates show the above changes will reduce the number of people on the Scheme to around 600,000 by 31 December 2030.
- These changes will mean some people with disability, including some prospective participants, may need to seek support from outside the NDIS, consistent with its original intent.
- This year, all governments signed the National Agreement on Foundational Supports, which includes a commitment to invest up to \$10 billion over 5 years for additional supports outside of the NDIS (including \$4 billion for Thriving Kids).
 - This work already has \$6 billion allocated to it by National Cabinet, and the Commonwealth has provisioned its \$3 billion share (in addition to its \$2 billion contribution to Thriving Kids).

Upholding the rights of people with disability

- The Government is firmly committed to an NDIS that upholds the dignity, autonomy and inclusion of people with disability, consistent with Australia's obligation under the UN Convention on the Rights of Persons with Disabilities.
- This Bill protects the human rights of people with disability by securing a sustainable NDIS—because without sustainability, supports are not guaranteed.
- We acknowledge concerns and remain clear: no reform should diminish fundamental rights. Our focus is a stronger NDIS that continues to support people to live independently and participate fully in the community
- The Government is engaging constructively through the Community Affairs Senate Committee inquiry, ensuring the legislation is properly scrutinised and informed by stakeholder input. Further consultation and co-design is planned to inform final design of measures, including Rules for access changes and commissioning of SIL (for example).
- Ultimately, securing the NDIS is about securing rights—guaranteeing ongoing support, choice and control for Australians with disability now and into the future.

Delivering genuine social and community participation

- The current, individualised approach to supports delivered through the NDIS has allowed other opportunities for social and community participation to wither.
- The costs to deliver these supports continue to increase beyond what is sustainable, tripling from \$4 billion to \$12 billion over the last 5 years.
- If left unchecked, the spending would skyrocket to around \$20 billion by the end of the decade.
- Capacity building supports are also not always improving capacity for participants and continue to be funded at a far higher level than any other comparable support program
- The Government will reset the total cost of social, civic, and community participation and capacity building daily activities supports and prevent further runaway growth.
- The NDIS Amendment (Securing the NDIS for Future Generations) Bill 2026 will enable the Minister to make a determination to reset budgets for these supports.
 - From 1 October 2026 budgets for social, civic and community participation supports will be reset so spending levels are on average in line with 2023 levels and more consistent with other systems. The reset will include:
 - Budget allocations for social, civic and community participation supports will be reduced by 50 per cent.
 - Capacity building daily activity budget allocations will be reduced by 10 per cent.
 - Changes will not necessarily result in a 50 or 10 per cent reduction in how much a participant spends as they may not be currently using all of their budget allocation.
 - These changes will happen progressively as participants' plans are reassessed or renewed over a 12-month period. These reductions will not impact supports that are essential to the critical care and daily living needs of participants.
 - These changes are targeted to old framework plans, prior to the rollout of new framework planning where reasonable and necessary budgets are informed by the outcomes of a support needs assessment.
- To rebuild capability among community organisations to host participation and inclusion activities, the Government will provide \$200 million to establish the Inclusive Communities Fund.
 - The fund will be open to mainstream and disability organisations with details to be settled in consultation with the disability community.

Improving the quality of providers

- Previous policy settings have not encouraged transparency and innovation in NDIS markets and in some cases have resulted in provider variability challenges, variable quality, and poor outcomes for participants.
- The measures in the 2026-27 Budget will improve pricing and the design and delivery of NDIS supports, encouraging innovation and the market to be more responsive to participant needs.
- This includes reforms to plan management, which will limit the provision of these services to only trusted providers with a demonstrated history of quality and integrity, as well as a commissioning a new support coordination and connection function.
- The Government will also undertake consultation on differentiated pricing to better reflect the costs providers face in the amounts they charge and improved approaches to delivering supports for Supported Independent Living (SIL) participants.

Tackling fraud and noncompliance

- Fraud and non-compliance undermine the social licence of the NDIS and has a direct and devastating impact on the lives of participants and their families, leading to lower quality services, exploitation and harm.
- The measures included in the 2026-27 Budget will further strengthen the ability of the NDIA and the NDIS Quality and Safeguards Commission to detect and remove violence, abuse, neglect, exploitation, and fraud against people with disability. This includes:
 - expanding mandatory registration of providers delivering support to participants who are most at risk of abuse and/or exploitation.
 - introducing a new enrolment system with a minimum basic level of identifiable information on most NDIS providers.
 - improve how information is collected and monitored for faster and more targeted responses to fraud and suspicious behaviour.
- These measures build on the \$550 million the Government has invested since 2022 to reduce fraud and non-compliance in the Scheme, which includes the establishment of the Fraud Fusion Taskforce, the Crack Down on Fraud ICT uplift programs, and the NDIA's Payment Integrity Review Workforce.

Senate Inquiry Submissions

- 320 submissions to the Community Affairs Senate Committee Inquiry have been made public.
- This includes submissions made by the Australian Human Rights Commission, NDIS Reform Advisory Committee RAC, and the Grattan Institute, as well as Disability Representative Organisations.

- Both the AHRC and RAC call for genuine partnership and co-design of reforms with the people with disability who are impacted by these proposed changes.
- The Grattan Institute, while acknowledging the importance of bringing the cost of the scheme under control, has levelled particular criticism at cuts to SCCP budgets, arguing that “the case for such deep, early cuts has not been sufficiently made and is underpinned by dubious policy logic.”
- Many of the submissions are also critical of the timeframes for the introduction and scrutiny of the Bill, given the scale of measures being proposed and increased powers for Commonwealth Ministers over the cost and quantities of funded supports.

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Appendix A

Measure	Commences	in Bill? ¹
Pillar 1: Returning the NDIS to its original intent		
Reinforcing the boundary between the NDIS and mainstream services	1 January 2028	Included
Consistently assessing if the NDIS is the appropriate system of support or if treatment can alleviate or remedy an impairment	1 January 2028	Included
Strengthening the guidance around what is reasonable and necessary	1 February 2027	Included
Introducing standardised, evidence-based assessments of a person's functional capacity to determine access to the NDIS The design and implementation of these assessments will be informed by a Technical Advisory Group, which commences 1 July 2026	1 January 2028	Included
Removing diagnosis lists as the means of entry to the NDIS	1 January 2028	Not required
Ending plan rollovers and stopping unspent funds being rolled over	1 February 2027	Included
Tightening the criteria around unscheduled reassessment requests	7 days from Royal Assent	Included
Delaying the rollout of new framework planning	1 April 2027	Included
Pillar 2: Delivering genuine social and community participation		
Establishing the \$200 million Inclusive Communities Fund consultation will occur in Q3 2027.	TBC – subject to consultation	Not required
Reducing participant budgets for social, civic and community participation and capacity building daily activities	1 October 2026 and phased over 12 months	Included
Pillar 3: Improving the quality of providers		
Transferring responsibility for pricing decisions to the Minister for Disability and the NDIS	7 days from Royal Assent	Included
Consultation on differentiated pricing for unregistered providers delivering SCCP, CBDA, and assisted daily living consultation will occur in Q3 2026	TBC - subject to consultation	Not included

Commissioning a panel of plan management providers	1 October 2027 with a 6 month transition period.	Included
Commissioning a new support coordination and connection function	1 July 2028	Not included
Consultation and design of a commissioning approach for home and living supports for Supported Independent Living (SIL) participants measure will commence after consultation with the disability community, which starts 1 July 2026	Subject to consultation	Not included
Pillar 4: Tackling fraud and noncompliance		
Expanding mandatory registration of providers delivering support to participants who are most at risk of abuse and/or exploitation	Phased implementation from 1 July 2027	Included
Introducing a new enrolment system with a minimum basic level of identifiable information on most NDIS providers	1 July 2027	Not included
Increasing the evidence required for payments for NDIS supports, including payment at point of service	1 July 2027	Included
Strengthening the NDIA's investigative and enforcement capabilities	7 days from Royal Assent	Included
Improving how information is collected and monitored for faster and more targeted responses to fraud and suspicious behaviour	7 days from Royal Assent	Included

Note: (1) refers to the *National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026*.

Media coverage:

Media coverage has been extensive following the early announcement of the measures at the National Press Club on 22 April 2026. Recent media includes:

- Labor's planned NDIS overhaul is 'blunt and inequitable', thinktank says (The Guardian, 4 June 2026 – [link](#))
- Human Rights Commission holds 'serious concerns' about Labour's NDIS laws (The Sydney Morning Herald, 3 June 2026 - [link](#))
- NDIS overhaul will 'harm' Australians with disabilities, government's own committee warns (The Guardian, 3 June 2026 - [link](#))
- cost of delaying passage of the Bill and NDIS reforms (Australian Financial Review, 29 May 2026 - [link](#), Daily Telegraph, 31 May 2026 - [link](#))
- new powers in the Bill to tackle NDIS fraud (e.g. Daily Telegraph, 31 May 2026 - [link](#))
- New NDIS eligibility rules will cut 241,000 participants from scheme in four years, documents reveal (The Guardian, 28 May 2026 – [link](#))

- Coalition to use NDIS to fight Labor's taxes (Daily Telegraph, 28 May 2026 - [link](#))
- NDIS cuts 'driving' disabled Australians to consider voluntary assisted dying (The Advertiser, 26 May 2026 - [link](#), Daily Telegraph Australia, 26 May 2026 - [link](#))
- Labor's plan to fast-track NDIS changes hit hurdles (Sydney Morning Herald, 24 May 2026 - [link](#))
- no foundations for NDIS changes (The Saturday Paper – 23 May 2026 - [link](#))
- Labor's NDIS overhaul will leave participants more 'isolated' and 'segregated', former royal commissioner warns (The Guardian – 23 May 2026 - [link](#))
- access changes to be introduced in legislation (The Guardian, 13 May – [link](#), 15 May - [link](#))
- responses from Disability Representative Organisations (e.g. People with Disability, 12 May – [link](#); Women with Disabilities Australia, 12 May – [link](#); First Peoples Disability Network, 13 May - [link](#); Children & Young People with Disability Australia, 12 May - [link](#); Community Mental Health Australia - [link](#))
- the motivation for the reforms (e.g. The Times, 13 May – [link](#); The Saturday Paper, 16 May - [link](#))
- the fiscal impacts of the reforms (e.g. The Australian, 13 May – [link](#))
- the impacts of the reforms on families (e.g. ABC News, 12 May – [link](#))
- the impacts of reforms on First Nations communities (e.g. Croakey Health Media, 15 May – [link](#))

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NDIS SUSTAINABILITY AND BUDGET

QUESTION: What is the Government doing to secure the NDIS for future generations?

Topline response:

The 2026-27 Budget includes changes to secure the National Disability Insurance Scheme for the future. The changes centre on key priorities of returning the NDIS to its original intent, delivering genuine social and community participation, improving the quality of providers, and tackling fraud and noncompliance. Legislation for the measures was introduced following the Budget and is currently subject to Senate Committee inquiry. These changes will ensure the NDIS can continue to support people with significant and permanent disability for generations to come.

FUNDING

	2025-26 (Estimate) (\$b)	2026-27 (Estimate) (\$b)	2027-28 (Estimate) (\$b)	2028-29 (Estimate) (\$b)	2029-30 (Estimate) (\$b)	Total 2026-27 to 2029- 30 (\$b)
Program 1.1 NDIS supports	51.3	53.7	53.8	54.3	54.8	216.5
Annual increase in spend	4.9	2.4	0.1	0.5	0.5	3.5
Growth (%)	10.5%	4.7%	0.2%	0.9%	0.9%	1.7%

Source: 2026-27 Budget. Note: Figures are in accrual terms and show total NDIS expenses (Commonwealth + state and territory contributions).

FACTS & FIGURES

- These measures in the 2026-27 Budget are projected to reduce growth in NDIS payments by \$37.8 billion over four years from 2026–27. Left unchecked, spending would have increased by \$13.9 billion over the MYEFO baseline.
- After accounting for the estimates variation, NDIS payments are projected to be \$23.9 billion lower over five years from 2025-26 relative to MYEFO. NDIS payments will, however, continue to grow each year.

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- The reduction in NDIS payments over the forward estimates is driven by:
 - changes to support volumes and plan inflation (\$24.5 billion).
 - changes to access arrangements (\$9.7 billion).
 - pricing, fraud, and integrity measures (\$3.7 billion).
- The measures are expected to see NDIS payments grow by around 2 per cent on average over the forward estimates before increasing to around 5 per cent on average over the medium term.
- The measures are estimated to reduce the costs of the NDIS for states and territories by \$2.8 billion over two years from 2028-29.
- Implementation costs are estimated to be \$1.7 billion over the forward estimates.

BACKGROUND

- The 2026-27 Budget included a suite of measures to secure the NDIS for future generations of people with significant and permanent disability.
 - A list of measures, including key dates, is at **Appendix A**.
- The Government has made progress in recent years to slow the cost growth of the NDIS, but it remains on an unsustainable path. This is because it has deviated from its original intent as well as uncontrolled inflation in participant plans and support costs.
- At National Cabinet in January 2026, all governments acknowledged the NDIS had become unsustainable and agreed to work together to reduce annual cost increases to more sustainable levels – to 5 to 6 per cent or lower.
- In the 2026-27 Budget context, the NDIS Scheme Actuary advised that NDIS payments were expected to be \$13.9 billion higher over the forward estimates relative to the 2025-26 MYEFO.
 - This meant that, absent reforms, National Cabinet's 2023 interim growth target of 8 per cent would not have been met, and neither would its 2026 revised target of 5 to 6 per cent or lower.
- The measures in the Budget address the causes of the upwards revision as well as the structural drivers of increases in the costs to deliver the NDIS.

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- The measures centre on four 4 key priorities:
 1. returning the NDIS to its original intent.
 2. delivering genuine social and community participation.
 3. improving the quality of providers.
 4. tackling fraud and non-compliance.
- The National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026 (the Bill), introduced on 14 May 2026, gives effect to some of the measures in the 2026-27 Budget and is a first step towards putting the NDIS on a more sustainable path.
 - The Bill puts in place the financial controls needed to address the immediate pressures on the Scheme, clarifies eligibility requirements and the supports funded by the NDIS, improves the quality of supports and services, and tackles fraud and non-compliance.
- Further reforms are needed to keep the NDIS on a sustainable path. The Government will continue to work closely with the disability community on the design and implementation of these reforms.
 - The Government will consult with the community on any significant reforms around eligibility, market design, and new framework planning.
- The Government is firmly committed to an NDIS that upholds the dignity, autonomy and inclusion of people with disability, consistent with Australia's obligation under the UN Convention on the Rights of Persons with Disabilities.
 - Ultimately, securing the NDIS is about securing rights—guaranteeing ongoing support by ensuring the scheme is sustainable and provides choice and control for Australians with disability now and into the future.

SECURING THE NDIS FOR FUTURE GENERATIONS REFORMS

PILLAR 1: RETURNING THE NDIS TO ITS ORIGINAL INTENT

- The NDIS was established to support people with permanent and significant disability, but its scope has expanded to support more people with less significant support needs.
- A lack of clarity about what supports are considered reasonable and necessary has led to confusion, inconsistency, and a broadening in supports funded by the NDIS over time.

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- The measures in the 2026-27 Budget will tighten access to the Scheme based on a person's functional capacity. It also guides the types and amounts of supports the NDIS should fund.
- Although the final design of the standardised assessments of functional capacity remain to be settled with states and territories, early estimates show they will reduce the number of people on the Scheme to around 600,000 by 31 December 2030.
- These changes will mean some people with disability may need to seek support from outside the NDIS, consistent with its original intent.
- This year, all governments signed the National Agreement on Foundational Supports, which includes agreement of additional Foundational Supports. All governments have committed to invest up to \$10 billion (which includes \$4 billion for Thriving Kids) for the first 5 years of the national agreement.
 - This work already has \$6 billion allocated to it by National Cabinet, and the Commonwealth has provisioned it's up to \$3 billion share (in addition to its \$2 billion contribution to Thriving Kids).

PILLAR 2: DELIVERING GENUINE SOCIAL AND COMMUNITY PARTICIPATION

- The individualised approach to supports delivered through the NDIS has allowed opportunities for social and community participation to wither.
- The costs to deliver these supports continue to increase beyond what is sustainable, tripling from \$4 billion to \$12 billion over the last 5 years alone.
- If left unchecked, the spending would skyrocket to around \$20 billion by the end of the decade.
- Capacity building supports are also not always improving capacity for participants and continue to be funded at a far higher level than any other comparable support program
- The Government will reset the total cost of social, civic, and community participation and capacity building daily activities supports and prevent further runaway growth.
- The NDIS Amendment (Securing the NDIS for Future Generations) Bill 2026 will enable the Minister to make a determination to reset budgets for these supports.

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- From 1 October 2026 budgets for social, civic and community participation supports will be reset so spending levels are on average in line with 2023 levels and more consistent with other systems. The reset will include:
 - Budget allocations for social, civic and community participation supports will be reduced by 50 per cent.
 - Capacity building daily activity budget allocations will be reduced by 10 per cent.
 - Changes will not necessarily result in a 50 or 10 per cent reduction in how much a participant spends as they may not be currently using all of their budget allocation.
 - These changes will happen progressively as participants' plans are reassessed or renewed over a 12-month period.
 - These reductions will not impact supports that are essential to daily care, employment, and the functional support needs of participants.
- To rebuild capability among community organisations to host participation and inclusion activities, the Government will provide \$200 million to establish the Inclusive Communities Fund.
 - The fund will be open to mainstream and disability organisations with details to be settled in consultation with the disability community.

PILLAR 3: IMPROVING THE QUALITY OF PROVIDERS

- Previous policy settings have not encouraged transparency and innovation in NDIS markets and in some cases have resulted in provider variability challenges, variable quality, and poor outcomes for participants.
- The measures in the 2026-27 Budget will improve pricing and the design and delivery of NDIS supports, encouraging innovation and the market to be more responsive to participant needs.
- This includes reforms to plan management, which will limit the provision of these services to only trusted providers with a demonstrated history of quality and integrity, as well as a commissioning a new support coordination and connection function.

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- The Government will also undertake consultation on differentiated pricing to better reflect the costs providers face in the amounts they charge and improved approaches to delivering supports for Supported Independent Living (SIL) participants.

PILLAR 4: TACKLING FRAUD AND NONCOMPLIANCE

- Fraud and non-compliance undermine the social licence of the NDIS and has a direct and devastating impact on the lives of participants and their families: low quality services, exploitation and harm.
- The measures included in the 2026-27 Budget will further strengthen the ability of the NDIA and the NDIS Quality and Safeguards Commission to detect and remove violence, abuse, neglect, exploitation, and fraud against people with disability. This includes:
 - expanding mandatory registration of providers delivering support to participants who are most at risk of abuse and/or exploitation.
 - introducing a new enrolment system with a minimum basic level of identifiable information on most NDIS providers.
 - improve how information is collected and monitored for faster and more targeted responses to fraud and suspicious behaviour.
- These measures build on the \$550 million the Government has invested since 2022 to reduce fraud and non-compliance in the Scheme, which includes the establishment of the Fraud Fusion Taskforce, the Crack Down on Fraud ICT uplift programs, and the NDIA's Payment Integrity Review Workforce.

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APPENDIX

Table 1: Implementation and legislative details of 2026-27 Budget measures

Measure	Commences	in Bill?¹
Pillar 1: Returning the NDIS to its original intent		
Reinforcing the boundary between the NDIS and mainstream services	1 January 2028	Included
Consistently assessing if the NDIS is the appropriate system of support or if treatment can alleviate or remedy an impairment	1 January 2028	Included
Strengthening the guidance around what is reasonable and necessary	1 February 2027	Included
Introducing standardised, evidence-based assessments of a person's functional capacity to determine access to the NDIS The design and implementation of these assessments will be informed by a Technical Advisory Group, which commences 1 July 2026	1 January 2028	Included
Removing diagnosis lists as the means of entry to the NDIS	1 January 2028	Not required
Ending plan rollovers and stopping unspent funds being rolled over	1 February 2027	Included
Tightening the criteria around unscheduled reassessment requests	7 days from Royal Assent	Included
Delaying the rollout of new framework planning	1 April 2027	Included
Pillar 2: Delivering genuine social and community participation		
Establishing the \$200 million Inclusive Communities Fund consultation will occur in Q3 2027.	TBC – subject to consultation	Not required
Reducing participant budgets for social, civic and community participation and capacity building daily activities	1 October 2026 and phased over 12 months	Included
Pillar 3: Improving the quality of providers		
Transferring responsibility for pricing decisions to the Minister for Disability and the NDIS	7 days from Royal Assent	Included
Consultation on differentiated pricing for unregistered providers delivering SCCP, CBDA, and assisted daily living consultation will occur in Q3 2026	TBC - subject to consultation	Not included
Commissioning a panel of plan management providers	1 October 2027 with a 6 month transition period.	Included
Commissioning a new support coordination and connection function	1 July 2028	Not included
Consultation and design of a commissioning approach for home and living supports for	Subject to consultation	Not included

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Measure	Commences	In Bill? ¹
Supported Independent Living (SIL) participants consultation commences 1 July 2026		
Pillar 4: Tackling fraud and noncompliance		
Expanding mandatory registration of providers delivering support to participants who are most at risk of abuse and/or exploitation	Phased implementation from 1 July 2027	Included
Introducing a new enrolment system with a minimum basic level of identifiable information on most NDIS providers	1 July 2027	Not included
Increasing the evidence required for payments for NDIS supports, including payment at point of service	1 July 2027	Included
Strengthening the NDIA's investigative and enforcement capabilities	7 days from Royal Assent	Included
Improve how information is collected and monitored for faster and more targeted responses to fraud and suspicious behaviour	7 days from Royal Assent	Included

Notes: (1) refers to the *National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill 2026* introduced 14 May 2026.

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17. What is the Government's overall fiscal target with the NDIS? When will you hit the 5 per cent annual growth target?

- In April 2023, National Cabinet agreed total costs of the Scheme will grow no more than 8 per cent annually by 1 July 2026. In January 2026, National Cabinet agreed further work needs to be done to bring down NDIS growth to a revised target of 5 to 6 per cent or lower.
- Upon introduction of this Bill, the NDIS will continue to grow each year. It is projected that the scheme will grow from \$51 billion to around \$55 billion (around an average of 2 per cent per annum) over the next four years, until 2030. The scheme will then grow at 5 per cent per annum over the medium term (from 2030 onwards).
- The NDIS will still be the largest social program in Australia, outside of the Age Pension. It will continue to be the centerpiece of the most comprehensive suite of supports for people with a disability anywhere in the OECD.

18. How much will this save?

- This Bill will put levers in place that will help control scheme growth from its current rate of around 11 per cent in 2024-25 to around 2 per cent on average over the next four years.
- Under measures introduced with this Bill, the Scheme will grow by about \$4 billion between this year and the end of the forward estimates (from around \$50 billion to around \$54 billion by 2030). This is an average growth rate of around 2 per cent per annum – before growing at 5 per cent per annum over the medium term.
- Relative to the 2025-26 MYEFO, spending controls and reforms will reduce growth in the Scheme by \$23.9 billion over the forward estimates and a further \$160.9 billion over the medium term (in cash terms).
- This Bill will also directly address causes of the potential \$13.9 billion cost increase projected by the NDIA's Scheme Actuary.

19. Is this a real cut to growth? / How will these changes impact the size of the NDIS?

- The NDIS will continue to grow every year (in nominal terms) and be the largest social program in Australia, outside the Age Pension. It will remain the centerpiece of the most comprehensive suite of supports for people with disability anywhere in the world.

- To reset the scheme, both in areas where spending is growing out of control and to return the scheme to its original intent, there is going to be a period of very low growth.
- Growth in the scheme will be relatively flat over the forward estimates, averaging around 2 per cent, as reforms to budgets and eligibility are rolled out.
- The reforms will reduce the size of the scheme as a share of the economy, from 1.7 per cent currently to stabilise around 1.6 per cent of GDP.
 - In the absence of these reforms the Scheme was projected to keep growing as a share of the economy, reaching 2.0 per cent in 2029-30 and 2.3 per cent by 2036-37.
- The NDIS has continued to expand beyond its original intent in recent years and now covers more people and a broader range of supports than initially intended.
- Action is needed now to refocus the NDIS on people with significant and permanent disability and put it on a more sustainable path for the future.
- Once reforms are completed the NDIS is projected to grow sustainably in line with the economy.

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FAS Talking Points – Disability Representative Organisations

18 May 2026

Key messages

- Thank you all for your time today. We appreciate that the Bill introduced by Minister Butler last Thursday will mean change for you all, your organisations and the people who you support.
- The NDIS Amendment (Securing the NDIS for Future Generations) Bill was introduced to Parliament last Thursday 14 May.
- Conscious you have all seen the Bill and the overview of measures and Minister McAlister has provided an overview. I will speak briefly to each of the components of the package and then open to any questions.
- The Bill has five schedules. Most of the measures are familiar from what the Minister had already announced at the National Press Club on 22 April.

Legislation overview

Schedule 1

- **Schedule 1** includes access and planning measures.
 - These are intended to clarify who is eligible for the NDIS and the types and amounts of supports it funds.
 - **Access changes** include:
 - Establishing the framework for access to be based on functional capacity.
 - Clarifying the definition and criteria for permanence.
 - Clarifying boundaries between the NDIS and other compensation schemes.
 - Access changes won't start until January 2028. This will allow time for a Technical Advisory Group (TAG) to provide advice to government and to consult with the disability community.
 - Other measures in the schedule relate to participant **budgets and administration of plans**. Some of these start as early as 7 days after Royal Assent. Key measures to note are:
 - Tightening the criteria for unscheduled plan reassessments.
 - This change will mean that only participants, plan nominees or their guardian will be able to request an unscheduled reassessment. It will also mean that the circumstances for when an unscheduled reassessment is accepted will be tightened.
 - Enabling the Minister to make support determinations, which will allow resetting of social and community participation and capacity building supports.

- This will start from 1 October.
- Proposed new subsection 34A(3) will provide that in making a support determination, the Minister must consider the safety of participants.
 - Important safety considerations include whether a reduction in funding for groups of supports could place participants at risk of neglect, crisis, or loss of essential functioning.
- This applies to OFP only. The budget model in NFP will be determined through rules.
 - *Participants will still have social and community participation budgets. They will be able to access lower intensity services or with shared/group support.*
 - *This change will not impact budgets for critical supports like – support in the home, home and vehicle modifications, personal mobility equipment and transport, consumable products or Specialist Disability Accommodation.*
 - *Participants will still be able to request a reassessment, including to their social and community access and capacity building daily activities support where there has been a permanent change in circumstances.*
- Clarifying reasonable and necessary supports. This change will clarify what is determined to be reasonable and necessary, including introducing a requirement for the NDIA to consider equity across NDIS participants, including participants with similar needs and circumstances in making a decision.
 - *What is reasonable should be determined in part by what is reasonable to expect the Scheme to fund having regard to consistency across government funded social service systems and within available resources. Amendments made by this Part also incorporate consideration of Scheme sustainability more directly into decision making.*
- Introducing plan renewals, in place of plan continuations. This change will mean that plans have a legislated end-date. After the plan end-date, a renewed plan will be put in place, which includes the original reasonable and necessary supports and indexation. Renewed plans will not include unspent funds, as was the case with plan continuations. This and the clarified assessment of reasonable and necessary will commence from 1 February 2027.

Schedule 2

- **Schedule 2** includes fraud measures.
 - These are intended to improve the quality of supports participants receive and protect them from harm and abuse.

- A number of these are relatively technical – but important – changes which will start 7 days from Royal Assent. This includes inserting new civil penalties, enhancing the NDIA's regulatory and information gathering powers and clarifying record retention requirements.
- Measures commencing later include:
 - Mandatory registration of providers of high risk supports, which will be phased in from July 2027.
 - The full list of high risk supports will be made publicly available closer to the start date for this change but will include personal care, daily living support and support provided in closed settings.
 - Enabling commissioning of a plan management provider panel, which will be phased in from October 2027.
 - This will be established through a competitive process to select the panel.

Schedule 3

- **Schedule 3** includes measures to improve Scheme governance.
 - This includes transferring pricing decision-making responsibilities to the Minister for Disability and the NDIS.
 - Measures to align legislation with existing operational processes and provide safeguards:
 - Automated decision making. This will allow for specific administrative actions to be automated in a safe, consistent and transparent way.
 - These administrative actions would lead to a final decision from a human delegate at the NDIA.
 - Would be transparent where automated decision making is occurring
 - Checking criminal histories for self-managed participants and nominees.

Schedule 4

- **Schedule 4** makes technical amendments to enable the rollout of new framework planning.
 - As you know, the rollout of new framework planning has been delayed to 1 April 2027 to allow more time for consultation and validation of the proposed support needs assessment and budget model.
 - These amendments cover the budget method, support needs assessment, transition notice and value for money assessments.

Schedule 5

- **Schedule 5** includes a transitional rule making power.
 - This is intended to support the smooth implementation of the measures and will allow the Minister to respond to unforeseen implementation risks swiftly.

- Transitional rules would need to be made within 12 months of the legislation passing and will sunset 12 months from commencement
- I will now open to questions.

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Q&As

General

Why was the disability community / sector not consulted earlier?

- Many of the details related to the Budget and Bill that the Minister introduced, so it was important that this information was shared at the right time.
- Many of the changes in this Bill build on work informed by the NDIS Review, the Disability Royal Commission, and the 2011 Productivity Commission report.
- Most of the measures that will come into effect soonest are urgently needed to:
 - slow Scheme growth
 - restore public confidence, and
 - ensure the Commonwealth can effectively manage the Scheme in line with our responsibility to maintain sustainability and responsible management of the Scheme.
- The Government will be engaging deeply with the disability community on the details of reform – and with the States to ensure the Scheme delivers high quality support for participants.
- Changes will be implemented gradually over a transition period. More information will be provided to participants, the disability community and general public ahead of changes coming into effect.

What consultation will there be?

- The Government is committed to deep and ongoing engagement with the disability community and states and territories on these reforms, including those proposed later in the year. The Government will be consulting closely on forthcoming reforms around eligibility, market design and new framework planning.
- The reform timeline has been published on the Department of Health, Disability and Ageing website. It is available in a range of accessible formats. The timeline focuses on key dates for public consultation and when changes will begin for participants and providers.
- Consultation will take place over the next few months. This will be staggered and occur as follows:
 - Early July – late August:
 - Inclusive Communities Fund
 - Expanding differentiated pricing
 - Early July – late October:
 - SIL commissioning
 - Market reforms for social and community participation and capacity building activities

- Early August – late September
 - New framework planning rules
 - Eligibility assessment based on functional capacity
- Details on how to be involved will be shared for each consultation closer to the start date.
- A Technical Advisory Group will be established to provide advice on appropriate thresholds and assessment approaches for substantially reduced functional capacity. The work of the TAG will be shaped by meaningful consultation with disability stakeholders including people with disability, the NDIS Reform Advisory Committee, DROs and states and territories.

Why is the Government acting now?

- There has been significant progress recent years to make the NDIS more sustainable. As a result, growth moderated from around 23 per cent in 2021-22 to around 11 per cent in 2024-25. However, this remains above the National Cabinet interim target of 8 per cent by 2026.
- The NDIS continues to grow at a rate far higher than other comparable programs. This was acknowledged at National Cabinet in January 2026, where all governments agreed to growth of 5 to 6 per cent or lower annually.
- Through the 2026-27 Budget process, the NDIS Scheme Actuary advised that costs were expected to be \$13 billion higher over the forward estimates relative to the 2025-26 MYEFO.
- These pressures have made National Cabinet's agreement of 5 to 6 per cent annual growth unachievable and, ultimately, are a risk to the long-term sustainability of the NDIS.
- These measures are needed now to put the NDIS on a more sustainable trajectory, so it is here for future generations of people with disability.

How is Government ensuring people who rely on the NDIS are still supported?

- Participants will continue to have access to daily living supports, and those related to supporting core functional capacity. This Bill will not change that.
- Changes in the Bill will not impact budgets for most supports, for example:
 - Supports in home (e.g. to help with eating, drinking, dressing, toileting, laundry, cleaning, community nursing care, help with medication, etc.)
 - Home and vehicle modifications and transport
 - Personal mobility equipment
 - Consumable products to help with incontinence and menstruation
 - Specialist Disability Accommodation
- Importantly, several of the measures focus on strengthening the ability of the NDIA and NDIS Commission to detect and reduce violence, abuse, neglect, exploitation, and fraud.

- This is designed to protect people with disability, not to make it harder to access core functional supports and impact the health and safety of participants.

Inflation is currently around 4%. If NDIS growth between now and the end of forward estimates is at 2% per year, doesn't that mean in practical terms that funding for the NDIS is being cut?

- The scheme will continue to grow each year.
- As Minister Butler said at the National Press Club, over the next four years, the rate of growth will be substantially lower. This is intended to be a reset period for the NDIS and bring the scheme back to what it was originally designed to deliver.
- From 2030-31 onwards, it is expected that scheme growth will return to around 5% per year, which is expected to be population growth plus inflation.

How will cohorts that may experience disproportionate impacts be supported through these changes?

- The Government acknowledges these changes will have different impacts on people across cohorts.
- There will be consultation and design of measures to ensure tools and supports are culturally safe and there is robust engagement across a range of cohorts.
- This will include measures ranging from – the eligibility assessment tool and changes to access, to the Inclusive Communities Fund, to changes in the market for plan management and supported independent living.

Why does the Impact Analysis not specifically address the impact on cohorts such as women or First Nations people?

- While the Impact Analysis does not require specific sections on different groups, it does address and acknowledge the impact on cohorts such as women and girls, regional, rural and remote participants, CALD participants and First Nations participants.
- This is a particular focus in the section on resetting social and community participation supports.
- The Government must also meet Cabinet requirements for impact assessments, including Gender Impact Assessments.
- Cabinet-in-confidence documents are not able to be released publicly.
- Many of the reforms are still subject to further design and consultation. The department will of course consider the impacts of reforms on cohorts throughout the further design work.
- Many of these reforms will not commence immediately to allow time for further design and consultation with the disability community. Consultation will consider the impacts on and needs of different cohorts, including women, girls and gender-diverse people. We look forward to drawing on the lived experience and expertise of the community, including Disability Representative Organisations and the NDIS Reform Advisory Committee.

Access changes

How many people will be diverted or removed from the NDIS? How many will be exited?

- No changes to access will occur until January 2028.
- Average annual growth in participants over the 5 years from 2020-21 to date was 12 per cent. As at 30 December 2025, there are 760,000 participants on the NDIS, including 363,000 adults and 398,000 participants aged 18 and under.
- Between 1 July 2026 and 1 January 2028, we estimate the number of participants will continue to grow. These changes are expected to:
 - divert 70,000 people from entering the NDIS by 30 June 2030.
 - remove access for 210,000 people currently on the NDIS by 30 June 2030.

What will happen to current participants?

- The usual NDIS eligibility reassessment process involves reviewing whether participants still meet the criteria to remain in the Scheme.
- There will not be an immediate eligibility reassessment of all participants.
- There will be no changes to the assessment of access and eligibility prior to 1 January 2028, to allow time for rules to determine thresholds to be implemented.
- From 1 January 2028 existing participants will begin to be progressively reassessed over 3 years. The way this reassessment happens will be subject to the advice of the Technical Advisory Group.
- People with permanent and significant disability will continue to be able to access the NDIS.

Which cohorts will be diverted from the Scheme? Which cohorts will be exited from the Scheme?

- Participants who will be diverted from the scheme will include:
 - participants who do not meet the threshold for substantially reduced functional capacity,
 - permanence, and
 - participants who are more appropriately supported through other service systems.
- The TAG will inform a lot of this work and will provide advice to Government later this year.

How will people get support they need outside of the NDIS?

- These changes are about restoring the Scheme to its original intent of supporting people with significant and permanent disability.
 - The NDIS was never intended to replace community and mainstream service systems as a provider of all supports for people with disability.
 - It was always intended to function as part of a broader ecosystem of supports.

- This was reinforced by the NDIS Review, which also called for strengthened mainstream services.
- Support may come from community and mainstream services.
 - The measures in this Budget will be supported by the significant investments the Commonwealth and your governments have made – and will continue to make – into mainstream systems and alternative supports.
 - This includes the \$200 million Inclusive Communities Fund to rebuild capacity in community organisations to deliver genuine community participation activities.
 - The Commonwealth will also continue to do its part in providing a significant contribution towards mainstream services.
- Some cohorts may also be supported by Foundational Supports.
 - The Commonwealth has provisioned \$3 billion in this Budget to roll out Foundational Supports, in addition to the \$2 billion already committed to establish Thriving Kids.
 - This investment will help support some people who are diverted or exited from the NDIS.

What tool will be used to assess functional capacity and eligibility for the scheme?

- No decisions have been made on the tool that will be used to assess functional capacity.
- The Technical Advisory Group (TAG) will provide advice on how to assess an applicant's functional capacity and what threshold should be used to determine eligibility. The TAG will draw on existing tools and international evidence where appropriate. This includes ensuring that the tool is culturally appropriate for all applicants.
- Further information will be made available on the framework for the assessment process after the Government has received and considered advice from the TAG.
- No changes to the assessment process will be implemented until 1 January 2028.

How do these new changes relate to Thriving Kids?

- These changes are in addition to the introduction of Thriving Kids.
- Thriving Kids will commence in a phased roll out from October 2026 providing support for children aged 8 and under with developmental delay and/or autism with low to moderate support needs.
- The Government is working closely with state and territory governments to develop a threshold for NDIS access for children aged 8 and under with autism and/or developmental delay and low to moderate support needs.
- Access changes related to Thriving Kids will commence on 1 January 2028 to coincide with the full rollout of Thriving Kids.

Are you removing people with psychosocial disabilities from the NDIS?

- People with psychosocial disability will continue to be eligible for the NDIS.
- From 1 January 2028, eligibility for the NDIS will be based on a standardised, evidence-based assessment of an individual's functional capacity. It will not be based on diagnosis or disability type and there will be no different or higher threshold for people with psychosocial disability, compared with other disabilities.
- Once standardised, evidence-based assessments of functional capacity are implemented, some current NDIS participants with psychosocial disability may no longer meet NDIS eligibility criteria.
- People with psychosocial disability can continue to access mainstream and community support systems outside of the NDIS.
- Health and Mental Health Ministers have agreed to prioritise addressing unmet psychosocial needs outside of the NDIS in the consideration of the next National Mental Health and Suicide Prevention Agreement. Ministers have also confirmed that funding for psychosocial supports outside the NDIS will be maintained.
- The Australian Government will work with state and territory governments to consider future cohorts for Foundational Supports. The needs of people with psychosocial disability both within and outside the NDIS will be part of those considerations.

Participant plans and budgets

How much are social and community participation and capacity building supports being cut by?

What is the justification for these specific amounts?

- The current level of funding for these supports is out-of-step with community expectations and comparable programs across the care and support economy.
- Total spending on SCCP alone is around \$12 billion, quadruple the level in 2019-20 and close to what we spend on the PBS (in net terms). In the absence of any action this would have grown to around \$20 billion by the end of the decade. These reforms arrest this spending growth.
- The budgets for social and community participation will be reduced by 50 per cent.
 - A 50 per cent reduction in SCCP budgets will not result in a corresponding 50 per cent reduction in a participants' SCCP spending.
 - Participants generally do not use their full SCCP Budget (average utilisation is 85%) and they can flexibly draw on other areas in their Core support budgets (daily activities, consumable and transport supports).
 - It's expected this reduction will see average SCCP spending levels reset to 2023 levels and bring them more into line with other systems.
- Capacity building daily activity funding will be reduced by 10 per cent.

- For many participants, the reductions may not impact CBDA spending, but result in an increase in their utilisation rate, which on average is about 60%.
- This reduction will reset spending bring it more into line with other systems. This means on average participants would be funded for 68 therapy sessions per year, down from 72.
- The level these supports are funded in the NDIS is significantly higher than in other systems – such as veterans' care or chronic disease management under Medicare.
- Capacity building supports were always envisaged to be part of the NDIS, but to reduce the need for support over time.
- This has not always been the case. Budgets are frequently increasing for these supports, rather than reducing as capacity is gained.

What safeguards are being put in place to ensure these cuts do not cause harm, particularly for SIL participants?

- Participants will still have SCCP Budgets and be able to continue to access services either at a lower intensity, or through shared/group supports.
- This includes through community participation activities delivered by community organisations, enabled by the \$200 million Inclusive Communities Fund. Consultation and design of this fund will consider how community participation activities can best deliver the supports participants need most.
- Participants will still be able to request a plan reassessment, including to their SCCP and CBDA budgets where there has been a permanent change in their circumstances.
- SIL participants will continue to receive 24/7 supports in line with current arrangements. Given the flexibility with core funding, daily activities budgets can also generally be used to purchase SCCP supports (assistance with daily living or home and living daily supports line items).

Automation

What does automation mean for participants and how will it impact the supports I receive?

- The NDIA has thousands of touchpoints with hundreds of thousands of people with disability, including participants and their families and carers, and thousands of NDIS providers each day. This includes processing claims and payments for services, assessing eligibility to the Scheme and preparing plans for participants.
- It is not possible for the NDIA to undertake all of these actions manually to deliver reliable, efficient and accessible services at a national scale. Computer programs play an important role in assisting human delegates to make decisions.
- The enables the NDIA to utilise a computer program to take certain administrative actions on behalf of a human where it is safe and responsible to do so.
- This will mean that people can be supported in a more timely and consistent way.

Is the NDIA undertaking “robo-planning”?

- The NDIA is not undertaking “robo-planning”.
- The Bill includes a power for the CEO of the NDIA to automate certain steps in the process of making an administrative decision in accordance with the NDIS Act and rules.
- At this time, the Bill lists very few provisions that can be automated, and only one provision is relevant to planning.
- It is important for a human to make decisions related to a participant’s supports. However, human delegates often require the assistance of a computer in making complex calculations or application of methodologies to ensure supports are right for each participant as well as consistent and fair outcomes.

How do these changes relate to New Framework Planning?

- These changes will primarily take effect under Old Framework Plans.
- Commencement of New Framework Planning will now occur from 1 April 2027. Design of key parameters, including the Budget Model and Support Needs Assessment and supporting Rules are yet to be finalised and agreed with states and territories.

This document has been released under
the Freedom of Information Act 1982 (Cth)
By the Department of Health, Disability and Prevention

2026–27 Budget Issues Brief no.24

NATIONAL DISABILITY INSURANCE SCHEME

- The Government will introduce reforms to restore the National Disability Insurance Scheme (NDIS) to its original intent of supporting people with permanent and significant disability and secure the Scheme for future generations.
- The Government will provide \$1.7 billion over five years from 2025-26 to support people with disability and deliver reforms to the NDIS. These reforms will reduce growth in NDIS payments by \$37.8 billion over four years from 2026-27, or \$24.6 billion below the 2025-26 MYEFO projections over the same period. The NDIS is now projected to grow at an average of 2 per cent from 2026-27 to 2029-30, before growing at 5 per cent per year over the medium term consistent with National Cabinet's commitment.
- The Government will also provide \$2.0 billion over five years from 2026-27, matched by states and territories, to deliver the Thriving Kids program. Thriving Kids will support children aged eight and under with developmental delay and/or autism with low to moderate support needs, as well as their families, carers and kin.
- The Government has also made a provision of \$200 million to establish an Inclusive Communities Fund and \$3 billion as the Commonwealth's contribution to future Foundational Supports.

Key facts and figuresSecuring the National Disability Insurance Scheme for Future Generations

- The Government will provide \$1.7 billion over five years from 2025–26 (and \$110.9 million per year ongoing) to support people with disability and to improve the quality of supports delivered through the NDIS. Funding includes:
 - \$436.0 million in 2026–27 to ensure the National Disability Insurance Agency (NDIA) can continue to support NDIS participants
 - \$358.5 million over five years from 2025-26 to develop and implement a new enrolment and digital payment system to improve payment integrity and reduce fraud and non-compliant payments. Partial funding for this measure will be held in the Contingency Reserve
 - \$280.1 million over five years from 2025–26 (and \$53.0 million per year ongoing) to continue the Fraud Fusion Taskforce and invest in the NDIA to continue to detect and respond to fraud and non-compliant payments
 - \$270.1 million in 2026–27 to prepare for the roll-out and implementation of new framework planning from 1 April 2027

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIAL

- \$182.6 million over four years from 2026-27 (and \$46.1 million per year ongoing) to introduce mandatory registration of high-risk NDIS providers, with costs partially offset by \$27.1 million over three years from 2027-28 (and \$5.4 million per year ongoing) in receipts from expanded cost recovery arrangements
- \$49.4 million over four years from 2026–27 to commission plan management and support coordination services for NDIS participants to reduce fraud and improve service quality for participants
- \$48.4 million over three years from 2025–26 to the Department of Health, Disability and Ageing and the NDIA to support consultation on and implementation of NDIS reforms
- \$21.7 million over four years from 2026–27 (and \$5.8 million ongoing) to support the NDIS Quality and Safeguard Commission’s (NDIS Commission) regulatory and compliance activities, with costs to be met from within the existing resourcing of the NDIS Commission
- \$15.9 million over four years from 2026–27 (and \$6.0 million ongoing) for Disability Representative Organisations to support community engagement on the design and implementation of reforms, with costs to be partially met from within the existing resources of the NDIA and the Department of Health, Disability and Ageing
- \$14.7 million over two years from 2026–27 to extend supplementary funding for the NDIS Appeals program
- \$3.3 million in 2026–27 to establish a Technical Advisory Group to provide expertise on the design of functional capacity assessment tools and instruments.
- The Government has also provisioned \$200.0 million over three years from 2026–27 to establish an Inclusive Communities Fund to support community organisations to deliver group based social and community participation activities and individual capacity building support for NDIS participants, with funding held in the Contingency Reserve pending further design and consultation with the disability community.
- The Government will also consult on a commissioning approach for home and living supports for participants who need 24/7 support, further reforms to the market for participant supports for social and community participation and capacity building activities, differentiated pricing, and the design of functional capacity assessment tools and instruments.

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIALThriving Kids

- The Government will also provide \$2.0 billion over five years from 2026-27 to deliver national services, fund enabling supports and contribute to state and territory services for the Thriving Kids program. Together with investments from states and territories, Thriving Kids will support children aged eight and under with developmental delay and/or autism with low to moderate support needs, as well as their families, carers and kin. Funding includes:
 - \$1.4 billion over five years from 2026-27 to states and territories to deliver Thriving Kids services
 - \$139.7 million over five years from 2026-27 to facilitate Thriving Kids services for children in early childhood education and care settings, with funding held in the Contingency Reserve pending consultation and design with states and territories
 - \$126.1 million over five years from 2026-27 to support the early identification of children with developmental delay or neurodevelopmental difference through a Medicare funded three-year old health assessment and an expanded Comprehensive Health Assessment Program
 - \$120.9 million over five years from 2026-27 to provide national and local information and advice to parents and families on childhood development, including through a national phone line, and a national autism information and advice helpline
 - \$99.5 million over five years from 2026-27 to empower parents, carers and kin with the skills to support children with developmental concerns or autism through Mental Health in Primary Schools and the Positive Partnerships Program, and through a National Digital Child Health Record in My Health Record. Partial funding will be held in the Contingency Reserve until the Government has considered a business case for future stages of the Child Health Record
 - \$60.8 million over five years from 2026-27 to support workforce development and training, including dedicated funding for the First Nations workforce
 - \$21.6 million over three years from 2026-27 for a national communications campaign to raise public awareness of developmental differences and Thriving Kids services
 - \$20.4 million over five years from 2026-27 for the Department of Health, Disability and Ageing to support implementation of the Thriving Kids program
 - \$16.3 million over five years from 2026-27 to support community engagement, monitoring, and evaluation of the Thriving Kids program.

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIAL

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIALChanges to NDIS estimates

- Payments related to NDIS participant supports are estimated to increase by \$690.9 million in 2025-26 and decrease by \$24.6 billion over the four years from 2026-27 to 2029-30. Participant supports are estimated to cost \$52.4 billion in 2026-27 and \$263.3 billion over the five years from 2025-26 to 2029-30, in underlying cash balance terms.
- The 2026-27 Budget estimates for the NDIS are based on updated projections by the NDIS Actuary which used data up to December 2025 and the impacts of NDIS reforms included in the 2026-27 Budget measure *Securing the NDIS for Future Generations* (2026-27 Budget reforms). The 2025-26 MYEFO estimates are based on the 2024-25 Annual Financial Sustainability Report which used data up to June 2025.
- The NDIS Actuary has projected that, without the 2026-27 Budget reforms, NDIS participant support payments would increase by \$690.9 million in 2025-26 and \$13.9 billion over five years from 2025-26 to 2029-30. The projected increase in NDIS expenditure is primarily due to increased average payments per participant which is driven by higher-than-expected plan inflation, and the impacts of delayed implementation of new framework planning from July 2026 to April 2027.

Impacts of NDIS reforms

- The *National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill* (the Bill) will be introduced into the Parliament following the release of the 2026-27 Budget. The Bill continues the work of the Government to restore the NDIS to its original intent of supporting people with permanent and significant disability and securing the Scheme for future generations. Changes will include:
 - tighter criteria for unscheduled reassessment and measures to reduce plan cost growth
 - a reset of participant budgets for social and community participation and capacity building daily activities
 - the introduction of standardised, evidence-based assessments to determine access to the Scheme which will not commence until 1 January 2028
 - fraud prevention by improving the quality of plan managers and support coordinators, expanding categories of mandatory provider registration and enrolling providers in a digital payments system.
- The proposed legislative reforms are in addition to the *National Disability Insurance Scheme Amendment (Integrity and Safeguarding) Act 2026* which expanded the NDIS Quality and Safeguards Commission's powers to detect, prevent and respond to breaches of obligations under the *National Disability Insurance Scheme Act 2013*.

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIAL

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIAL

- It is projected that the 2026-27 Budget reforms will moderate growth in NDIS payments by \$37.8 billion over four years from 2026-27, in underlying cash balance terms.
- After accounting for the 2026-27 Budget reforms, it is projected that by 30 June 2026 there will be 783,313 NDIS participants, decreasing to 632,379 NDIS participants by 30 June 2030, which is 262,979 less than the 895,358 participants projected by 30 June 2030 at the 2025-26 MYEFO. As at 31 December 2025, there were 761,442 NDIS participants, which is 1,400 more participants than projected at the 2025-26 MYEFO.

Annual growth rates

- The revised estimates confirm the Government is on track to deliver on National Cabinet's commitment to reduce annual growth in NDIS expenses to at or below 5 to 6 per cent (measured in fiscal balance terms). Total NDIS support costs, including contributions from states and territories, are projected to grow:
 - In expense (fiscal balance) terms at an average of 1.7 per cent across the forward estimates (4.7 per cent in 2026-27, 0.2 per cent in 2027-28, 0.9 per cent in 2028-29 and 0.9 per cent in 2029-30).
 - In payment (underlying cash) terms at an average of 2.2 per cent over the forward estimates (5.3 per cent in 2026-27, 1.3 per cent in 2027-28, 1.1 per cent in 2028-29 and 1.0 per cent in 2029-30).

Table 1: NDIS participant supports growth rates (expenses – fiscal balance terms)

	Actuals			Estimates				
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Expenses - NDIA Program 1.1 (\$ billions)	35.2	41.9	46.4	51.3	53.7	53.8	54.3	54.8
Growth rate (%)	22.9	19.0	10.8	10.5	4.7	0.2	0.9	0.9

- The difference between the payment (underlying cash) and expense (fiscal balance) is due to the lag between expenses being accrued, and payments being made.
- NDIS estimates would normally be updated in prior economic updates to ensure that growth rates were below the NDIS Financial Sustainability Framework (the Framework) annual growth target for participant support costs (in fiscal balance terms) of no more than 8 per cent by 1 July 2026. However, growth in all years from 2026-27 is below the Framework targets and National Cabinet has now committed to target NDIS annual growth to at or below 5 to 6 per cent.

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIAL

- On 30 January 2026, National Cabinet agreed to adjust state and territory NDIS contribution rates to be in line with actual NDIS growth, capped at 8 per cent, from 1 July 2028 with a review point in 2030-31. As a result of the reduced growth rates, state and territory NDIS contributions are projected to reduce by \$2.8 billion over two years from 2028-29, and a further \$29.6 billion over the seven years from 2030-31 to 2036-37.
- The Commonwealth share of participant support costs is projected to grow in underlying cash balance terms by 5.0 per cent in 2026-27, decrease by 1.8 per cent in 2027-28, increase by 1.1 per cent in 2028-29, and increase by 1.0 per cent in 2029-30. The decrease in growth of the Commonwealth share in 2027-28 is due to state and territory contributions growing at a fixed rate of approximately 4 per cent per year, prior to 1 July 2028, while total NDIS payments are growing at 1.3 per cent.

NDIS expenses as a share of Gross Domestic Product (GDP)

- NDIS participant support expenses are projected to be 1.7 per cent of GDP in 2025-26 decreasing to 1.6 per cent in 2029-30, or around the same as expenditure on aged care (1.5 per cent). Without the 2026-27 Budget reforms, NDIS expenditure would have been 2.0 per cent of GDP in 2029-30.

Medium Term

- Medium term projections for NDIS participant support costs reflect the continued impacts of reforms to the NDIS, including the 2026-27 Budget reforms.
- The 2026-27 Budget reforms are projected to reduce NDIS participant payments (underlying cash) by \$200.3 billion over the seven years from 2030-31 to 2036-37 or \$201.6 billion in fiscal balance terms. Annual NDIS participant payments growth is expected to average 5.1 per cent over the seven years from 2030-31 to 2036-37, or 5.0 per cent in fiscal balance terms, and 4.0 per cent over the 11 years from 2026-27 to 2036-37 in underlying cash terms or 3.7 per cent in fiscal balance terms.
- NDIS Commonwealth-funded participant payments growth is expected to average 3.6 per cent over the medium term (2026-27 to 2036-37), compared to 7.6 per cent in the 2025-26 MYEFO (2025-26 to 2035-36).
- Total NDIS payments at the end of the medium term (2036-37) are now estimated to be \$76.6 billion in underlying cash balance terms, down from \$109.1 billion as at the 2025-26 MYEFO, a reduction of \$32.5 billion or 30.0 per cent.

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIALThriving Kids and foundational supports

- The Commonwealth and the states will contribute \$4 billion dollars over five years from 2026-27 to 2030-31, split 50:50 on a per capita basis, to implement Thriving Kids. The Commonwealth's contributions towards Thriving Kids are included in the 2026-27 Budget measure *Thriving Kids*.
- As agreed by National Cabinet on 30 January 2026, the Commonwealth will provide \$1.4 billion of the Commonwealth's \$2.0 billion contribution directly to the states to assist with the development and implementation of Thriving Kids services.
- States have also provided in-principle agreement to access changes which would divert children aged eight and under with developmental delay and/or autism with low to moderate support needs from the NDIS, expected to commence 1 January 2028. NDIS participants aged eight and under who are enrolled prior to 1 January 2026 will remain subject to the eligibility criteria in place on 31 December 2027.
- On 22 April 2026, Minister Butler announced further work with the states on the development of Foundational Supports, with \$6 billion allocated to this work by earlier decisions of National Cabinet. The 2026-27 Budget includes a \$3 billion provision for the Commonwealth's contribution towards Foundational Supports.
- These foundational supports will be additional to other existing Commonwealth supports for children with disability, including:
 - The Schooling Resourcing Standard disability loading, which will provide an estimated \$4.9 billion in 2026 to support students with disability to participate fully in school
 - The Inclusion Support Program, which will provide \$247.3 million in 2026-27 to support Early Childhood Education and Care service providers to provide quality inclusive services and address access and participation barriers for children with disability.

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIAL

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIAL

2026-27 Budget National Disability Insurance Scheme

	2025-26 (\$m)	2026-27 (\$m)	2027-28 (\$m)	2028-29 (\$m)	2029-30 (\$m)	Total (\$m)
SPENDING						
Securing the National Disability Insurance Scheme for Future Generations*	-2.5	-1,010.8	-277.7	-175.8	-179.3	-1,646.0
Thriving Kids**	0.0	-427.4	-436.0	-396.9	-368.1	-1,628.5
Sub Total – SPENDING	-2.5	-1,438.2	-713.7	-572.8	-547.4	-3,274.5
SAVINGS & REVENUE ITEMS						
Securing the National Disability Insurance Scheme for Future Generations	0.0	2,013.6	7,439.4	11,839.2	16,572.7	37,864.9
Sub Total – SAVINGS & REVENUE	0.0	2,013.6	7,439.4	11,839.2	16,572.7	37,864.9
Total (NET)	-2.5	575.4	6,725.7	11,266.5	16,025.3	34,590.5

*Includes funds held in the Contingency Reserve as a Decision Taken But Not Yet Allocated and announced as part of the measure.

^Does not include the impacts of reversal of the \$2.0 billion Thriving Kids provision.

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Attachment A – NDIS Participant Support Costs

Payments (\$billion) Underlying Cash Balance	2025-26	2026-27	2027-28	2028-29	2029-30	2026-27 to 2029-30
2026-27 Budget	-49.8	-52.4	-53.1	-53.7	-54.2	-213.5
<i>Growth%</i>	10.6%	5.3%	1.3%	1.1%	1.0%	
Commonwealth share	-37.8	-39.7	-39.0	-39.4	-39.8	-157.9
<i>Growth%</i>	13.5%	5.0%	-1.8%	1.1%	1.0%	
<i>Commonwealth share%</i>	76.0%	75.7%	73.4%	73.4%	73.4%	
States and Territories share	-12.0	-12.8	-14.2	-14.3	-14.4	-55.6
2025-26 MYEFO	-49.1	-52.7	-57.4	-61.7	-66.4	-238.1
<i>Growth%</i>	9.1%	7.3%	8.9%	7.5%	7.7%	
Change in estimates between economic updates	-0.7	0.2	4.2	7.9	12.2	24.6
<i>Comprising:</i>						
<u>Policy decisions</u>						
<i>Securing the National Disability Insurance Scheme for Future Generations</i>	0.0	2.0	7.4	11.8	16.6	37.8
<u>Estimates variations</u>						
<i>Update of Scheme expense</i>	-1.1	-1.6	-1.8	-2.2	-2.9	-8.4
<i>Impact of delay to New Framework Planning</i>	0.0	-0.2	-1.3	-1.5	-1.3	-4.3
<i>Updates to NDIS participants in Residential Aged Care</i>	0.0	0.0	-0.1	-0.2	-0.2	-0.5
<i>Impacts of revenue from state and territory NDIS contributions*</i>	0.0	0.0	0.0	-0.9	-1.9	-2.8

The difference between the fiscal balance and underlying cash variations is due to the timing of payments.

*Does not impact payments but increases the Commonwealth share of payments

UNTIL 2026-27 BUDGET FORMALLY RELEASED, THEN CLASSIFIED OFFICIAL

Expense (\$billion) Fiscal Balance	2025-26	2026-27	2027-28	2028-29	2029-30	2026-27 to 2029-30
2026-27 Budget	-51.3	-53.7	-53.8	-54.3	-54.8	-216.5
<i>Growth%</i>	<i>10.5%</i>	<i>4.7%</i>	<i>0.2%</i>	<i>0.9%</i>	<i>0.9%</i>	
Commonwealth share	-38.2	-40.1	-39.6	-40.0	-40.4	-160.1
<i>Growth%</i>	<i>12.9%</i>	<i>4.9%</i>	<i>-1.1%</i>	<i>0.9%</i>	<i>0.9%</i>	
<i>Commonwealth share%</i>	<i>74.5%</i>	<i>74.7%</i>	<i>73.7%</i>	<i>73.7%</i>	<i>73.7%</i>	
States and Territories share	-13.1	-13.6	-14.2	-14.3	-14.4	-56.5
2025-26 MYEFO	-50.7	-54.0	-58.1	-62.5	-67.3	-241.8
<i>Growth%</i>	<i>9.2%</i>	<i>6.4%</i>	<i>7.7%</i>	<i>7.5%</i>	<i>7.7%</i>	
Change in estimates between economic updates	-0.6	0.3	4.3	8.2	12.5	25.3
<i>Comprising:</i>						
<u>Policy decisions</u>						
<i>Securing the National Disability Insurance Scheme for Future Generations</i>	<i>0.0</i>	<i>2.0</i>	<i>7.5</i>	<i>11.9</i>	<i>16.7</i>	<i>38.1</i>
<u>Estimates variations</u>						
<i>Update of Scheme expense</i>	<i>-0.6</i>	<i>-1.6</i>	<i>-1.8</i>	<i>-2.2</i>	<i>-2.9</i>	<i>-8.5</i>
<i>Impact of delay to New Framework Planning</i>	<i>0.0</i>	<i>-0.2</i>	<i>-1.3</i>	<i>-1.5</i>	<i>-1.3</i>	<i>-4.3</i>
<i>Impacts of revenue from state and territory NDIS contributions*</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-0.9</i>	<i>-1.9</i>	<i>-2.8</i>

The difference between the fiscal balance and underlying cash variations is due to the timing of payments.

*Does not impact expense but increases the Commonwealth share of expenses

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By the Department of Health, Disability and Ageing

Securing the NDIS for Future Generations

NDIS Amendment (Securing the NDIS for Future Generations) Bill

- This Bill (Winter Bill) will introduce legislation allowing government to more consistently assess a person's functional capacity to determine access to the Scheme, reset the total cost of the social and community participation supports back to where it was last year, and improve quality and integrity of services including by expanding mandatory registration (see further detail below).

Consultation with States

- States will receive a final copy of the Bill before it is introduced in Budget week.
- States and the community will be consulted on the longer term, structural reforms including:
 - eligibility rules
 - the design of the \$200 million Inclusive Communities Fund
 - commissioning supported independent living
 - plan management and support coordination
 - differentiated pricing
 - the implementation of new framework planning.

Access

- Access will be based upon a significant reduction in functional capacity. This will remove diagnosis lists as a means of entry (definition in Winter Bill).
- The changes to access are expected to see participant numbers – currently at 760,000 – reduce to 600,000 by the end of the decade.
- The Government will seek advice from a Technical Advisory Group (post Winter Bill) to provide advice to Government on an appropriate threshold and assessments for substantially reduced functional capacity and engage with the community and states and territories.
- No changes to access will occur until January 2028. After 1 January 2028, the new eligibility requirement will apply to prospective applicants. Current participants will be reassessed over a transition period.
- No changes have been made to grandfathering for the Thriving Kids cohort.
 - Consistent with the National Cabinet agreement on 30 January 2026, children 8 and under and enrolled in the NDIS prior to 1 January 2028 with developmental delay and/or autism with low to moderate support needs will be subject to reassessment under the eligibility criteria in place on 31 December 2027.

Savings

- The Scheme Actuary has recently advised that spending on the NDIS is projected to be at least \$13 billion higher over the forward estimates to 2029-30 compared to the last budget update in December.
- The changes including the budget management package and the structural reforms will generate about \$35 billion in savings over the forward estimates, but after accounting for the

estimates variation of \$13 billion, this is about \$22 billion in savings over the forward estimates in net terms.

- We expect the reforms will result in around \$2.5 billion in savings for states over the forward estimates.
- Spending will grow an average of 2 per cent per year over the forward estimates, returning to 5 per cent growth per year from 2030.

Social, civic and community participation

- The Government will reset participant budgets for Social, Civic and Community Participation (SCCP) and Capacity Building Daily Activities (CBDA) from 1 October 2026.
- Five years ago, SCCP supports alone cost \$4 billion per year. This year, it is more than \$12 billion.
- In terms of the average actual spend by participants, the changes proposed will take people back to where they were in 2023.
 - The average plan spend this year on SCCP supports is about \$31,000, up from around \$14,000 five years ago.
 - Over the next two years the changes will bring that figure back down to about \$26,000 – back to where it was in 2023.
 - Without these changes, that figure would have been more like \$33,000.
- The Government is also establishing a \$200 million Inclusive Communities Fund to rebuild capability among community organisations to host genuine community activities.

Disability Reform Ministerial Council (DRMC)

- DRMC met yesterday and agreed:
 - To meet again after Budget
 - The Commonwealth to share modelling of participants impacted by access changes with state and territories
 - The Commonwealth to provide a more detailed briefing to states on the estimates variation of \$13 billion
 - The Commonwealth to provide more detailed briefing, after Budget, on the average growth rate of 2 per cent over the forward estimates
 - The Commonwealth to give states and territories visibility of the draft bill pre-Budget (in budget week)

The NDIS Amendment (Securing the NDIS for Future Generations) Bill

The Winter Bill will:

- Reinforce the boundary between the NDIS and mainstream services (from 1 January 2028).
- Strengthen guidance around what is reasonable and necessary (from 1 February 2027).
- Introduce standardised, evidence-based assessments of a person's functional capacity to determine access to the NDIS (from 1 January 2028).

- Tighten the criteria around unscheduled reassessment requests, while ensuring people with significant changes in support needs can still request plan variations (7 days after Royal Assent).
- Re-set participant budgets for social, civic and community participation and capacity building daily activities (from 1 October 2026).
- Commission a panel of plan management providers to improve service quality and integrity standards and reduce fraud (from 1 October 2027).
- Commission a new, more efficient support coordination and connection function (from 1 July 2028).
- Expand mandatory registration of providers delivering support to participants who are most at risk of abuse and/or exploitation (from 1 July 2027).
- Strengthen the NDIA's investigative and enforcement capabilities, introduce a new payment system and new regulatory controls to address fraud and non-compliance.

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